Dedicated to helping you get ahead financially

Your Money Finder™

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Long-term investment goals require long-term investment returns.

While it's important to be realistic in terms of what type of returns you would expect on your RSP savings, make sure that your RSP isn't sitting on idle, when it could be accelerating the growth of your savings.

Remember that you should be thinking long-term with your RSP savings. If you have placed your RSP contribution in a savings account to take some time to decide what long-term investment is right for you, now is a good time to take a closer look at how your money is invested.

Strategies to grow your RSP.

Consider equity investments through mutual funds. Historically, equity investments have outperformed cash and fixed income investments, and can grow your RSP at a much faster rate than a savings account. For example, balanced mutual funds have historically averaged compound returns of 8% and more over the long-term. Compare this with the 3% you may get in a high interest savings account. David Bach, Special Advisor to Scotiabank and #1 international best-selling author, tells Canadians simply, "It's not enough to just save money in your RSP. You have to get it to grow, especially if you want to take advantage of the power of compound growth." Following this advice can make a significant difference in how much retirement savings you have at the time of your retirement.

If you're more comfortable investing in GICs, you'll want to look for ways to maximize your return potential. Consider laddering your GICs so that you have greater investment flexibility to take advantage of changing interest rates. 'Laddering' lets you stagger your GIC maturities so that a portion of your investment comes up for renewal or reinvestment every year. This way, if interest rates go up, you can re-invest a portion of your investment at the higher interest rate, and if interest rates go down, only a portion of your investment will be re-invested at the lower rates. Over time, this type of laddering strategy will help you even out interest rate fluctuations.

The most important thing to remember is that the longer you put off making long-term investment decisions, the more money you may be losing. Now is the time to review your investments to ensure that they're diversified for long-term growth. It could result in thousands of extra dollars in earnings over time.

Speak to a Scotiabank advisor who will assess your investment portfolio and make recommendations that match your risk tolerance and investment time horizon for your major financial goals.

Scotiabank Group™

Life. Money. Balance both.™

What is retirement and what are the best ways to approach it?

The "golden years" concept of retirement, freeing us up to do the pleasurable things we never had a chance to do, is a concept largely popularized by the generation before the baby boom. Retirement, this generation believed, was a well-deserved reward for all they had lived through - difficult wars, the depression and the creation of one of the greatest boom economies ever seen.

Today, Canada is looking at another retirement surge. This time, it's the baby boomers, and it's not about how to plan for retirement, but how to plan for a comfortable retirement, in some cases, earlier than our parents' generation. Today's focus is how we are going to live our retirement to get the most out of it. And the greatest concern is running out of money. This means we have to make an effort to find out how much money we will need to retire according to our individual plans. The old formula of 70% to 80% of pre-retirement income as a retirement income may not be possible today for a large percentage of retiring Canadians.

According to Statistics Canada, the number of potentials for early retirement has nearly doubled in the past quarter century to almost 9 million. The problem is that a third of them may not have set aside enough to be able to afford to do all they want to do. As a result, many retirees will not retire completely, or will retire in stages by working a reduced work week or work year, part-time or on contract.

Many people will ease into retirement, a step at a time, as their income allows. This will happen for many of us, because of the uncertainty of how long we are going to live or how long we will remain healthy.

Just a thought

When a man retires and time is no longer a matter of urgent importance, why do his colleagues generally present him with a watch?

- R.C. Sherrif

Fundamental retirement considerations that will apply to most retirees.

While retirement may mean different things to different people, consider the following tips when planning your retirement:

- Decide in advance exactly what your retirement means to you. This will help you make important decisions about how to fund your retirement, what supplemental income you'll need, what kind of investments to make and what investment performance level you'll need.
- Choose where you want to live. Once you do that, you need to do some research to decide what your standard of living will cost you in any new location. Make the same kind of assessment and calculation for any other major lifestyle change you anticipate, such as frequent travel or new hobbies.
- Provide an emergency fund in addition to your retirement fund for unexpected expenses.
- Don't feel you have fallen short if you retire on less than the 70% or 80% recommended retirement income. Remember that you're not saving for retirement and other expensive goals any longer. And other major expenditures such as a mortgage or children's education may be paid off.
- Be sure your health care needs are covered.
- Keep your life insurance up-to-date. In this way, you will have one less expense that needs to be accommodated through your retirement savings.

When you consider these simple, basic retirement tips, it becomes easier to activate your plan to make the most of your retirement years, and the most of your retirement dollars.

Guaranteed interest rate and the potential for market returns.

If you're an investor who wants the comfort of having a minimum guaranteed rate of return and principal protection, plus the upside potential return of the stock market, consider the *Market Powered*™ GIC, only from Scotiabank.

With the *Market Powered* GIC your non-registered, registered retirement savings or retirement income plans will have these key performance benefits:

- A guaranteed annual interest rate set at the time you invest;
- The potential to earn additional interest tied to the performance of solid blue chip indices in the Canadian banking and utilities sectors;
- The comfort of knowing that your principal investment is guaranteed.

Speak with your Scotiabank representative to learn more or visit **www.scotiabank.com/marketpoweredgic**

The *Market Powered* GIC is non-redeemable and has a five-year term. Guaranteed principal and additional interest, if any, will be paid on the maturity date. Accrued guaranteed annual interest will also be paid on maturity or, where applicable, annually. Changes to the *Scotia Market Powered*™ index will affect the amount of the additional interest payable. Potential additional interest is restricted by the participation rate and the average of the index values at the relevant observation points.
For more information on this GIC, the index, interest calculations and payments, please visit any Scotiabank branch in Canada or go to www.scotiabank.com/marketpoweredgic

You're richer than you think.®

Most homeowners are sitting on a small fortune.

Your home can be your most important investment, which means it may have significant home equity you can use to find money at low interest rates. You can borrow* against this market value as a convenient source of funding if you are planning for home renovations – large or small. Borrow as much or as little as you need, depending on the types of renovations you are doing, and the time frames in which you are doing them.

Home equity borrowing in many cases can help you leverage up to 90% of the equity-value in your home at low interest rates that can save you hundreds of dollars in borrowing costs. Using this equity for renovations may increase your home's market value, and provide even greater borrowing power for any future borrowing needs you may have.

Finally, remember that a well-planned renovation can boost your enjoyment of your home as well as increase its value. Discuss your renovation funding needs with your Scotiabank representative, who can help you decide which borrowing solution is best for you.

* Subject to credit approval. Appraisal and application fees may apply.

Maintenance-free investing for retirement.

The 21st century has shown us the future of retirement planning. New investment products and long-term investment strategies are changing the way our investments are managed for retirement.

This is because our financial goals, our capacity to save, and our time horizon will change over our lifetime, requiring us to modify investment strategies to meet these new circumstances. For example, as your retirement date approaches, you should consider changing from an aggressive investment strategy to more moderate investment positions that protect and preserve your investment earnings as you move closer to retirement. Your strategy may then become more conservative as retirement approaches, while still maintaining some growth investments.

Let the experts do your rebalancing for you.

For many of us, this process of changing investment strategies over time and the knowledge and research it demands can be challenging especially with all the investment options available today. But now this ongoing investment management can happen with a minimum of effort on your part.

Mutual funds such as the *Scotia Vision*™ Funds, a family of lifecycle funds, are designed to automatically rebalance the mix of your assets to optimize your investment return and minimize risk during each stage of your investment timeframe. These Funds are expertly managed and adjusted regularly by a professional portfolio manager, based on successful investment models used by institutional pension plans.

How lifecycle funds work.

Whatever long-term goal you may have (retirement, children's education, a vacation home), all you have to do is set a date, and let *Scotia Vision* Funds' automatic investment management and rebalancing do the rest of the work. *Scotia Vision* Funds use a unique asset allocation management strategy to target the year you want to reach your financial goal – whether it's five years off or twenty-five. Your portfolio asset mix is then rebalanced to become more conservative as your target year approaches.

You can choose from among eight distinct *Scotia Vision* Funds, each portfolio diversified with a specific asset mix, so that you can choose the portfolio that works best to reach your goal on your target date – and at your current risk comfort level.

Does this investment solution sound interesting? If so, let a Scotiabank advisor show you how easy it is to put the gears of your investment planning on automatic with a lifecycle mutual fund.

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