

RAWLING REPORT

FALL 2010 • BROUGHT TO YOU



BY RAWLING FINANCIAL INC.

HELPING CLIENTS MAKE WISE DECISIONS REGARDING THEIR WEALTH



Increase your confidence to invest

If you're hesitant to get back into the market, you're not alone. Some investors still feel the uncertain after-effects of

the recent economic downturn, and they're concerned about savings being diminished.

However, the markets are recovering. Investor confidence is growing, but many investors have money in either cash or cashable short-term investments like money market funds, guaranteed investment certificates (GICs), and low-interest rate bank accounts.

Many investors are sitting out of the market in an effort to protect their capital from further market decreases. Unfortunately, they're also limiting growth potential by being in investments that have either no or low rates of return. Even at the best of times these types of holdings barely keep up with inflation.

Avoiding the market comes with risks

Little or no return in a portfolio can mean running out of income during retirement, a deeply concerning prospect for most.

We're currently in an unprecedented time in history – the number of years people work can be equal to the number of years they expect to be in retirement. When employed, people are working for their money. In retirement, people want their money to work for them.

Investors trying to build their investment assets through cash or cashable short-term investments might need to save almost every dollar they earn during their working years just to fund their retirement – this isn't realistic.

Guarantees can improve confidence

Segregated fund policies are insurance products that provide up to 100 per cent maturity and death benefit guarantees while providing access to market returns. This means up to 100 per cent of the money you put into the policy can be guaranteed to you upon the maturity of the policy or death.

Investors can also use optional resets to capture market gains and protect against any market downturns.

Reduce risks with the right investments

It's important you're comfortable with your financial security plans. With the proper plan you can access growth and reduce risks to help protect your savings and retirement income. Here are some ways to structure your holdings to meet these needs.

Former Bank of Canada governor David Dodge reports many Canadians are unaware of the high savings levels they need for their retirement years.

“We estimate that most Canadians, should they wish to retire at age 65 and replace 70 per cent of their working incomes, will need to save from 10 to 21 percent of their pre-tax earnings every year, if they save for 35 years.”

Source: C.D. Howe Institute study: The Piggy Bank Index: Matching Canadians' Saving Rates to Their Retirement Dreams By David A. Dodge, Alexandre Laurin and Colin Busby, March 18, 2010.

Transfer some of the risk

A lifetime income benefit option, such as the one that can be added to a London Life segregated fund policy, can help protect your future income in the event of poor markets.

If you're uncertain about getting back into the market, this valuable new option may present an attractive alternative to low-return investments. The segregated fund policy provides access to the growth potential of the market; the lifetime income benefit option can create certainty of income for the future.

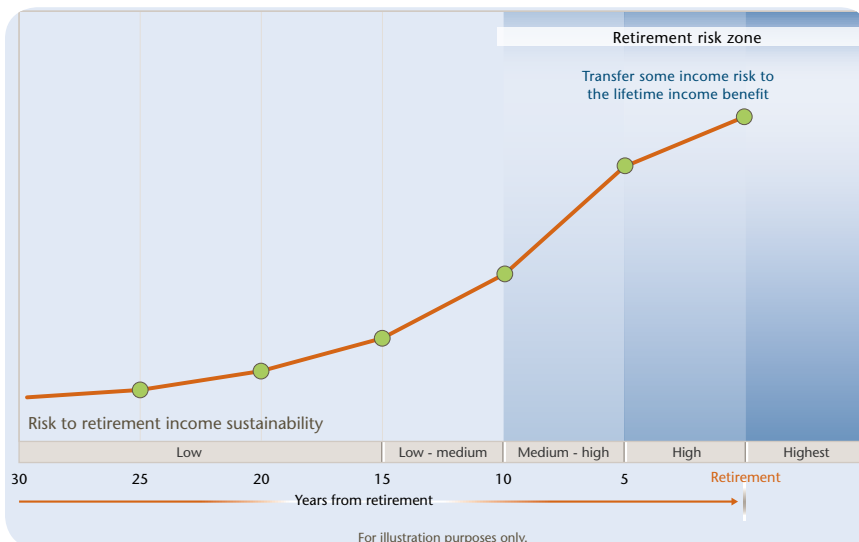
While not the right solution for everyone, and typically only for a portion of your investable assets, the lifetime income benefit option can effectively transfer some of your income risk to the insurance company - it guarantees a level of income for life in exchange for a monthly fee, which comes from the value of your policy.

The lifetime income benefit option helps protect from the negative effect of market declines, but also allows you to potentially grow your assets with funds holding up to 70 per cent of its assets in equities.

Focus on your risk tolerance

Rawling Financial Inc. offers segregated funds that combine several types of investments and assets classes into a single fund. This gives you diversification and exposure to different asset classes, management styles and geographic regions.

Choosing the right mix of investments is key to managing risk, and allows you to remain invested regardless of market conditions.



It's important to regularly review your savings and retirement expectations with Hugh, who can help you put a financial security plan in place to meet both your short- and long-term needs.

Still in savings mode but thinking about the future?

Use a segregated fund policy today, and add income protection later, when your retirement plans become more concrete.

¹Excess withdrawals will decrease the lifetime income amount and you will no longer be eligible for any future bonuses. An excess withdrawal is a withdrawal that exceeds an annual guaranteed income amount



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