

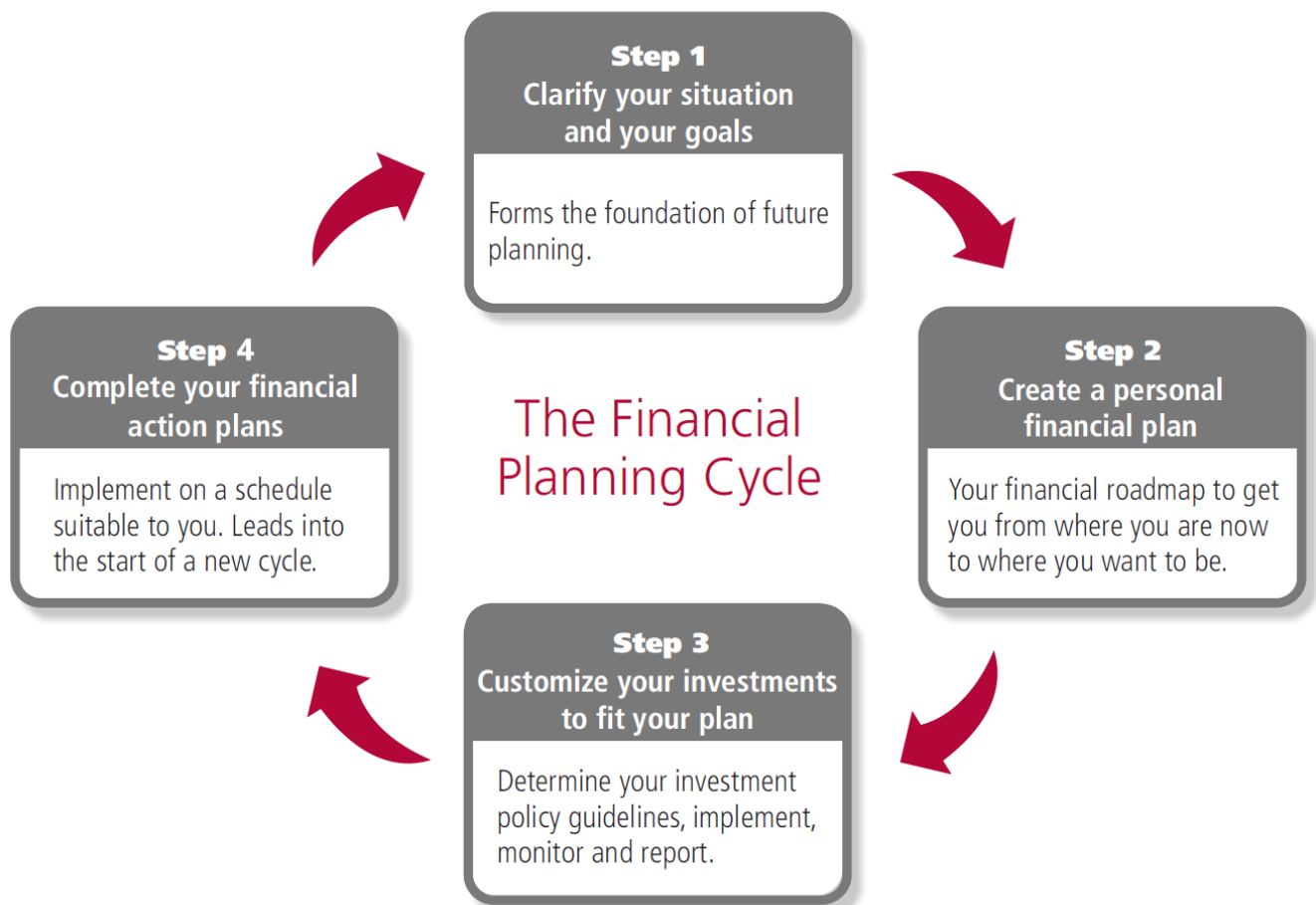
The Stan Clark Financial Team

Our financial planning process

Financial planning doesn't have to be complicated

Financial planning is best thought of as a repeated cycle: a series of simple steps that you go through. When you've completed all the steps, you go back to the first one and start over. You do this continually, each time focusing on your situation and what's most important to you then. That way you can consistently adjust your financial plan to changes in your life.

You can keep things simple with a four-step cycle:



Let's explore these steps in a bit more detail:

Step 1: Clarify your situation and goals

To make sure your financial plans are right for you, it's important for us to know as much as possible about you and your family; your work; your needs; your life goals and dreams; and the opportunities and challenges you're facing. The more information you share, the better the job we can do in providing advice.

One of the most challenging areas for many people is determining their goals and dreams and figuring out what is truly important. Keep in mind that money is not important in its own right - rather for what it allows you to do with your life, and for the people and causes you feel passionate about. Steven Covey, author of *The 7 Habits of Highly Effective People*, writes, "Some people spend their whole life climbing the ladder of success, only to find out the ladder was up against the wrong wall." Your financial plan should make sure your ladder is up against the right wall; that your money and other resources are being put to the best possible use to help you get the most out of your life.

Clarifying your situation and goals is the foundation of all future planning, so it is something you need to spend time on before you put the rest of your financial plan in operation. It's also something you need to revisit regularly.

Step 2: Create a Personal Financial Plan

Once we have a clear understanding of your situation, needs and goals, it's time for the next step: putting numbers to them. This step allows us to create a plan to see if you can actually achieve what you want. It's a look at where you are today and what you will need in the future to achieve your goals. It also serves as a roadmap for you through the rest of your life, answering such basic questions as "When will I be able to retire?", "How much retirement income will I have?" and "How much should I be saving?"

This roadmap, your *Personal Financial Plan* (PFP), not only provides useful answers to those basic questions, but also valuable information needed to explore other areas of your financial planning. Your PFP isn't dissimilar to a regular medical checkup. It gives us a sense of your overall financial health and what work needs to be done.

For example, to do your wills and estate planning, it is useful to know such things as the size of the estate you will likely leave to your heirs, and how much tax your estate will owe on your death. To decide on your insurance needs, you need to know your tax liabilities and other needs covered by your income, and also how much you could afford to pay. Your PFP provides information to help make those decisions.

Once we update your plan, we review your "plan versus actual" to see how you are progressing relative to your last plan.

Step 3: Customize your investments to fit your plan

Besides the PFP, the Stan Clark Financial Team has developed a unique method of integrating your financial plan with your investing. To do this, we use our proprietary *Equities Target Review*, only available through our team's customized program. Together, we review your plan and come to an agreement on what this target should be for you, considering your unique time horizon and tolerance for risk. After the Equities Target is set, we then decide the other guidelines we will use to manage your portfolio, such as your geographic mix; which specific equity and fixed income strategies to use; and any personal preferences you would like considered.

This may sound simple, but without the right technology, achieving the guidelines can be a big stumbling block. However, the Stan Clark team has overcome that! We've designed our customized portfolio system so we can enter individualized guidelines for each client and continually monitor each portfolio to best meet your personal objectives.

We also create an *Investment Policy Statement* (IPS) for our clients. The IPS is a written document, usually one page long, summarizing the key policies or guidelines we have agreed to. This helps ensure we're on the same page and that things are clear between us. Research from behavioral finance also shows that writing the plan down helps you stick to it. In the volatile, emotional world of investing, written guidelines help keep you focused on the right things, especially during times of heightened uncertainty.

Step 4 - Complete your financial action plans

After creating your PFP and customizing your investments, we address any action items that were identified in Step 2. For example, protection from risks to your financial plan, such as disability, critical illness, long term care and premature death. Or, controlling the distribution of your assets to family, friends and/or charities, according to your wishes.

We recommend updating your plan every year or two, or whenever there are significant changes in your circumstances or goals.

How financial planning helps

Financial planning helps you make better decisions about your investing and many other areas of your financial life. The following two pages list just some of the *Client Problems We Help Solve* through our Financial and Estate Planning process.

We provide financial planning to our clients at no extra cost, as part of our commitment and services to you.

Client problems we help solve

The Stan Clark Financial Team's Financial and Estate Planning helps clients in areas such as:

Investing

- What is my best asset allocation based on my plan?
- What future investment returns should I expect?
- What are the best- and worst-case scenarios for my long-term plan?
- What is the right combination of stocks and bonds vs real estate?
- How should I invest for short term needs based on my plan?
- How do I protect my wealth from inflation?
- How should I invest for longer-term needs to protect and grow my assets?
- How do I avoid common investment mistakes that damage wealth?

Retirement planning

- When will I be able to retire comfortably?
- How can I retire earlier?
- When should I start taking CPP or OAS?
- Which options should I choose with my pension plan?
- When should I start withdrawing from my RRSPs / RRIFs?
- What do I do with my locked-in RRSPs?
- Where will my income come from after I retire?

Personal security/insurance

- How much life insurance do I need? Term vs permanent life insurance?
- Do I have enough disability insurance? Should I top-up with a private plan?
- Should I consider Critical Illness Insurance? Long-term Care Insurance?
- What about extra insurance as an investment?
- Do I have sufficient liability insurance?

Estate planning

- Do I need to create or update my Will?
- What do I need to consider when choosing an Executor?
- Should I create a Power of Attorney?
- Why might I need a health representation agreement?
- Should I consider an alter ego trust, joint partner trust or joint accounts?
- Why might I use a testamentary trust?
- Should I have designated beneficiaries on my RRSP/RRIFs and TFSAs?
- Should I create a Will letter of instruction?
- Should I create a family legacy letter?
- How do I balance charitable donations through my Will vs while alive?

Tax planning

- How much should I contribute to RRSPs?
- Should I be contributing to a spousal RRSP?
- When should I start withdrawing from my RRSPs?
- Should I be contributing to TFSAs?
- Should I be contributing to RESP for my children or grandchildren?
- Should I consider an IPP vs an RRSP?
- Should I participate in my employer's pension or retirement plan(s)?
- Should I make use of a prescribed rate loan to save taxes?
- How do I make my debt tax deductible?
- Should I be making use of tax-loss selling?
- Should I be donating shares to charity?
- Should I transfer money to RRIFs to make use of the pension income tax credit?
- Do I need to worry about U.S. estate taxes?

Business planning

- Should I be paying out tax-free capital dividends?
- Do I have a good transition/succession plan?
- Do I have an adequate contingency plan in case something unexpected happens to me?
- Do I have an effective buy/sell or shareholder agreement?
- Do I have enough liquidity to fund my buy/sell or shareholder agreement?
- Do I need key person insurance?

Charity and Legacy planning

- How can I most efficiently support causes I believe in?
- How can I save extra taxes by donating appreciated securities?
- Should I be donating to charities now or through my will?
- Do you know any worthwhile charities?
- Should I consider a private foundation? Donor advised fund?
- How do I prepare my children to receive wealth?
- Should I make gifts to children while alive or through my will?
- How can I educate my children and family about personal finances and investing?

Your needs change over time. Our ongoing financial and estate planning helps you adjust with these changes to keep you on track. So you and your family can fully enjoy life.

For more information...

To learn more about CIBC Wood Gundy, Stan Clark, the Stan Clark Financial Team and the many ways we can help manage your wealth, please call (604) 641-4361 or toll free at 1 (800) 661-9442. You can also reach us by email at StanClarkFinancialTeam@cibc.ca or visit us online at www.stanclark.ca.

Stan Clark is a Senior Wealth Advisor with CIBC Wood Gundy in Vancouver, BC. The views of Stan Clark do not necessarily reflect those of CIBC World Markets Inc. This information, including any opinion, is based on various sources believed to be reliable, but its accuracy cannot be guaranteed and is subject to change. Clients are advised to seek advice regarding their particular circumstances from their personal tax and legal advisors. Insurance services are available through CIBC Wood Gundy Financial Services Inc. In Quebec, insurance services are available through CIBC Wood Gundy Financial Services (Quebec) Inc. If you are currently a CIBC Wood Gundy client, please contact your Investment Advisor "CIBC Private Wealth" consists of services provided by CIBC and certain of its subsidiaries, through CIBC Private Banking; CIBC Private Investment Counsel, a division of CIBC Asset Management Inc. ("CAM"); CIBC Trust Corporation; and CIBC Wood Gundy, a division of CIBC World Markets Inc. ("WMI"). CIBC Private Banking provides solutions from CIBC Investor Services Inc. ("ISI"), CAM and credit products. CIBC World Markets Inc. and ISI are both Members of the Canadian Investor Protection. CIBC Private Wealth services are available to qualified individuals. The CIBC logo and "CIBC Private Wealth" are trademarks of CIBC, used under license. © Stan Clark 2024

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The Stan Clark Financial Team
Where planning, investing and behavioral finance meet