

## RRSPs and TFSAs: A step towards making your plans a reality

**It's that time of year again: the holidays are over and everyone's planning to make RRSP and TFSA contributions. They're a great tool that can help you achieve your goals! Working contributions into your budget might feel difficult at first but adopting these healthy investment habits will get you started on the right foot.**

### Don't wait until the cut-off date to make your yearly contributions

Why wait when you can avoid a last-minute rush by setting up automatic contributions? This convenient tool lets you make regular contributions throughout the year, meaning there's no stressful rush in store for you! You can adjust the contribution amount and frequency so that they're right for your life, and your investments will grow more effectively--without any extra effort from you. Plus, by making early, regular contributions, you could benefit from compound returns!

### Small amounts, more often

Investing \$25<sup>1</sup> per week can make more of a difference than you might think. Save early and often, and your savings will grow! Your accounts can be used for retirement, a down payment on your first home, or anything else you have in mind.

### RRSPs are for more than just retirement

Your RRSP can also be used to help pay for your first home or your studies. The Home Buyer's Plan makes it easier to buy your first home, and the Lifelong Learning Plan (LLP) helps you pay for school.



### Use your TFSA as an investment

Even though its name might suggest otherwise, the Tax-Free Savings Account is much more than just a savings account! First and foremost, you should think of it as an investment vehicle. Your contribution room in 2019 is \$6,000, and you can invest up to \$63,500. To get the most out of your TFSA and potentially earn tax-free interest, your contributions need time to grow. That means they need to be invested in a diversified portfolio that meets your medium- or long-term needs.

#### SMALL TIP

To increase your retirement capital, meet with your advisor to discuss the pros and cons of RRSPs and TFSAs. Depending on your situation, one of them might be a better option than the other.

<sup>1</sup> This is the minimum amount for subsequent purchases. Some conditions apply to the minimum initial purchase amount.



### Don't lose your nerve when the stock markets fluctuate!

Most people aren't comfortable watching the markets go up and down, but withdrawing from the markets when things get volatile might negatively affect your long-term investment returns. When investors get nervous or panic, they often forget the golden rule of investing: even when it's hard, you have to take a long-term view on your portfolio's return potential. Although it can be stressful, market volatility is part and parcel of investing. Sometimes, the stock market performs best immediately after a correction. If you're not already investing when things tick up, you're missing out on some golden opportunities. On the flip side, too much optimism and confidence can also lead to poor decisions. This means that both positive and negative emotions have no place in your investment strategy.

Your advisor is equipped to help you pick the right investment vehicle to make your plans a reality, whether big or small.

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