

in sync:™

Client Workbook

Including insurance and estate planning



It's not paperwork – It's your future

in sync: is a planning tool that will help you and your financial advisor work better together to reach your personal financial goals more effectively.

in sync: will give you control over your financial future – but it can only do its job if you provide the necessary information. It's essential that you be as accurate and honest as possible because your answers form the starting point for your plan. And remember, anything you tell your financial advisor is confidential.

Don't think of this as "paperwork." It's about your future. By filling out this workbook completely, you'll give your financial advisor what he or she needs to make you feel secure and comfortable about your understanding of your investment, estate-planning and insurance needs.

Whether you're planning for retirement, your children's education, trying to reduce your taxes, or just looking for financial clarity, the process starts here because it will help you answer three key questions:

- Where am I now?
- Where do I want to be?
- How do I get there?

Please be as thorough as possible. If you're not sure of an answer, leave it blank and discuss it with your financial advisor, but don't omit any information – it's all important for helping you reach your personal financial goals.



Personal

Just to make sure all your documentation is correct and up-to-date, use this section to verify your personal information (and your spouse's if applicable).

| | | |
|------------------|-------------------------------------|--|
| Plan type | <input type="checkbox"/> Investment | <input type="checkbox"/> Insurance (Leave this for your advisor to fill out) |
|------------------|-------------------------------------|--|

Marital status Single client Couple

You

Spouse

Gender* Male Female Male Female

Last name _____

First name _____

SIN # _____

Date of birth _____
MM DD YY MM DD YY

Occupation _____

Work phone # _____

Fax # _____

Home phone # _____

E-mail _____

Address _____

City _____ **Province** _____ **Postal code** _____

*This information is required to help determine your planning horizon.



Investments

Will your current investment plan meet your future financial goals? How will you know? Start by filling out this investment section to figure out what you own now, and what you'll need.

| | You | Spouse |
|-------------------------------------|----------|----------|
| Retirement age | _____ | _____ |
| Planning horizon ¹ | _____ | _____ |
| Current income (pre-tax) | \$ _____ | \$ _____ |
| Average tax rate ² | | |
| Pre-retirement | _____ % | _____ % |
| In-retirement | _____ % | _____ % |
| Investment tax rate ³ | _____ % | _____ % |
| Future income requirements | | |
| Retirement (after-tax) ⁴ | \$ _____ | |
| Survivor income need ⁵ | _____ % | |
| Principal preservation ⁶ | \$ _____ | |

Today's \$
 Future \$

in-sync: Tips

We have placed the following icon ¹ wherever there is a tip. These tips will help you fill out the forms and better understand the context of the questions. Please refer to the number in the icon that refers to the tip number on page 13.

Government benefits

If you're expecting to receive government benefits, check "Y" and **in sync:** will estimate your benefits, which you can revise later. If you're not expecting to receive these benefits, check "N."

Do you expect to receive:

You

Spouse

CPP/QPP

Y N

Y N

Start age: _____

(Must be between 60 and 70 years)

Start age: _____

(Must be between 60 and 70 years)

OAS

Y N

Y N

Other significant expenses

in sync: is more than just a retirement planner – it gives you a total financial picture. If you have other plans for your investments, such as buying a cottage or paying for a child's education, itemize these expenses in this section. Remember to state whether it is your expense, your spouse's or a joint expense.

| Owner | Description | Annual amount | Start age | End age | Dollar terms | Growth ¹² |
|-------|-------------|---------------|-----------|---------|--------------|----------------------|
| _____ | _____ | \$ _____ | _____ | _____ | T F | _____ % |
| _____ | _____ | \$ _____ | _____ | _____ | T F | _____ % |
| _____ | _____ | \$ _____ | _____ | _____ | T F | _____ % |
| _____ | _____ | \$ _____ | _____ | _____ | T F | _____ % |
| _____ | _____ | \$ _____ | _____ | _____ | T F | _____ % |
| _____ | _____ | \$ _____ | _____ | _____ | T F | _____ % |
| _____ | _____ | \$ _____ | _____ | _____ | T F | _____ % |
| _____ | _____ | \$ _____ | _____ | _____ | T F | _____ % |

Other income sources

You may expect other sources of income in the future (sale of home, inheritance, rental income, etc.). List them here.

| Owner | Description | Annual amount | Start age | End age | Dollar terms | Growth ¹² | Tax ¹³ |
|-------|-------------|---------------|-----------|---------|--------------|----------------------|-------------------|
| _____ | _____ | \$ _____ | _____ | _____ | T F | _____ % | Y N |
| _____ | _____ | \$ _____ | _____ | _____ | T F | _____ % | Y N |
| _____ | _____ | \$ _____ | _____ | _____ | T F | _____ % | Y N |
| _____ | _____ | \$ _____ | _____ | _____ | T F | _____ % | Y N |
| _____ | _____ | \$ _____ | _____ | _____ | T F | _____ % | Y N |
| _____ | _____ | \$ _____ | _____ | _____ | T F | _____ % | Y N |
| _____ | _____ | \$ _____ | _____ | _____ | T F | _____ % | Y N |
| _____ | _____ | \$ _____ | _____ | _____ | T F | _____ % | Y N |

Pension benefits

Some companies and many public service organizations provide defined benefit pensions for their employees. Please list your defined benefit pension(s) here.

| Owner | Employer name | Annual amount | Start age | End age | Dollar terms | Growth | Bridge benefit | Survivor benefit |
|-------|---------------|---------------|-----------|---------|--------------|--------|----------------|------------------|
| _____ | _____ | \$ _____ | _____ | _____ | T F | % | \$ _____ | % |
| _____ | _____ | \$ _____ | _____ | _____ | T F | % | \$ _____ | % |
| _____ | _____ | \$ _____ | _____ | _____ | T F | % | \$ _____ | % |
| _____ | _____ | \$ _____ | _____ | _____ | T F | % | \$ _____ | % |
| _____ | _____ | \$ _____ | _____ | _____ | T F | % | \$ _____ | % |
| _____ | _____ | \$ _____ | _____ | _____ | T F | % | \$ _____ | % |
| _____ | _____ | \$ _____ | _____ | _____ | T F | % | \$ _____ | % |
| _____ | _____ | \$ _____ | _____ | _____ | T F | % | \$ _____ | % |



Allocator

To effectively assess your ability to meet your retirement goals, you need to assess not only the amount of money you invest, but also the sorts of investments you have and their historic rates of return.

Your investment can be one of five types:

- Canadian equity – investments that are at least 70 per cent Canadian
- International equity – all U.S. and international investments
- Bonds – investments in fixed-income securities
- GICs – investments in government-backed fixed-income securities
- Cash equivalents – investments in treasury bills, money market funds or bank accounts

Use this section to estimate your current asset mix. If you do not know what to enter here, your financial advisor will enter an estimate for you.

| Asset type | Current | Recommended |
|----------------------|---------|-------------|
| Canadian equity | _____ % | _____ % |
| International equity | _____ % | _____ % |
| Bonds | _____ % | _____ % |
| GICs | _____ % | _____ % |
| Cash equivalents | _____ % | _____ % |

Risk tolerance questionnaire

Many people don't actually know how much volatility they can or should tolerate in the short term. The information gathered here will help your financial advisor determine your tolerance or capacity for volatility. He or she can then decide if there's a conflict between the asset allocation you need and the asset allocation you can comfortably accept, given your ability to tolerate investment volatility.

1 Do you require all of the money being invested in the next year or two? Yes No

If you answered "yes" to the above, do not complete the remaining questions. Your investments should be allocated to cash equivalents, such as money market funds.

2 When investing, you may choose from investments that provide a stream of income (regular cash payments) or investments that emphasize growth in value (few or no cash payments). Knowing that income investments are generally less volatile but have lower long-term returns, and that growth investments generally have higher long-term returns, but are more volatile, which type of investments do you prefer or need to achieve your goals?

- Investments that provide a stream of income. This is more important to me than the long-term growth in investment value
- Investments that provide a mix of income and growth in value. Both are important to me
- Investments that provide mostly long-term growth in value. The potential for growth is more important to me than a steady stream of income

3 Which investment best represents what you are prepared to accept over a one-year time frame?

| | Returns within range (2 out of 3 times) | Expected return in a normal year | Worst case loss |
|----------------------------|---|----------------------------------|-----------------|
| <input type="checkbox"/> A | -0.5% to 15.0% | 7.5% | -12.0% |
| <input type="checkbox"/> B | -1.0% to 17.5% | 8.0% | -14.0% |
| <input type="checkbox"/> C | -2.5% to 19.5% | 8.5% | -18.5% |
| <input type="checkbox"/> D | -3.0% to 21.5% | 9.0% | -21.0% |
| <input type="checkbox"/> E | -5.0% to 24.5% | 10.0% | -27.0% |

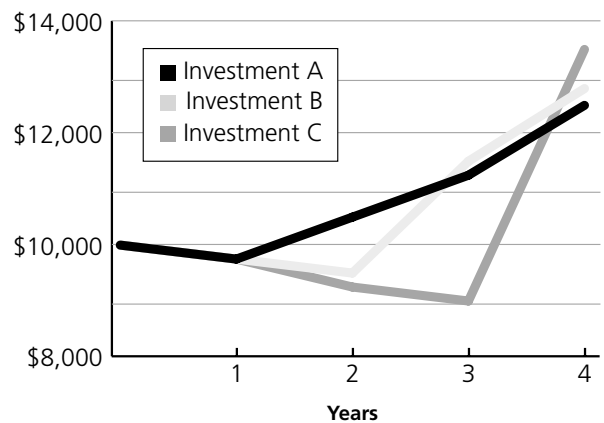
4 Last year, you purchased units in a mutual fund. Since then, it has lost 15 per cent of its value, which is consistent with the performance of similar funds. What is your reaction?

- I would sell my units
- I would keep my units
- I would buy more units

5 Assume your investment in a mutual fund has returned 15 per cent in the last year. What is your reaction?

- I would buy more units
- I would sell my units
- I would keep my units

6 With an original investment of \$10,000, which investment best represents the ideal performance for your portfolio over a four-year period?



- Investment A
- Investment B
- Investment C

- 7 Please indicate which one of the following statements best applies to you. From an investment perspective, I worry about:
- Not achieving my target rate of return and having less than I require to meet my goals, such as retirement
 - The true value of my investment being worth less because of inflation and having less than I require to meet my goals
 - My investment dropping substantially in one year
 - My investment dropping continuously over a five-year period

- 8 How many years will you keep this investment before dipping into the original investment for withdrawals?
- Fewer than three years
 - Three to eight years
 - More than eight years

- 9 On a scale of 1 to 4, rank the importance of each of these objectives to you at this time (4 being the most important):
- a) Not losing any of your original investment (capital preservation)
 - 1 2 3 4
 - b) Growing the value of your investment
 - 1 2 3 4
 - c) Owning an investment that doesn't fluctuate in value (increase or decrease) from day to day, month to month, or year to year
 - 1 2 3 4
 - d) Keeping pace with inflation such that the investment's growth would equal or exceed the rate of inflation
 - 1 2 3 4
 - e) Having a steady stream of income from your investment
 - 1 2 3 4
 - f) Achieving maximum growth of your investment
 - 1 2 3 4

- 10 Please indicate which one of the following statements best describes your understanding / philosophy about investing?
- Don't have one
 - I understand that the value of an investment in the stock market will change daily. I am, however, prepared to accept these fluctuations and extended periods of low or negative returns in order to earn a higher return over the mid to long term
 - I would rather accept a lower rate of return to avoid the fluctuations in the value of an investment in the stock market
 - I want to maximize the growth of my investment and prefer the returns associated with an investment in the stock market. I believe that to achieve my aggressive growth targets I need to maximize my investments outside of Canada
 - I am a risk taker and I am willing to accept the day-to-day fluctuations associated with an investment in the stock market for the potential to earn a higher return, even though I intend to sell some of this investment in the short term
 - I would like to achieve above-average returns on my investment and I am willing to accept some movement in the value of my investment. However, the amount of fluctuation that I am willing to tolerate in the value is limited



Life insurance

Life insurance serves two purposes. First, it can replace the income of a spouse in the event of death. Second, it can offset estate taxes, which lets you transfer as much of your property as possible to your heirs – instead of the government. Consider what you’d face if your spouse died suddenly: funeral expenses, your mortgage and day-to-day living expenses would all have to be covered.

Immediate expenses

| | You | Spouse |
|--|----------|----------|
| Mortgage | \$ _____ | \$ _____ |
| Emergency | \$ _____ | \$ _____ |
| Funeral | \$ _____ | \$ _____ |
| Travel | \$ _____ | \$ _____ |
| Taxes ¹⁴ | \$ _____ | \$ _____ |
| Miscellaneous | \$ _____ | \$ _____ |
| Business liquidation value ¹⁵ | \$ _____ | \$ _____ |

Insurance policies

| Owner | Description | Amount | Start age | End age | Growth ¹⁶ |
|-------|-------------|----------|-----------|---------|----------------------|
| _____ | _____ | \$ _____ | _____ | _____ | _____ % |
| _____ | _____ | \$ _____ | _____ | _____ | _____ % |
| _____ | _____ | \$ _____ | _____ | _____ | _____ % |
| _____ | _____ | \$ _____ | _____ | _____ | _____ % |
| _____ | _____ | \$ _____ | _____ | _____ | _____ % |
| _____ | _____ | \$ _____ | _____ | _____ | _____ % |
| _____ | _____ | \$ _____ | _____ | _____ | _____ % |
| _____ | _____ | \$ _____ | _____ | _____ | _____ % |

Earned income

| | You | Spouse |
|--|----------|----------|
| Annual earned income (pre-tax) ¹⁷ | \$ _____ | \$ _____ |

Income goals

| | You | Spouse |
|---|---------|---------|
| Pre-retirement income goals ¹⁸ | _____ % | _____ % |
| In-retirement income goals | _____ % | _____ % |

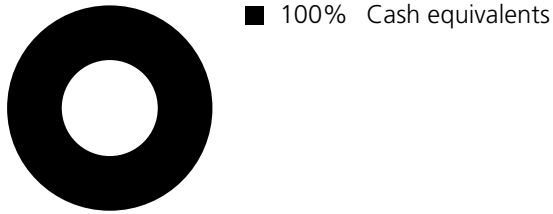
Special CPP benefits

Children’s benefit – to determine the Canada Pension Plan children’s benefit, enter your children’s names and ages:

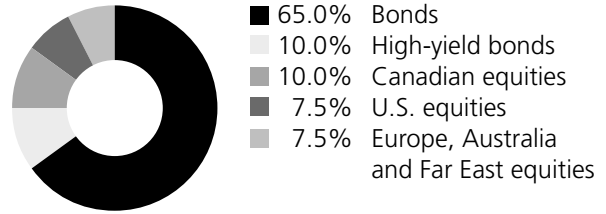
| Child’s name | Age | Child’s name | Age |
|--------------|-------|--------------|-------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

in sync: Asset mixes

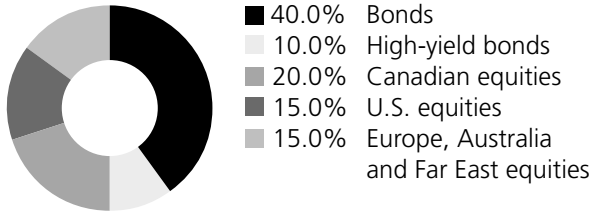
Short-term income



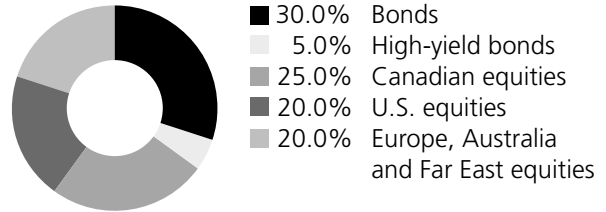
Income



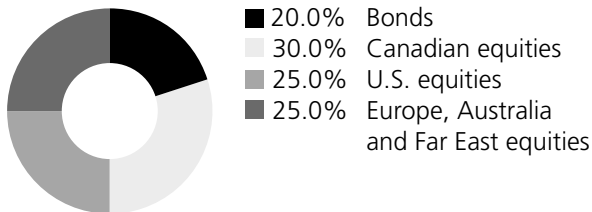
Income with growth



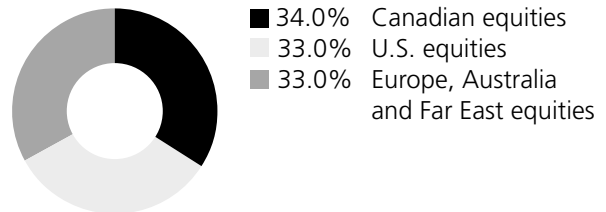
Growth with income



Growth



Long-term growth



Estate planning

There are several steps you need to take to ensure that your estate is in order. These 10 steps will help guide you through the process – but your financial advisor can assist you whenever you need help. It is important, as you can see from the first step, to establish a team of professionals (tax planner, lawyer, estate administrator). Ask your financial advisor to help you get your team together.

| | Not applicable | To do | Pending | Complete | Notes |
|---|--------------------------|--------------------------|--------------------------|--------------------------|-------|
| 1. Designate a team of professionals | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| 2. Draw up a household balance sheet | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| 3. Understand your life insurance needs | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| 4. Draw up your will | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| 5. Establish power of attorney for property | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| 6. Establish power of attorney for personal care | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| 7. Minimize taxes and administration fees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| 8. Keep track of accounts & important information | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| 9. Review and update regularly | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| 10. Share your plans | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | _____ |



Balance sheet

What do you own? How much do you owe? Filling out the household balance sheet will help you clearly identify your assets and your liabilities so you can calculate your net worth. Your financial advisor can then help you determine your financial priorities.

| | You | Spouse |
|-----------------------------------|------------|---------------|
| Current assets | | |
| Cash and short-term investments | \$ _____ | \$ _____ |
| Accounts receivable | \$ _____ | \$ _____ |
| Other current assets | \$ _____ | \$ _____ |
| Long-term financial assets | | |
| RRSP investments | \$ _____ | \$ _____ |
| Non-RRSP investments | \$ _____ | \$ _____ |
| Life insurance cash value | \$ _____ | \$ _____ |
| Long-term financial assets | \$ _____ | \$ _____ |
| Real estate | | |
| Principal residence | \$ _____ | \$ _____ |
| Other real estate | \$ _____ | \$ _____ |
| Other non-financial assets | | |
| Vehicles | \$ _____ | \$ _____ |
| Furniture | \$ _____ | \$ _____ |
| Collectibles | \$ _____ | \$ _____ |
| Miscellaneous | \$ _____ | \$ _____ |
| Total current liabilities | | |
| Accounts payable | \$ _____ | \$ _____ |
| Income taxes payable | \$ _____ | \$ _____ |
| Credit card balance(s) | \$ _____ | \$ _____ |
| Line(s) of credit | \$ _____ | \$ _____ |
| Other current liabilities | \$ _____ | \$ _____ |
| Long-term liabilities | | |
| Mortgage | \$ _____ | \$ _____ |
| Car loan(s) | \$ _____ | \$ _____ |
| Investment loan(s) | \$ _____ | \$ _____ |
| Other long-term liabilities | \$ _____ | \$ _____ |

Notes

Tips

1 Planning horizon

This is the age to which you're planning for your assets to last. Statistics Canada has found that a man retiring at age 65 will probably live to age 80, with a 10 per cent chance of living beyond age 91. A woman retiring at age 65 has a life expectancy of 85 years, with a 10 per cent chance of living beyond age 96.

2 Average tax rate

Average tax is your total taxes paid divided by your pre-tax income. Indicate the average tax you expect to pay now and in the future. If you do not know what to enter here your financial advisor will enter an appropriate number for you.

3 Investment tax rate

Investment tax rate is the tax rate applied to the growth of your non-RRSP investments. Enter the tax you expect to apply to the future growth of your non-RRSP investments. As a reference, you may want to use your marginal tax rate here.

Note: in sync: will automatically reduce the tax rate by 50 per cent for all equity investments.

4 Retirement (after-tax)

When making your calculations, be sure to keep this rule in mind: after retirement, most people need less money to maintain a comparable standard of living. If you're like most Canadians, you'll require 70 to 80 per cent of your current annual income to maintain your standard of living during retirement. But circumstances do vary – to be really useful, planning must reflect individual needs.

Note: These entries only apply to the investment planner. Future income requirements for the insurance planner should be entered in the insurance section.

5 Survivor income need

If you're planning for one spouse to live longer than the other, indicate the per cent of retirement income required for the surviving spouse.

6 Principal preservation

Indicate the after-tax amount you would like to leave to the estate. The model will preserve this amount at the end of the planning horizon.

7 Start age and end age

If this is a future contribution, enter the age at which you anticipate this contribution to begin and end.

8 Dollar terms

Indicate if these numbers are in today's dollars (T), meaning this value will increase with inflation, or future dollars (F), meaning that the effects of inflation are already factored into the value, or it is not subject to the effects of inflation.

9 Growth

If this is an annual contribution, enter the annual rate at which you expect this contribution to increase.

10 Realized gain and book value

Leave these sections for your financial advisor to fill out. **in sync:** will only accept book values equal to or less than current values.

11 Annual savings

All standard RRSP and non-RRSP savings are assumed to commence this year, end at retirement and index to inflation.

12 Growth

Enter the annual rate at which you expect this amount to increase.

13 Tax

Leave this section for your financial advisor to fill out.

14 Taxes

Be sure to include an estimate of the accrued taxes payable on the deemed or actual disposition of assets in a first-to-die situation.

15 Business liquidation value

If there is a possibility that your business will no longer be viable after death, you should insure against the costs associated with discontinuing the business.

16 Growth

This information only applies to annuities. Enter as other income sources in the program.

17 Annual earned income (pre-tax)

Would you expect the premature death of your spouse to influence your future earnings? Enter the annual pre-tax income you would expect to earn following the death of your spouse.

18 Pre-retirement income goals

Enter the total annual after-tax income you would require following the death of your spouse. Enter this amount as a percentage of your current annual after-tax household income.

in sync: provides guidelines and ideas for setting out an investment plan. It is not designed to predict the future.

The results generated by this program are based on user estimates and assumptions. Take care to ensure that you are accurate and realistic.

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