

Containing your Liquid Assets

**CHOOSING THE BEST CONTAINERS TO
KEEP YOUR LIQUID ASSETS FROM
SPILLING**



**“My cup runneth over
because so many people
have their hands in it”**



Session Topics

- Why it Matters
- Understanding Your Financial Situation
- Choosing your Container
- Investing Efficiently for Long-Term Growth
- Maximizing Wealth Through Tax and Estate Planning

Why it Matters



Taxes, Taxes and more Taxes

Tax on what we Earn

Tax on what we Own

Tax on what we Spend

Tax on what we Save





Story

Burlington family owned a cottage and \$715,000 in RRSP

Both parents passed away in the same year, leaving all assets to their children

RRSP was fully taxed

Cottage capital gain was assessed and taxed

Tax bill came to \$659,000

Understanding Your Financial Situation



Assessing Assets by Kind

Land and Property

Market value vs Cost Basis and tax implications

Farm and Business Equipment and machinery

Market value vs Depreciated Value

Liquid Assets and Investments

What containers are available for efficiency and best long-term growth.



Choosing your container



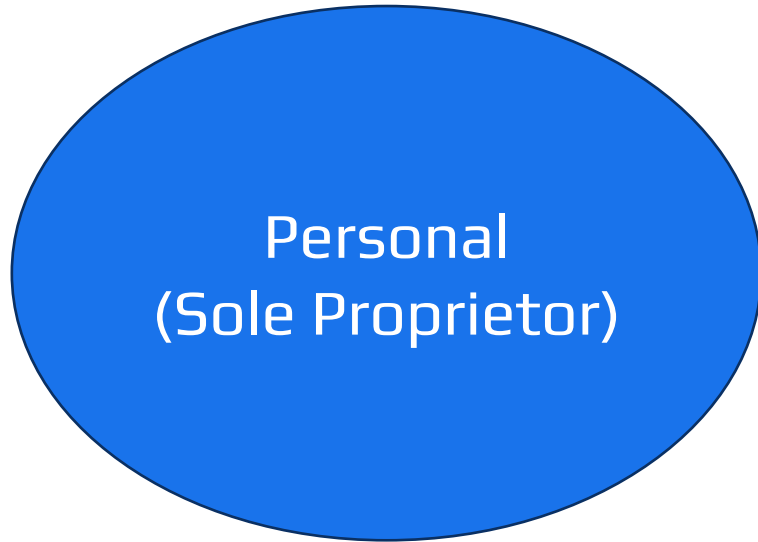
Ownership of Assets



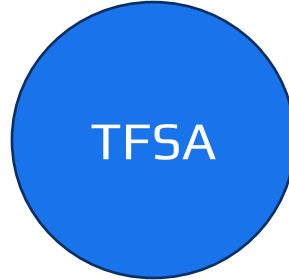
Personal
(Sole Proprietor)



Corporation



Save tax when contributing, Pay tax later



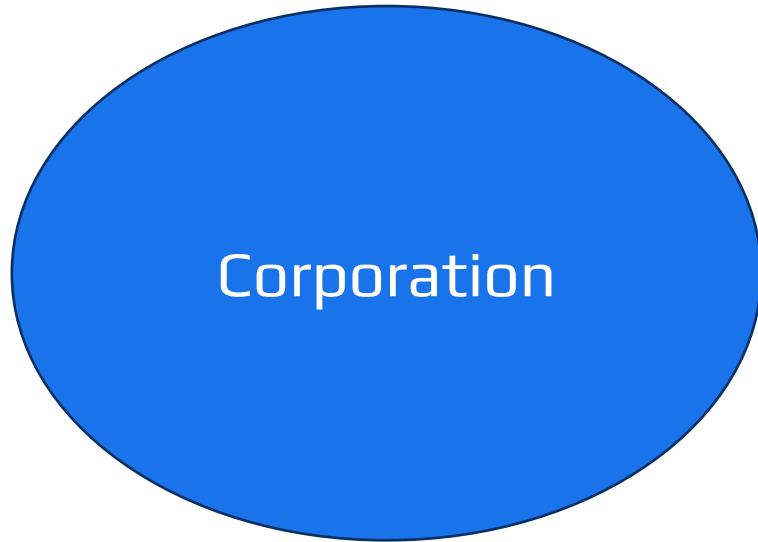
Pay tax before contributing, No tax later



Pay tax before contributing, Pay tax on growth.



Pay tax before contributing. Defer tax on growth,
Tax-free rollover to next generation.



Pay tax before contributing, Pay tax on growth.



Pay corp tax before contributing. Defer tax on growth,
No Passive income tax.
Mostly tax-free rollover to next generation via CDA.

Identify your objectives

Each account type and investment strategy has its strengths.

Identifying your specific objectives can help to leverage the tools effectively.

Investing for Long-Term Growth

Diversifying Investment Portfolios

Spread Across Asset Classes

Investing in multiple asset classes reduces exposure to any single financial risk or market event.

Sector Diversification

Allocating investments across various sectors minimizes sector-specific risks and volatility.

Risk Reduction

Diversification protects portfolios from sharp declines by balancing risk and return potential.



Understanding Stocks, Bonds, and Other Assets



Stocks Overview

Stocks represent ownership in a company and offer potential growth through dividends and capital gains.

Bonds Characteristics

Bonds are fixed income securities providing regular interest payments and principal repayment at maturity.

Real Estate Investment

Real estate includes property investments that generate income and appreciate in value over time.

Mutual Funds Explained

Mutual funds pool money from investors to invest in diversified portfolios managed by professionals.

Segregated Funds Advantages

Similar to Mutual Funds, but managed under life insurance regulation, allowing funds to bypass probate.



Balancing Risk and Reward over Time

Risk Tolerance Assessment

Evaluate your personal risk tolerance to tailor your investment strategy effectively over time.

Timeline Consideration

Align investment choices with your financial timeline to optimize returns while managing losses.

Balanced Investment Strategy

Use a balanced approach combining risk and reward to maximize returns and minimize potential losses.

Maximizing Wealth Through Tax and Estate Planning





Tax-Efficient Investing and Savings Vehicles

Tax-Advantaged Accounts

Retirement accounts provide tax benefits that help grow your savings and reduce taxable income.

Insurance

Insurance policies with investment accounts flow to beneficiaries tax-free.

Estate Planning Basics and Wills

Importance of Wills

Wills legally specify how your assets should be distributed after your death, ensuring your wishes are followed.

Powers of Attorney

Powers of attorney allow trusted individuals to manage your affairs if you become incapacitated, preventing legal complications.

Reducing Probate Complications

Proper estate planning minimizes probate delays and expenses, facilitating smoother asset transfer to beneficiaries.



Conclusion: Your Path to Financial Success

Understand Your Finances

Gain clear insight into your income, expenses, and financial goals to make informed decisions.

Protect Your Wealth

Implement strategies to safeguard your assets from risks and unexpected events.

Invest Wisely

Choose diversified investment options to build wealth steadily over time.

Plan Taxes and Estate

Prepare for taxes and estate matters to ensure smooth wealth transfer and compliance.



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