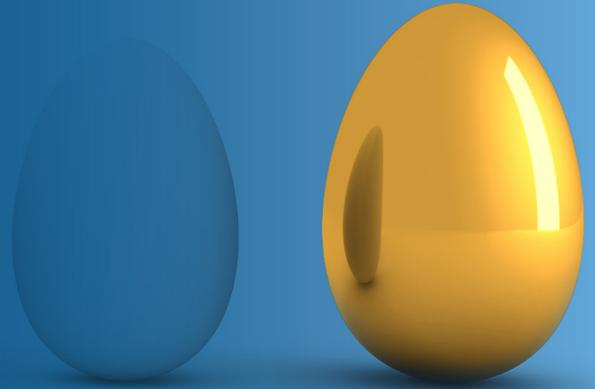


Your unique retirement journey



Tips to help you navigate the transition from saving for retirement to spending in retirement.

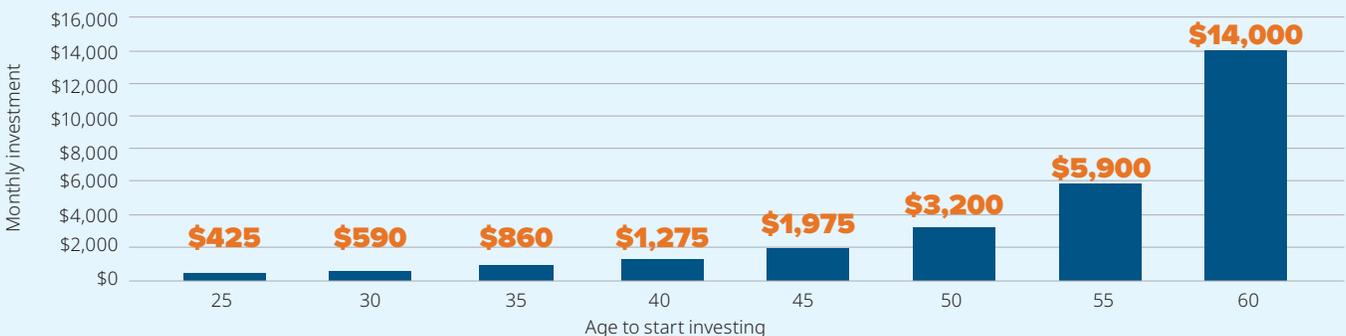
Retirement planning tip: Start saving as early as possible

Saving for retirement isn't easy, especially given the competing financial responsibilities you'll have throughout your working years. In fact, retirement can seem very far off compared to your more immediate financial concerns, such as paying off student debt, saving for a down payment on a home or raising a family.

However, being able to start saving as early and consistently as possible will make a huge difference when it comes to having enough money for a comfortable and meaningful retirement.

As shown in the table below, if you invest \$425 a month in your mid 20s, your portfolio could grow to \$1 million by the time you retire. However, if you wait 10 years before starting to save, you would need over twice the monthly investment to have the same nest egg when you retire. Unfortunately, it only gets tougher the longer you wait.

Monthly investment needed to achieve \$1M at retirement*



* This investment growth is based on a hypothetical 7% annual net return until retirement at age 65, with the monthly number rounded to achieve at least \$1 million.



Albert Einstein is quoted as describing compound interest as the eighth wonder of the world and said, “*He who understands it, earns it; he who doesn’t, pays it.*” There’s no better way to illustrate the advantage of starting to save early than through the power of compounding returns over time. Allowing your savings to have plenty of time in the market is a far more effective strategy than trying to time the market to make a quick profit.

How can I start saving for retirement?

There are several options available to help you grow your retirement savings even faster:

RRSPs

By contributing to a Registered Retirement Savings Plan (RRSP), you’ll receive an immediate tax deduction based on the amount you contributed, and your portfolio will have tax-deferred growth (where investment gains and income accumulate tax-free, and you only pay tax on withdrawals).

Workplace programs

Workplace savings programs, such as defined contribution (DC) plans, Group RSPs, Group TFSAs and employee savings plans can help your money grow faster.

They’re particularly valuable when your employer partially or fully matches your contributions.

TFSAs

When you invest in a Tax-Free Savings Account (TFSA), all income, dividends, interest and capital gains are tax-exempt.

Bonus investments

Invest bonuses or other additional funds, so that your savings can grow faster over time.

It’s also important to talk to your advisor to revisit your portfolio on a periodic basis. This will ensure that you’re on the right track so you can make any necessary adjustments.

That way, you’ll have enough saved to have a comfortable and purposeful retirement.

Transitioning to retirement

As you get closer to retirement, it’s important to reconsider the risks in your portfolio, given that preservation of capital becomes increasingly important at this time. It’s also a good time to consider how you will spend your time in retirement and what will give you purpose and meaning, and whether that will be compatible with your financial goals.

The transition from accumulating savings to withdrawing income for retirement has been described as one of the most challenging problems in finance. Mackenzie Investments can partner with your advisor to outline all of the retirement income options available to you, based on your unique needs. We can also identify the most effective and tax-efficient ways for you to draw retirement income from your investments, and restructure your portfolio specifically for your new retirement needs.



MACKENZIE
Investments

Preparing for a meaningful retirement

Retirement has changed. The decline of defined benefit plans, combined with retirees living longer, has put more of an emphasis on investors having to create their own retirement income plan. And all this is happening at a time as inflation is high and rates are still relatively low.

As you shift from saving to spending, your needs will change. The primary focus will no longer be growing your portfolio, but rather shifting to a combination of income, growth and an added element of stability to mitigate risks such as sequence of returns, longevity and inflation.

Retirement on your terms

New retiree realities call for new retirement planning. Mackenzie Investments, in partnership with your advisors, offers a variety of solutions to help you have a smooth transition into retirement:

- 1 Making retirement meaningful:** Many Canadians don't know what to expect in retirement. Our retirement lifestyle experts can introduce your advisor to the Purposeful Retirement Process, which can help guide you into a more meaningful retirement.
- 2 Maximizing your retirement income sources:** Two-thirds of retirees are not entirely confident about where their income will come from. Our retirement experts can work with your advisor to suggest income options that match your retirement goals.
- 3 Reducing retirement taxation:** Our tax experts can help your advisor suggest the most tax-efficient strategies for your retirement income.
- 4 Estate and legacy planning:** Mackenzie's estate planning experts can help your advisor with tax-efficient legacy planning and charitable giving, as well as succession planning for small-business owners and professional corporations.
- 5 Reconstructing investment portfolios:** Our investment management and private wealth experts can provide your advisor with advice and support to build effective retirement portfolios based on your unique needs and the new retirement reality.
- 6 Understanding your retirement needs:** Mackenzie can provide insights and strategies to help meet your retirement needs.

Reach out to your advisor to discuss how, in partnership with Mackenzie Investments, they can help you to have a more comfortable and purposeful retirement.

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