

# RETIREMENT INCOME AND GROWTH STRATEGY

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Lifetime guaranteed income can help

# Retirement Income and Growth Strategy

Many investors are concerned about running out of money in retirement. They also worry about not being able to cover their everyday expenses. It's important for you and your advisor to create a plan to help lessen some of those worries. A plan that can help provide you with some financial certainties in uncertain times, as well as continue to look for growth opportunities.

Whether you're approaching or in retirement, it's important to have a financial plan that will allow for income certainty and the potential to grow your portfolio.

## There are many things to consider to help ensure you are retirement ready:

Basic living needs	Lifestyle and growth needs	Health needs	Legacy needs
Think about the daily expenses you need to cover: food, housing, utilities and clothing. Government benefits and pensions may not be enough, which is why other income options – like a guaranteed monthly “retirement paycheque” – are worth exploring.	Early in retirement, you may want to travel, start a new hobby or go back to school. You may need to cover unexpected costs such as a new car or home repairs. You may also want to continue investing for future growth.	As you age, you'll likely need some personal assistance and eventually, permanent care. With the right plan in place, you can prepare for your healthcare needs and the costs that come with them.	It may be important to you to leave a legacy to your family or a worthy cause. An estate plan can help you keep more of your assets, protect your estate and ensure a lasting legacy.
Building your income base	Fund discretionary spending	Cover health costs	Plan your legacy
<ul style="list-style-type: none"> <li>• How much money can you expect from CPP, QPP, or OAS?</li> <li>• Do you have a company pension?</li> <li>• Is there a gap between how much money you need and how much you expect to have?</li> </ul>	<ul style="list-style-type: none"> <li>• What do you dream of doing in retirement?</li> <li>• How important is it to you to have spending money for things like travel and entertainment?</li> <li>• Do you plan on making any big purchases in the near future?</li> </ul>	<ul style="list-style-type: none"> <li>• Do you have a health insurance plan you can carry over into retirement?</li> <li>• Do any serious health problems run in your family?</li> <li>• How do you think aging and your health will affect your expenses in retirement?</li> </ul>	<ul style="list-style-type: none"> <li>• Would you like to leave an inheritance to your family?</li> <li>• What type of life insurance do you have?</li> <li>• How important is it to you to leave money to a worthy cause?</li> </ul>

Ideally, retirees can cover their essential living expenses using guaranteed income sources. The CPP/QPP, or OAS can help, but often leave a shortfall between basic living expenses and income from government sources.

## What will CPP/QPP and OAS provide me?

It all depends on the age you decide to receive these benefits and whether you qualify or not (CPP/QPP and OAS must be taken by age 70). Please reference the Government of Canada website for full details.

## Maximum Amount at age 65 as of June 2020

<b>OAS</b>	\$613.53/month	\$7,362.36/year
<b>CPP</b>	\$1,175.83/month	\$14,109.96/year
<b>Total:</b>	\$1,789.36/month	\$21,472.32/year

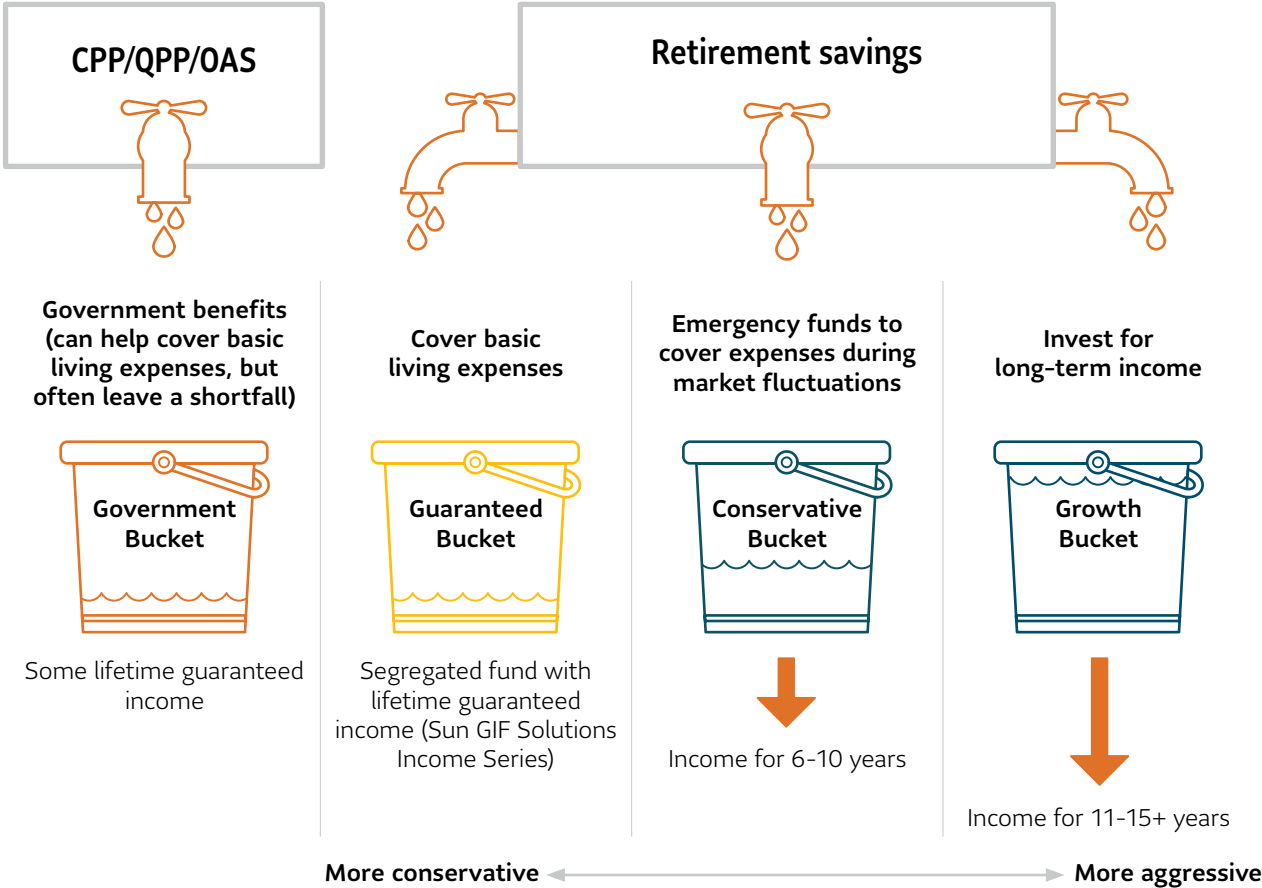
# Retirement Income and Growth Strategy

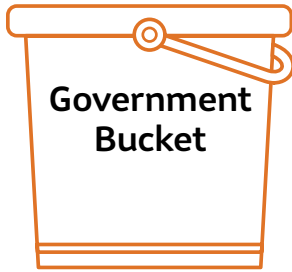
## The two main goals of the strategy are to:

- 1. Help you build a more durable retirement portfolio by adding a lifetime guaranteed income stream to at least cover off your basic living expenses in retirement.
- 2. Diversify your sources of income in retirement.

The strategy entails using different buckets of income.

## Here's how it works:



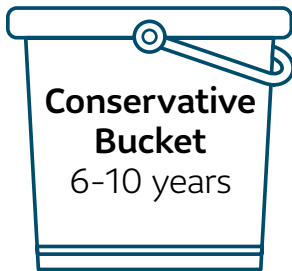


- To those that qualify the government offers the Canada Pension Plan (CPP), Quebec Pension Plan (QPP) or Old Age Security (OAS)
- Based on the age you decide to start receiving the amounts you qualify for
- Often these amounts are not enough to cover basic living expenses, leaving an income shortfall



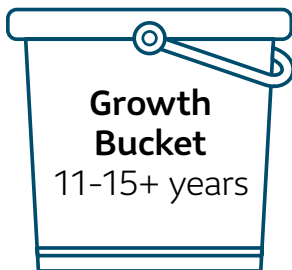
- Designed to provide you with a dependable and predictable income for life
- Used to fund basic living expenses and cover fixed costs
- Fully flexible and may be initiated at any time during retirement

This component would provide a predictable, sustainable income floor and protection against unpredictable market events. Knowing you've covered your basic living expenses with guaranteed income allows for more aggressive investing in other areas of your portfolio. **Sun GIF Solutions Income Series** helps provide guaranteed income for life.



- Conservative investments, comprised of mainly low risk bonds
- Acts as a defensive position in the portfolio
- Provides a cushion when the Growth Bucket experiences volatility

Bonds are conservative investments. They typically behave differently than equities. This allows you to tap into this component when your equities (Growth Bucket) experience market volatility.



- Mainly comprised of equities, investments that allow you to maximize your portfolio growth
- Objective is to generate capital appreciation over time
- Can be more aggressively invested as your other components are conservatively invested and are providing you with a sustainable income

The growth bucket allows for the potential to select investments that will help maximize returns over a longer time frame.

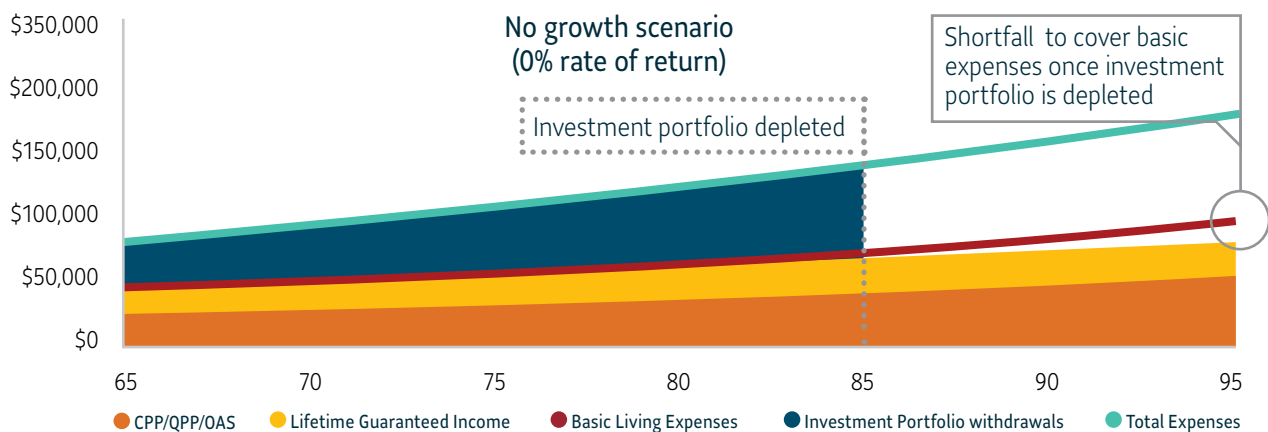
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## The Retirement Income and Growth Strategy can help in both down and up market scenarios. Here's how:

In the examples below you can see that CPP/QPP and OAS (in orange) do not cover essential expenses (red line). By adding a lifetime guaranteed income product, such as Sun GIF Solutions Income Series (in yellow), you can help lessen the worry of not having enough money to cover your essential expenses.

**Example 1: No growth market scenario.** In the examples below you can see that CPP/QPP and OAS (in orange) do not cover essential expenses (red line). By adding a lifetime guaranteed income product, such as Sun GIF Solutions Income Series (in yellow), you can help lessen the worry of not having enough money to cover your essential expenses.

Despite the investment portfolio being depleted (Conservative and Growth Buckets), your lifetime income remains consistent. As you age, you may want to consider working with your financial advisor to move assets from your investment portfolio into a lifetime guaranteed income product as inflation, changing living conditions and rising health care costs arise. This could help ensure your essential expenses are covered for the duration of your life.

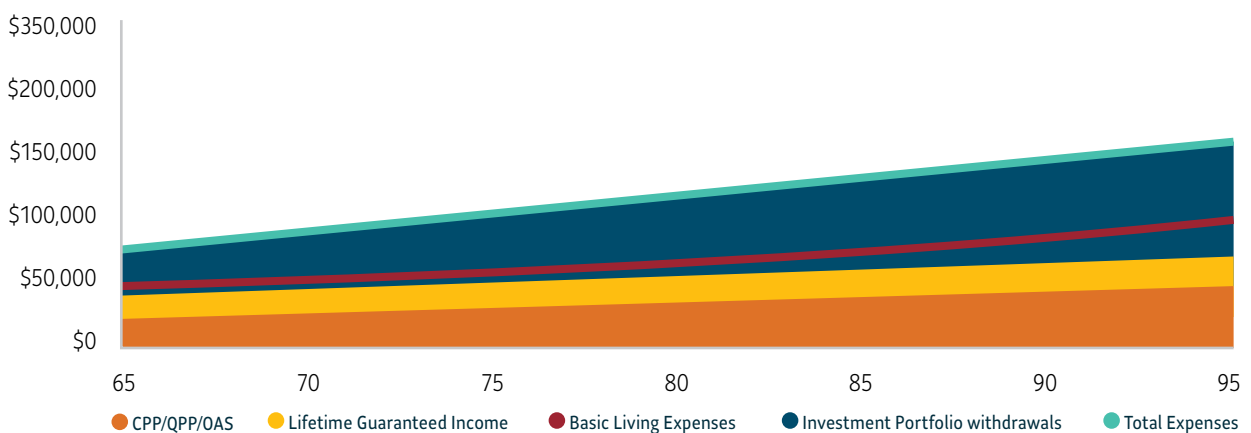


**Example 2: Up Market Scenario.** What happens in an up market and how does lifetime guaranteed income help you continue to grow your portfolio?

In the up market scenario, you still have the comfort of knowing that your lifetime guaranteed income and CPP/OAS/ CPP are working for you to cover your basic living expenses, while the balance of your portfolio can continue to grow.

**In this situation, you and your advisor can:**

- Capture some of the market growth that your portfolio has experienced
- Reallocate that growth back into your Guaranteed Bucket, potentially increasing that guaranteed income floor. With the increased income floor, you know your basic living expenses are covered and you have additional income to help live that retirement you've dreamed of.



## How can the Retirement Income and Growth Strategy work for you?

- Can help subsidize any shortfalls between government benefits and your fixed expenses
- Can help ensure all of your retirement expenses are covered in your early retirement years by using your conservative and growth buckets
- Peace of mind that you have a lifetime guaranteed income amount to go towards your basic everyday living expenses that will not be impacted by market downturns
- Adding a guaranteed lifetime income source to your government benefits CPP/QPP and OAS can help lessen the worry of running out of money in retirement. It can provide you with the peace of mind that regardless of what happens in the markets, you have enough guaranteed income to support your most important needs for as long as you are alive

A financial advisor can help you tailor this strategy to meet your goals, objectives and financial situation. Once in place, your plan will need adjusting over time as the market swings, inflation fluctuates, and your lifestyle changes. A professional financial advisor can ensure this plan stays on track.

## Consider Sun Life's insured and guaranteed wealth solutions to help fund your retirement income shortfall.

- Sun GIF Solutions Income Series
- Sun Life Payout Annuities
- Sun Life's Insurance GICs and Trust GICs



For more information, speak to your advisor or:

Visit [sunlifeglobalinvestments.com](https://www.sunlifeglobalinvestments.com) | Call **1-844-753-4437** | Email [gifs@sunlife.com](mailto:gifs@sunlife.com)

Any amount that is allocated to a segregated fund is invested at the risk of the contract owner and may increase or decrease in value.

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