# 2025 Investing Guide

Essential advice
for your financial health

NATIONAL BANK
INVESTMENTS

We're here to answer your questions.

# Table of contents



LEGEND

Previous page
Next page
Enlarge image
Additional information
Red button at bottom of page: link to an external informational website
White button at bottom of page: link to a page of the Investing Guide

# 2024 in review

| Yields of the main indices in 2024 (in Canadian dollars) | Return (%) |
|---|---|
| Canadian equities – S&P/TSX Composite Index (total return) | 21.7% |
| International equities – MSCI EAFE (CDN$) | 13.8% |
| American equities – S&P 500 (CDN$) (total return) | 36.4% |
| Canadian bonds – FTSE Canada Universe Bond Index | 4.2% |
| Global equities – MSCI World (CDN$) | 30.0% |
| Canada short-term bonds | 5.7% |
| Emerging markets – MSCI Emerging Markets (CDN$) | 17.9% |
| Balanced profile* | 16.2% |

Source: CIO Office (data via Refinitiv) on December 31, 2024.
* The Balanced profile is represented by a combination of the following indices: 40% FTSE TMX Universe, 21% S&P/TSX, 21% S&P 500 ($CA), 12% MSCI EAFE ($CA), 6% MSCI EM ($CA)

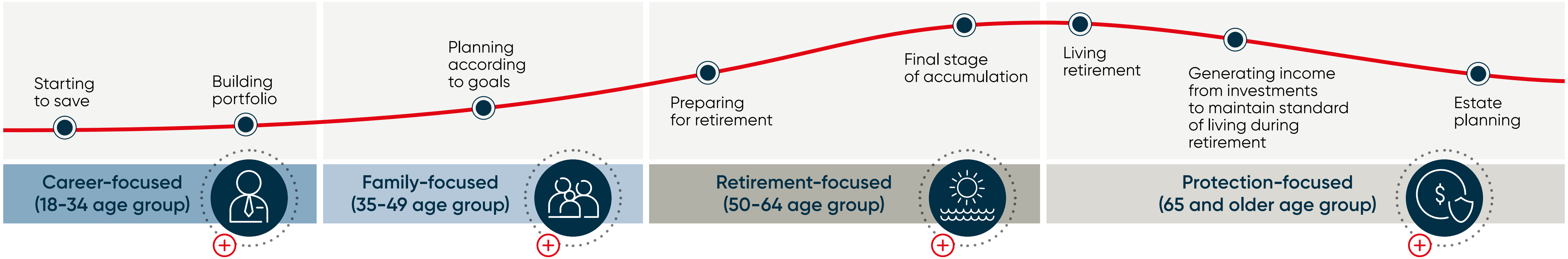
| Canadian sectors – S&P/TSX Composite Index | Return (%) |
|---|---|
| Consumer Staples | 18.9% |
| Information Technology | 38.0% |
| Healthcare | 8.2% |
| Consumer Discretionary | 11.9% |
| Industrials | 9.7% |
| Utilities | 13.7% |
| Telecommunications | -21.1% |
| Financial Services | 30.1% |
| Materials | 21.4% |
| Energy | 24.0% |
| Real Estate | -2.0% |

Source: CIO Office (data via Refinitiv) on December 31, 2024.

# Investment basics

# The importance of updating your plan

As your situation changes with each major life event (the birth of a child, a promotion, a divorce, etc.), your finances change too!
It is important to work with your advisor to update your plan.



# Why diversify your investments?

The different asset types do not all undergo the same fluctuations. Frequently, bonds are up while stocks are down. The more you diversify the types of assets in your portfolio, the more you reduce the risks associated with market volatility.

## Annual return in percentage by asset category in local currency (2008 to 2024)

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 8.3 | 52.0 | 17.6 | 10.0 | 16.0 | 41.3 | 23.9 | 21.6 | 21.1 | 28.7 | 4.2 | 24.8 | 16.6 | 27.6 | -4.0 | 22.9 | 36.4 |
| 6.1 | 35.1 | 13.0 | 4.6 | 15.3 | 31.7 | 14.1 | 19.5 | 8.1 | 17.4 | 1.9 | 22.9 | 16.3 | 25.1 | -5.8 | 19.5 | 28.7 |
| -14.9 | 15.6 | 9.5 | 4.6 | 14.2 | 31.6 | 11.8 | 17.7 | 7.7 | 16.4 | 1.3 | 20.9 | 14.8 | 18.0 | -7.8 | 15.7 | 21.7 |
| -21.2 | 15.0 | 9.1 | 1.0 | 13.4 | 14.9 | 10.6 | 6.7 | 7.0 | 13.8 | -0.7 | 16.5 | 9.8 | 11.1 | -10.1 | 12.1 | 17.9 |
| -27.3 | 12.5 | 7.3 | -4.6 | 8.6 | 13.0 | 9.1 | 3.6 | 4.7 | 9.7 | -1.5 | 15.6 | 8.6 | 10.8 | -11.5 | 11.8 | 16.6 |
| -28.8 | 7.4 | 6.9 | -8.7 | 7.2 | 4.3 | 7.0 | 2.6 | 1.5 | 9.1 | -5.6 | 12.9 | 6.4 | -0.9 | -12.0 | 7.3 | 13.8 |
| -33.0 | 5.2 | 3.5 | -9.5 | 3.7 | 1.8 | 4.1 | 2.4 | 0.9 | 2.7 | -6.5 | 7.0 | 5.6 | -2.7 | -12.2 | 6.4 | 5.7 |
| -41.4 | 4.6 | 2.6 | -16.1 | 2.1 | -1.5 | 3.0 | -8.3 | -2.0 | 0.3 | -8.9 | 3.0 | 5.2 | -3.1 | -13.9 | 4.9 | 4.1 |

Click on the numbers in the graph to see the names of the corresponding assets.

- Canadian stocks
- International stocks
- U.S. stocks
- Canadian bonds
- Global stocks
- Balanced profile*
- Emerging markets
- Canada short-term bond

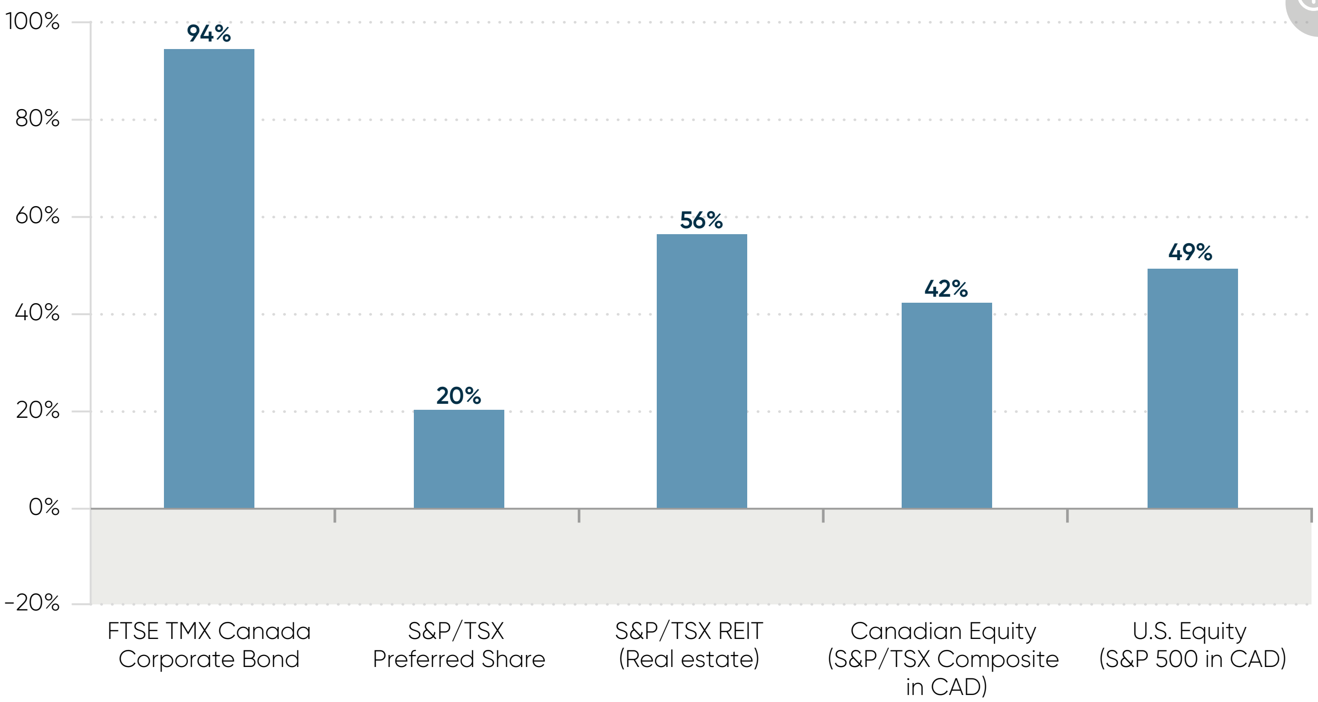
Theory of selecting an efficient portfolio

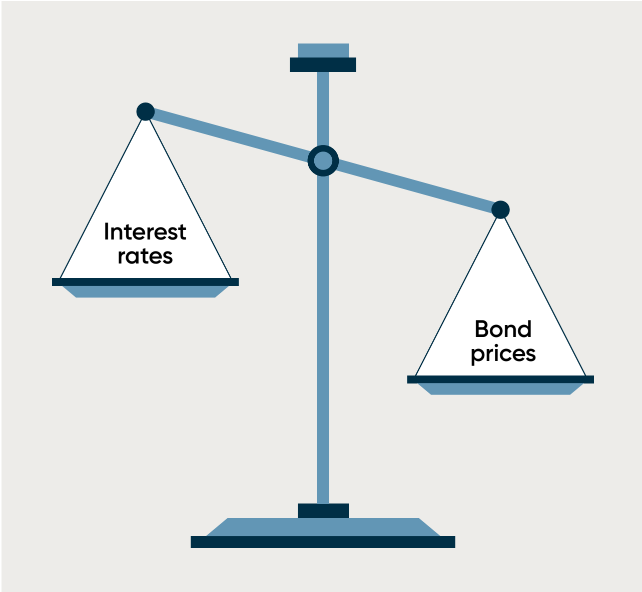
*The Balanced profile is represented by a combination of the following indices: 40% FTSE TMX Universe, 21% S&P/TSX, 21% S&P 500 ($CA), 12% MSCI EAFE ($CA), 6% MSCI EM ($CA).
Source: CIO Office (Data via Refinitiv), from January 1 to December 31.

# Rely on diversification to counter interest rate increases

Given that bond prices generally move inversely to interest rates, a rate increase has a negative impact on bonds. The negative impact can be tempered by diversifying the portfolio using different asset classes that have a lower correlation with the FTSE TMX Canada Universe Bond Index.

**Correlation between returns and the FTSE TMX Canada Universe Bond Index – 10 years***



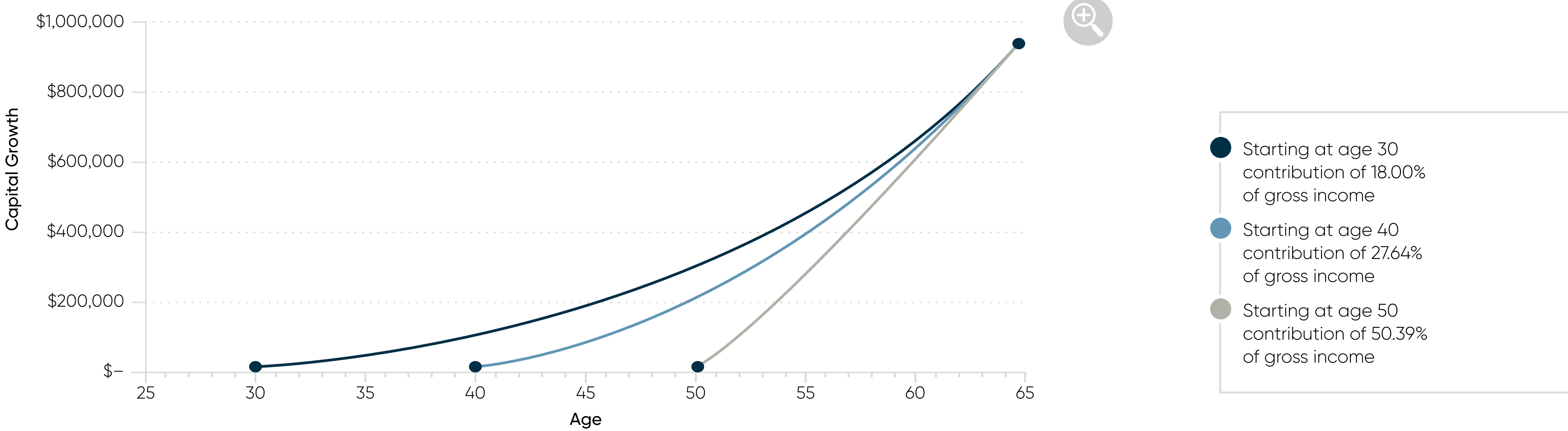




* Correlation over 10 years, on December 31, 2024.
Source: CIO Office (data via Refinitiv).

# At what age should you start saving for retirement?

The later you start, the higher your annual contribution will have to be. For example, if you start saving for retirement at age 50, you may have to put aside more than 50% of your yearly gross income. Achieve your goals with ease by beginning as early as possible.

## Annual contribution necessary to reach a target amount by age 65




**TIP!**
A good way to successfully achieve your goals is to set up systematic saving.

Systematic saving

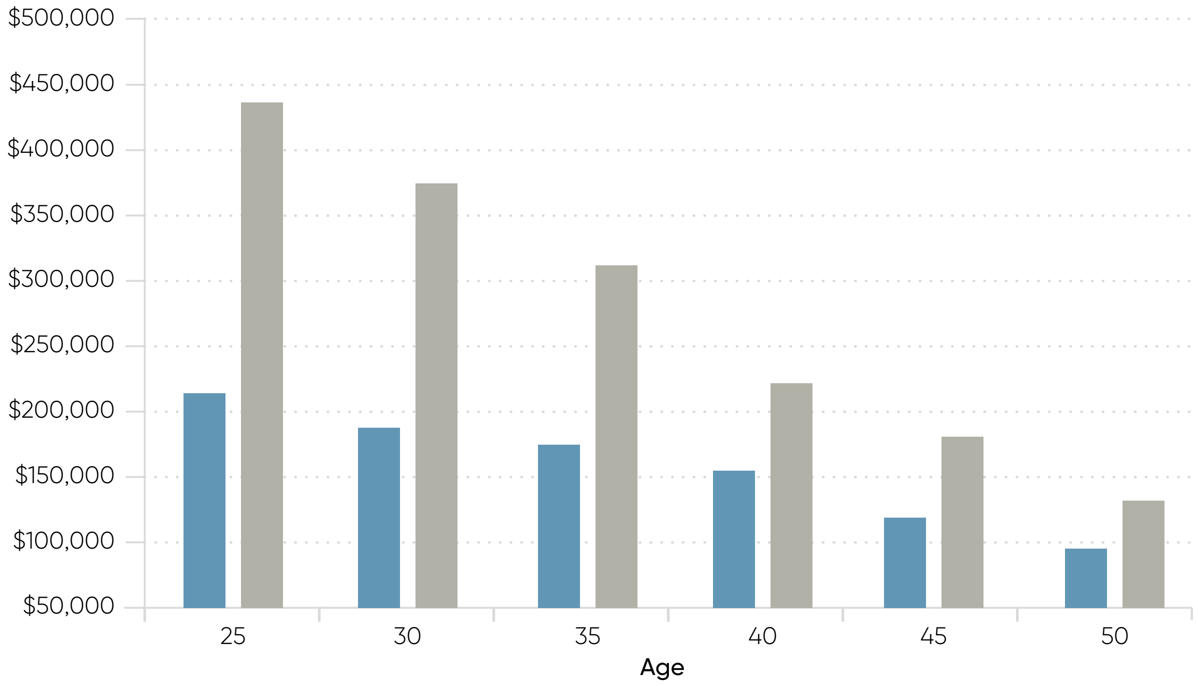
Assumption: Annual RRSP contribution of a person with a salary of $50,000 that increases by 2% annually. Effective annual return of 3.75%.

# Start saving early

If you start saving early, you may end up with more than double the capital you invested!

### Accumulated savings at age 65 after annual investments of 10% of the gross income[1]
**(starting gross annual income at age 25: $35,000)**

| Age when you start saving | Total contributions | Total value at age 65[2] |
|---|---|---|
| 25 | $211,407 | $446,610 |
| 30 | $193,193 | $372,835 |
| 35 | $173,083 | $305,075 |
| 40 | $150,880 | $242,840 |
| 45 | $126,366 | $185,680 |
| 50 | $99,301 | $133,181 |

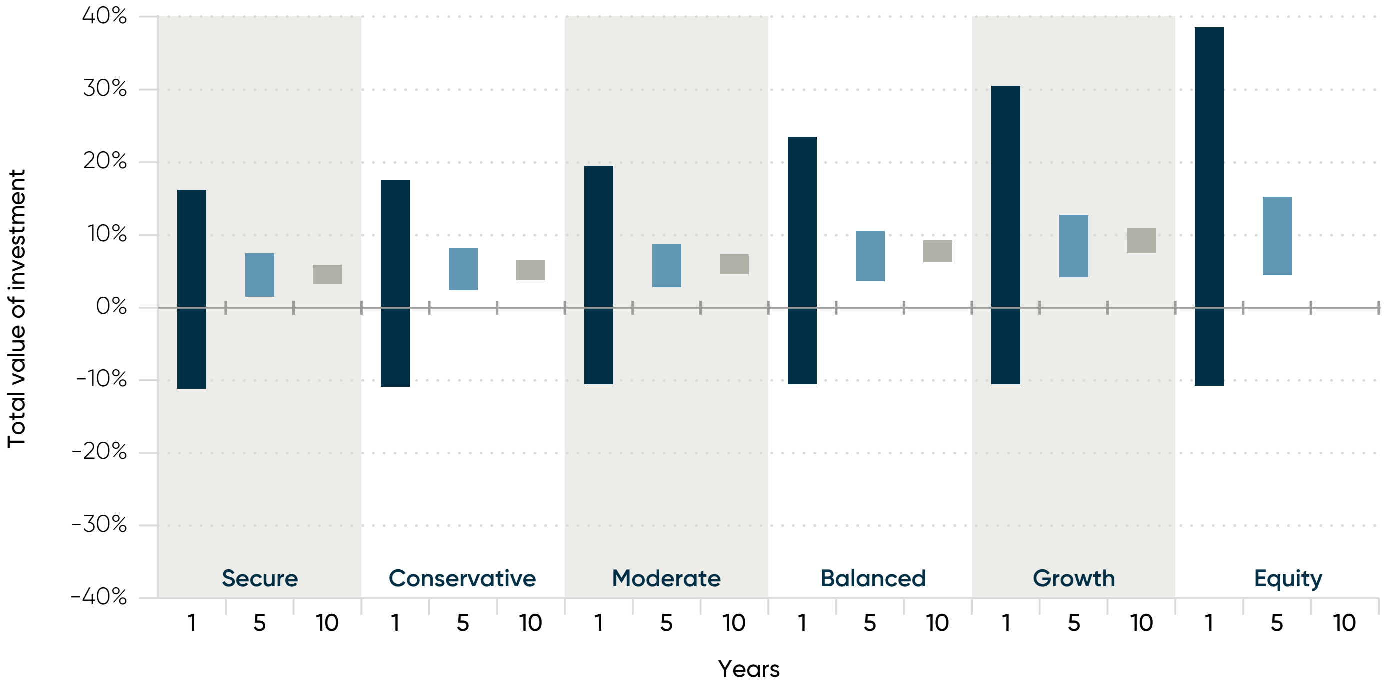



1. Gross annual income indexed at 2%.
2. Based on an effective annual return rate of 3.75%.

# Why long-term investments?

A higher risk tolerance is required for expectations of more attractive returns.

## Variability of returns for the different profiles



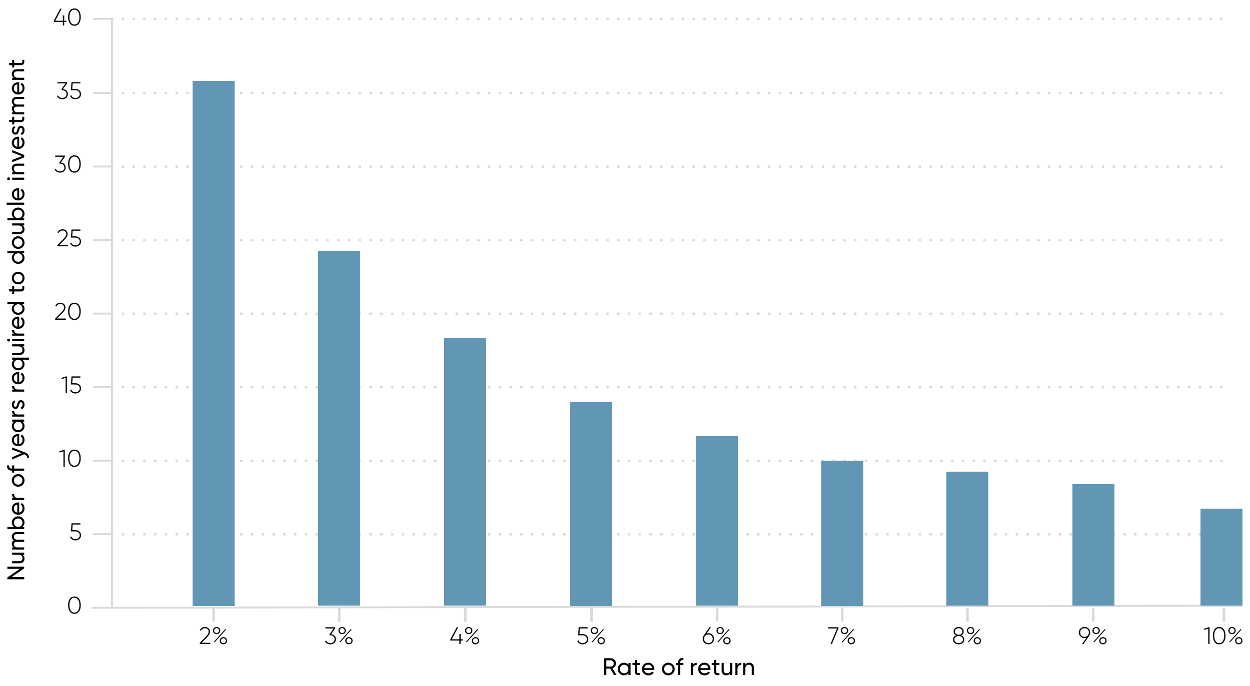

Source of index performance: Factset, from December 31, 2009, to December 31, 2024.

The six profiles are represented by compositions of the following indices: Secure: 80% FTSE Canada Universe Bond Index, 7% S&P/TSX, 7% S&P 500, 4% MSCI EAFE, 2% MSCI EM • Conservative: 70% FTSE Canada Universe Bond Index, 10.5% S&P/TSX, 10.5% S&P 500, 6% MSCI EAFE, 3% MSCI EM • Moderate: 60% FTSE Canada Universe Bond Index, 14% S&P/TSX, 14% S&P 500, 8% MSCI EAFE, 4% MSCI EM • Balanced: 40% FTSE TMX Universe, 21% S&P/TSX, 21% S&P 500 ($CA), 12% MSCI EAFE ($CA), 6% MSCI EM ($CA) • Growth: 20% FTSE Canada Universe Bond Index, 28% S&P/TSX, 28% S&P 500, 16% MSCI EAFE, 8% MSCI EM • Equity: 35% S&P/TSX, 35% S&P 500, 20% MSCI EAFE, 10% MSCI EM.

# How long does it take for an investment to double its value?

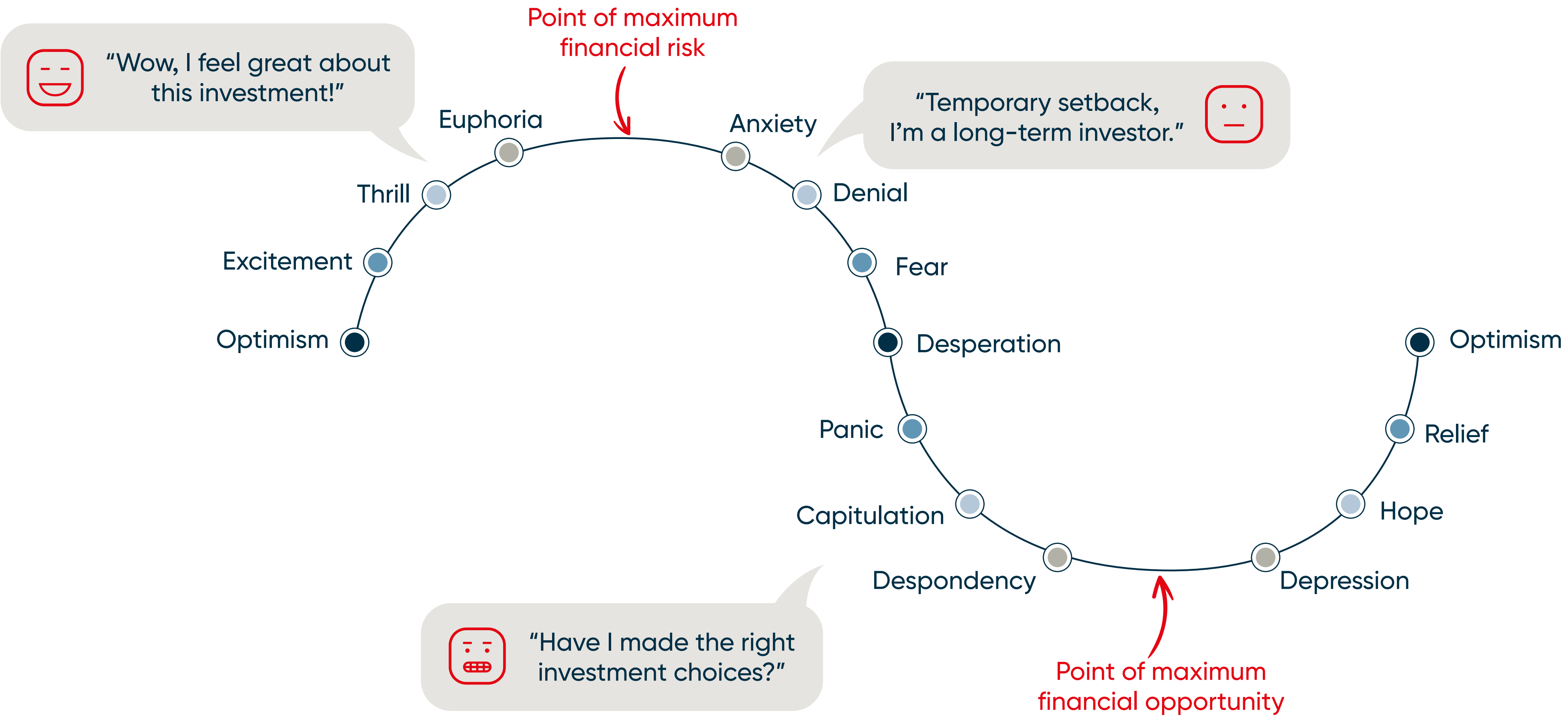
The rule of 72 allows us to roughly identify how many years it will take for an investment's value to double: simply divide 72 by the interest obtained for your investment.

| Rate of return | Number of years required to double investment |
|---|---|
| **2%** | 36 |
| **3%** | 24 |
| **4%** | 18 |
| **5%** | 14 |
| **6%** | 12 |
| **7%** | 10 |
| **8%** | 9 |
| **9%** | 8 |
| **10%** | 7 |



# Do you let your emotions influence your choices?

Emotions can lead to making rushed decisions when it comes to your investments. To manage your emotions, identify the scenarios (market correction, drop in value of securities, etc.) in which you may act irrationally.



# How do financial fluctuations impact your portfolio?

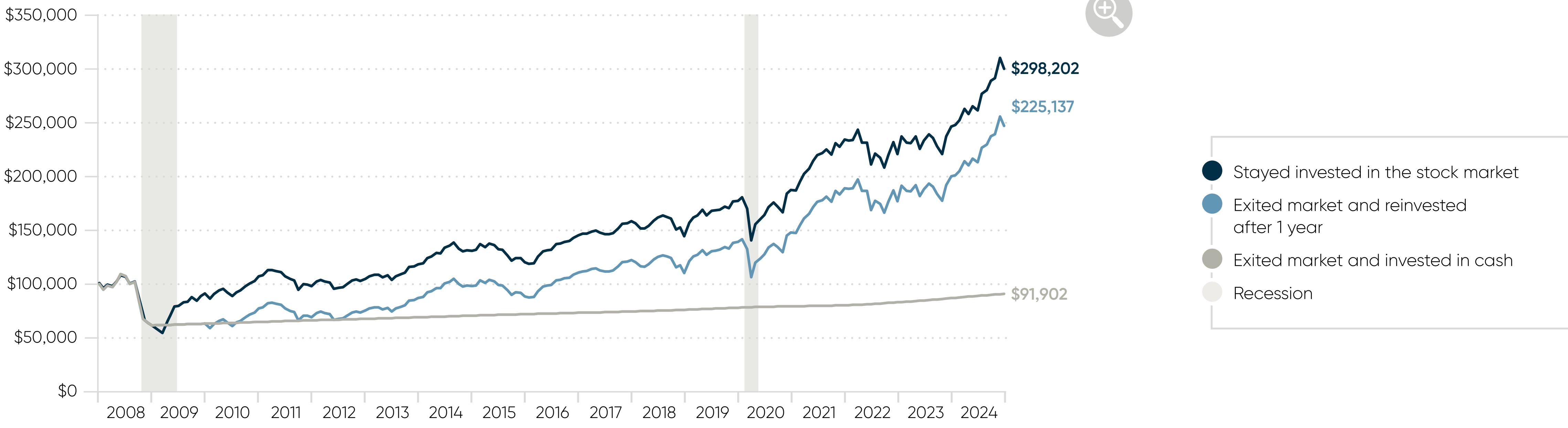
The graph below shows that despite momentary dips during crises, the long-term trend is on the rise.

## Growth of $100 invested in the S&P/TSX Total Return Index


Source: CIO Office (data via Refinitiv). S&P/TSX total return index from August 31, 1965, to December 31, 2024.
For more information on the changes to this index, please visit tsx.com.

# Should you hold on to your investments during market fluctuations?

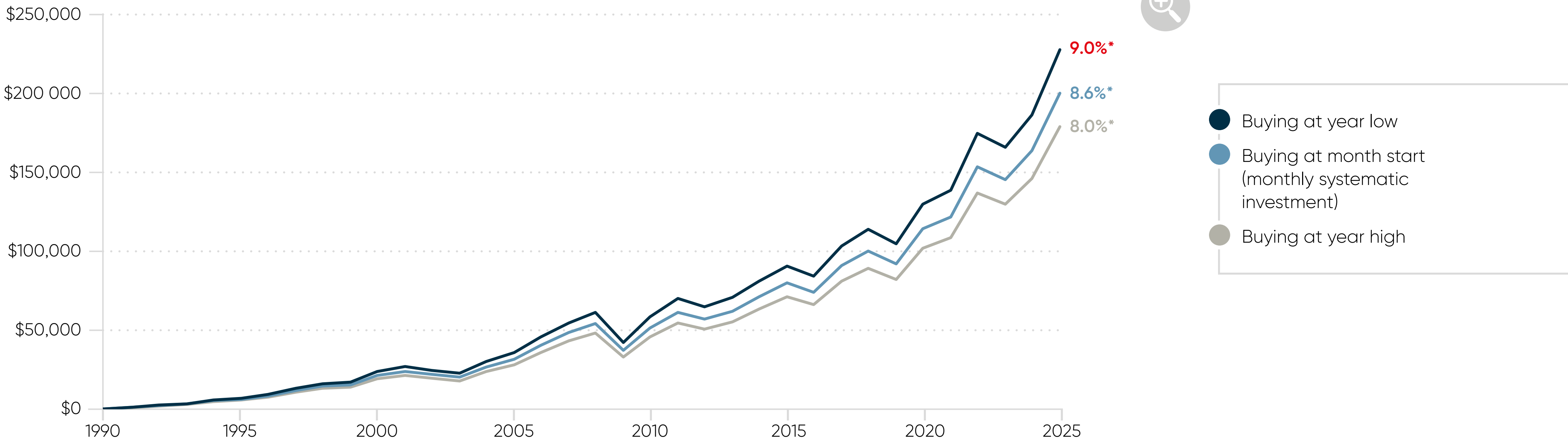
As the saying goes, a picture is worth a thousand words. As you can see in the graph below, those who stayed invested in the market during the financial crisis of 2008 obtained a much greater yield over 10 years than those who temporarily withdrew their stocks.




Source: CIO Office (data via Refinitiv, National Bank of Canada and C.D. Howe Institute). S&P/TSX total return index from December 31, 2007, to December 31, 2024.
All values are represented in Canadian dollars. Past performance is no guarantee of future results. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. Market: S&P/TSX.

# How many times have you successfully timed the markets?

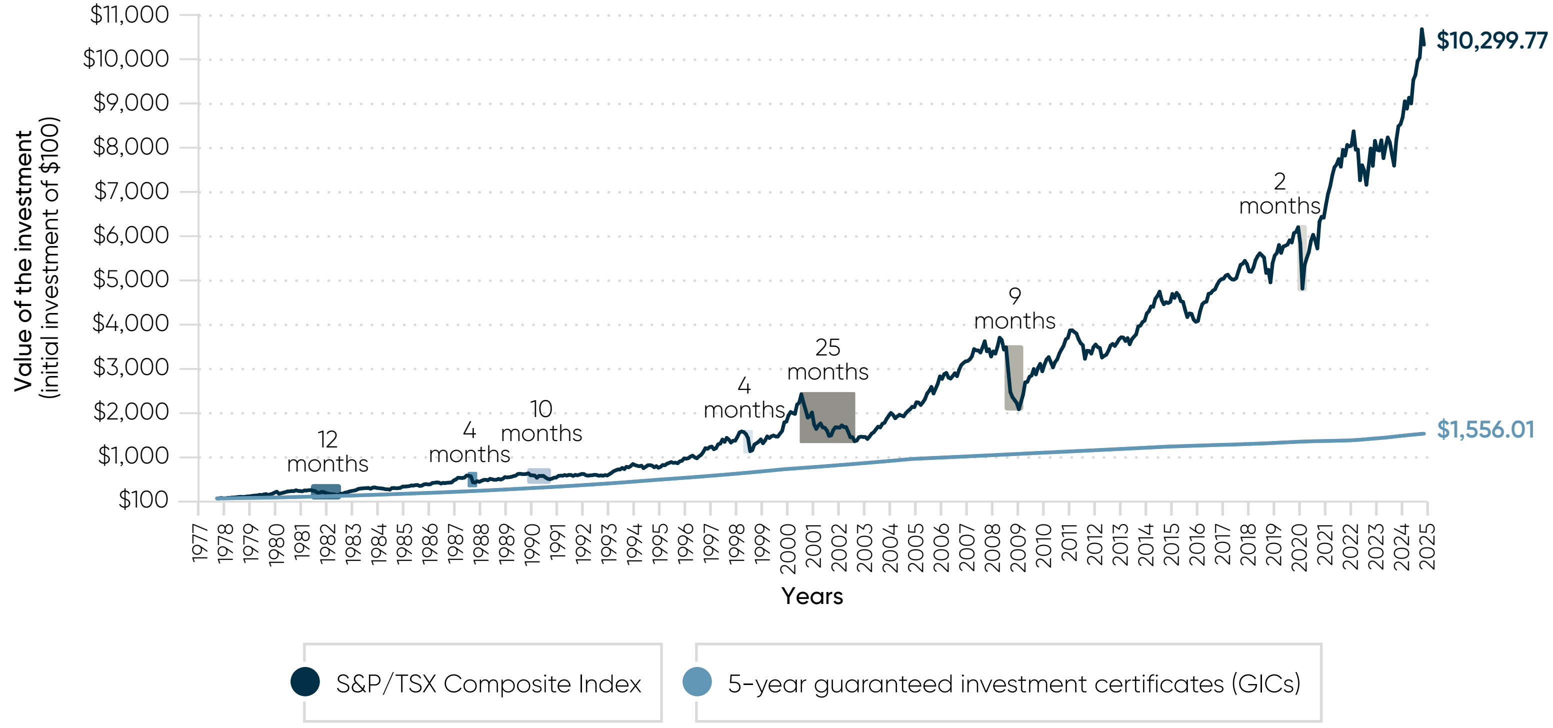
In the long run, what truly matters is the frequency of savings and passage of time, not market timing.




*Annualized money-weighted rate of return.
Source: CIO Office (Data via Refinitiv), from December 1990 to December 2024.

# Should you keep pursuing your goals?

All asset categories undergo variations over time, but in the long term, they tend to evolve favourably. Regardless of your portfolio's composition, it is important to stay the course in pursuing your goals and to think about the long term.



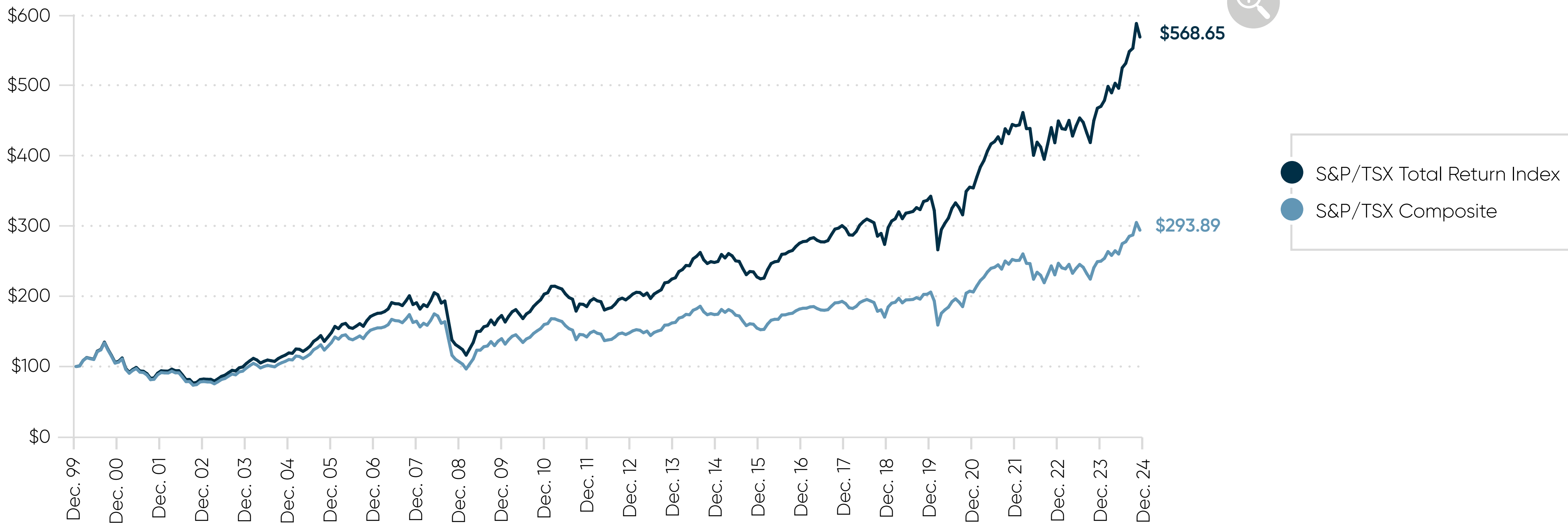

| Fluctuation period: | Total decline: | Return to pre-fluctuation performance: |
|---|---|---|
| June 1981–June 1982 (12 months) | 39% | 10 months |
| July 1987–Nov. 1987 (4 months) | 25 % | 20 months |
| Dec. 1989–Oct. 1990 (10 months) | 20% | 29 months |
| April 1998–Aug. 1998 (4 months) | 27% | 15 months |
| Aug. 2000–Sept. 2002 (25 months) | 43% | 34 months |
| May 2008–Feb. 2009 (10 months) | 43% | 24 months |
| Jan. 2020–March 2020 (2 months) | 22% | 8 months |

Source: CIO Office (data via Refinitiv, National Bank of Canada). S&P/TSX total return index from September 30, 1977, to December 31, 2024.
For more information on the changes to this index, please visit tsx.com.

# What impact do dividends have on overall performance?

Dividends appear as a contribution to the ever-increasing overall performance over an investment's lifetime.

**Growth of $100 in the S&P/TSX Total Return Index versus S&P/TSX Composite (from December 31, 1999, to December 31, 2024)**




Source: CIO Office (Data via Refinitiv).

# The staggered maturities strategy in line with your needs

Investing in several GICs with different maturity dates allows you to anticipate fluctuating interest rates while having access to part of your invested principal each year and take advantage of more attractive long-term rates.

<table>
<tr><th></th><th></th><th>Year 1</th><th>Year 2</th><th>Year 3</th><th>Year 4</th><th>Year 5</th><th>Year 6</th><th>Year 7</th><th>Year 8</th><th>Year 9</th><th>Year 10</th></tr>
<tr><td rowspan="6">Initial investment $30,000</td><td>$5,000</td><td colspan="10">Cash solutions</td></tr>
<tr><td>$5,000</td><td>1-year GIC</td><td colspan="5">5-year GIC</td><td colspan="4">5-year GIC</td></tr>
<tr><td>$5,000</td><td colspan="2">2-year GIC</td><td colspan="5">5-year GIC</td><td colspan="3">5-year GIC</td></tr>
<tr><td>$5,000</td><td colspan="3">3-year GIC</td><td colspan="5">5-year GIC</td><td colspan="2">5-year GIC</td></tr>
<tr><td>$5,000</td><td colspan="4">4-year GIC</td><td colspan="5">5-year GIC</td><td>5-year GIC</td></tr>
<tr><td>$5,000</td><td colspan="5">5-year GIC</td><td colspan="5">5-year GIC</td></tr>
</table>

## Laddering PLUS

Adding a market-linked GIC to each strategy allows you to increase your potential return with exposure to a diversified equity portfolio or a reference index of low-volatility securities.

# Registered plans that meet your needs

Did you know that the government offers incentives with various benefits that can help you grow your money and achieve your goals and dreams? A variety of plans are available, including:

| FHSA<br>Buying your first home | RESP<br>Your children's education | RRSP<br>Your retirement | TFSA<br>Your projects and dreams |
|---|---|---|---|
| **BENEFITS** | | | |
| › Reduces taxable income<br>› Your savings and earnings grow tax-free | › Government grants<br>› Your savings and earnings grow tax-free | › Reduces taxable income<br>› Your savings and earnings grow tax-free | › Your savings and earnings grow tax-free<br>› Tax-free withdrawals |
| **GOOD TO KNOW** | | | |
| To be eligible to contribute, you must not have lived in a qualifying home owned by you or your partner this year or within the previous four years. | With an RESP, you can boost your savings with government grants of up to 20–40% of your contributions each year, including the Canada Education Savings Grant (CESG). | The Home Buyers' Plan (HBP) allows you to withdraw up to $60,000 from your RRSP tax-free to buy your first home. | You can withdraw money from your TFSA for any type of project, whether short- or medium-term. |

To take advantage of the tax benefits of the various savings accounts, you must have tax residency in Canada. In other words, you must be a permanent or temporary resident of Canada for tax purposes. You also need to have a social insurance number (SIN).

For more information on registered savings plans and accounts, consult **nbc.ca**/savings

# Saving for education

# Do you have a plan for your children's education?

## DID YOU KNOW?

- **Average tuition** for a full-time undergraduate student in Canada is **$8,519 for the 2024–2025 school year.**[1]
- **The average annual RESP contribution** for children who receive the CESG is **$1,764**, while **average annual withdrawals** per student stood at **$10,115** in 2021.[2]
- **One out of every two** postsecondary students has student debt upon graduation.[3]

## Questions to ask yourself

How can your children pay for their studies if they don't have between $10,000 and $15,000 per year?

- Do you plan to help pay for your children's postsecondary education?
- What portion of your children's studies do you plan to pay for?
- How and how much are you saving for your children's education?
- What kind of education do you wish for your children?
- Where do your children want to study, and in which program?
- Are you fully benefiting from government grants?
- During their studies, will your children live with you, in a student residence or elsewhere?
- Have you estimated the potential costs according to the level of studies, housing needs, etc.?
- Will your children be able to benefit from loans, scholarships or income from a part-time job?

## ARE YOU PLANNING TO RETURN TO SCHOOL?

Did you know that you can withdraw money from your RRSP if you're planning to go back to school?

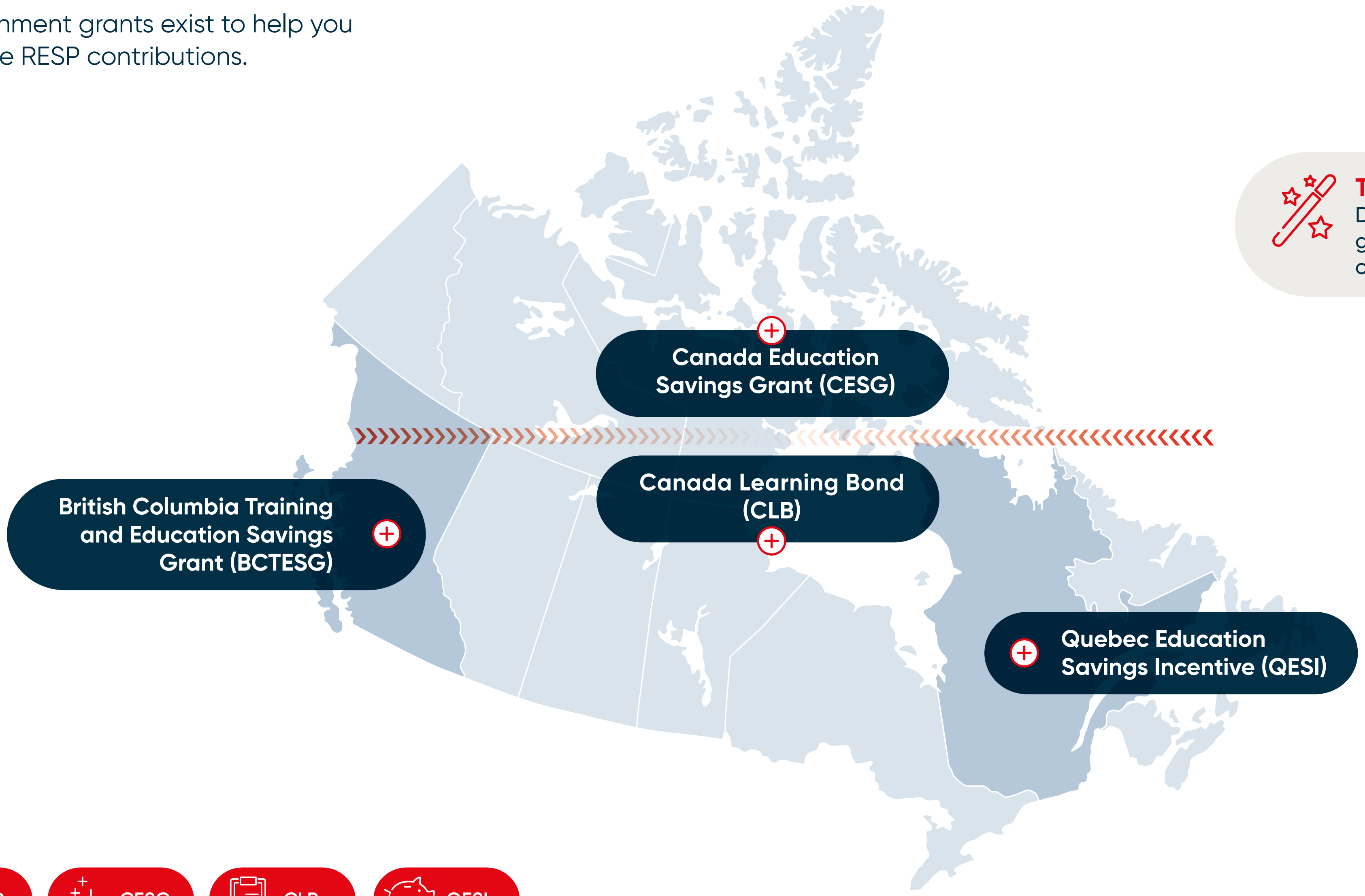
Learn more

Government grants

Source: 1. Statistics Canada. Table 37-10-0121-01, *Canadian students, tuition and additional compulsory fees, by level of study*. Reproduced and distributed on an "as is" basis with the permission of Statistics Canada. 2. Canada Education Savings Program – *2021 Annual Statistical Review*. 3. Galarneau, Diane and Laura Gibson. 2020. "Trends in student debt of postsecondary graduates in Canada: Results from the National Graduates Survey, 2018". *Insights on Canadian Society*. August. Statistics Canada Catalogue no. 75-006-X.

# Are you fully benefiting from government grants?

Many government grants exist to help you maximize the RESP contributions.




**TIP!**
Did you know that the federal government can subsidize up to $7,200 of your children's education?

BCTESG CESG CLB QESI

# Saving for a project

# Do you have a clear plan for saving for a project?

## DID YOU KNOW?

- **65% of Canadians** have a major purchase or expense planned during the next 3 years.[1]
- **46% of Canadians** say saving more helps them reduce stress.[2]
- **Over half (55%) of Canadians** reportedly considered changing jobs in 2021.[3]

## Questions to ask yourself

What short-, medium- or long-term project do you wish to complete?

What have you put in place to complete it?

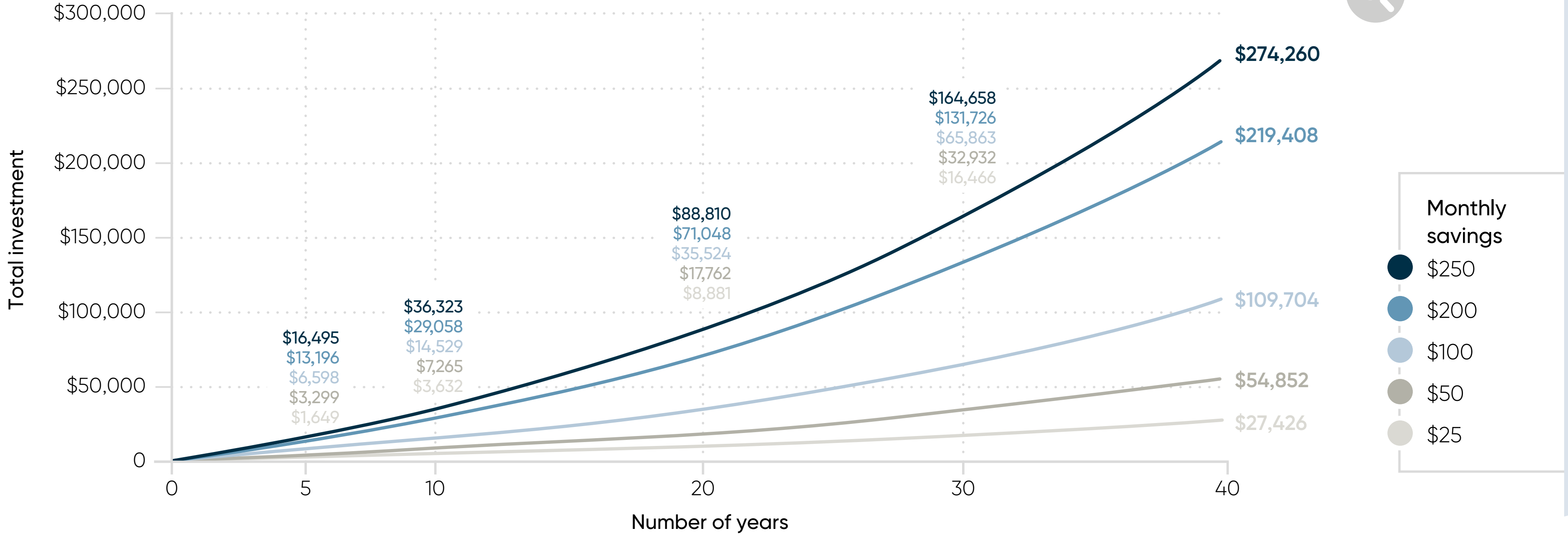
- Are you planning to purchase a home soon?
- Are you dreaming of purchasing a vacation home?
- Are you thinking of going back to school or taking a sabbatical year?
- What is your annual budget for travelling or going on vacation?
- Are you planning construction work or yard landscaping?
- Tomorrow morning, if you won $10,000 in the lottery, what would you do?
- Do you intend to renovate your home?
- Are you planning a wedding in the coming years?
- Are you thinking of adopting a pet soon?

Sources: 1. Key Findings from the 2019 Canadian Financial Capability Survey, Financial Consumer Agency of Canada (FCAC).
2. FP Canada – *2022 Financial Stress Index.*
3. Léger study commissioned by Allstate Canada, an insurance company, conducted from October 29 to November 1, 2021.

# How does systematic saving work?

Systematic saving consists in setting up automatic debits of a specific amount at specific intervals.
For example, you may decide to set aside $25 per week for an undetermined duration or $100 per month for one year.

### Evolution of the portfolio value based on the monthly savings amount




## 4 good reasons to save systematically

- **It's worthwhile:** The earlier you start, the quicker your savings will increase.
- **It's accessible:** Putting aside smaller amounts regularly is easier than putting aside one big sum all at once.
- **It's simple:** Set up automatic debits once, and that's it!
- **It's practical:** Choose the frequency and amount that best suit you.

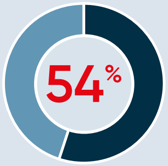
Assumption: Calculation based on an effective return of 3.75%.

# Financial health

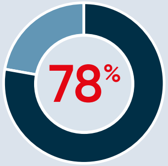
# Do you have enough money to get you through unexpected events?

## DID YOU KNOW?

- **1 out of 3 Canadians** doesn't have an emergency fund covering the equivalent of 3 months of expenses.[1]
- **54% of Canadians** say they are living from paycheque to paycheque.[2]




- **78% of Canadians** say their personal financial situation has grown worse because of inflation.[2]




## Questions to ask yourself

According to recommendations by the Institute of Financial Planning, FP Canada and the Canadian government, an emergency fund should be able to cover the equivalent of **3 to 6 months of expenses.**

- Do you know how much your monthly expenses are?
- Do you have an emergency fund?
- Would your emergency fund be able to cover 3 to 6 months of your monthly expenses?
- What would happen if you developed health problems that prevented you from working?
- What would happen if someone took $1,000 from you tomorrow morning?
- What is your immediate source of funds for unexpected events?
- Would you be able to spend $3,000 to repair your car tomorrow morning?
- What would you do if you lost your job?
- If you have a pet, do you have enough money for an emergency trip to the vet?

Insurance needs

Sources: 1. Key Findings from the 2019 Canadian Financial Capability Survey, Financial Consumer Agency of Canada (FCAC).
2. BDO Annual Affordability Index, September 29, 2022.

# 10 tips to reach financial health

No one is immune to financial problems. Poor planning or going through a tough time, such as a divorce, illness or unemployment, can really tip the scales. Need help? Here are 10 tips to guide you.

Your advisor can accompany and advise you in building a financial plan.

Prefer doing it on your own? Not to worry, our **nbc.ca**/advice site has everything to support you!

1 **Analyze your situation**

2 **Make a budget and follow-up**

3 **Manage your debts**

4 **Keep track of your expenses regularly**

5 **Improve your credit score**

6 **Make informed purchases**

7 **Touch base with your Advisor**

8 **Increase your income**

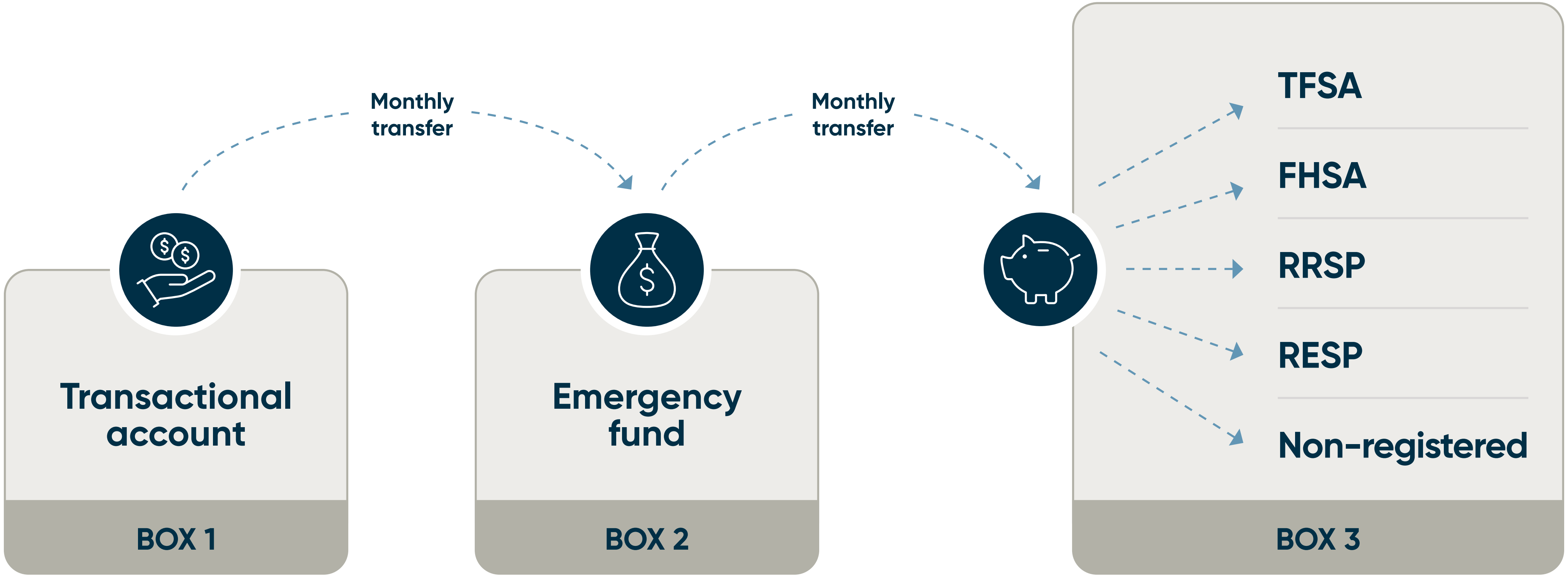
9 **Be realistic**

10 **The emergency fund**

Source: https://www.nbc.ca/personal/advice/credit/tips-financial-problems.html

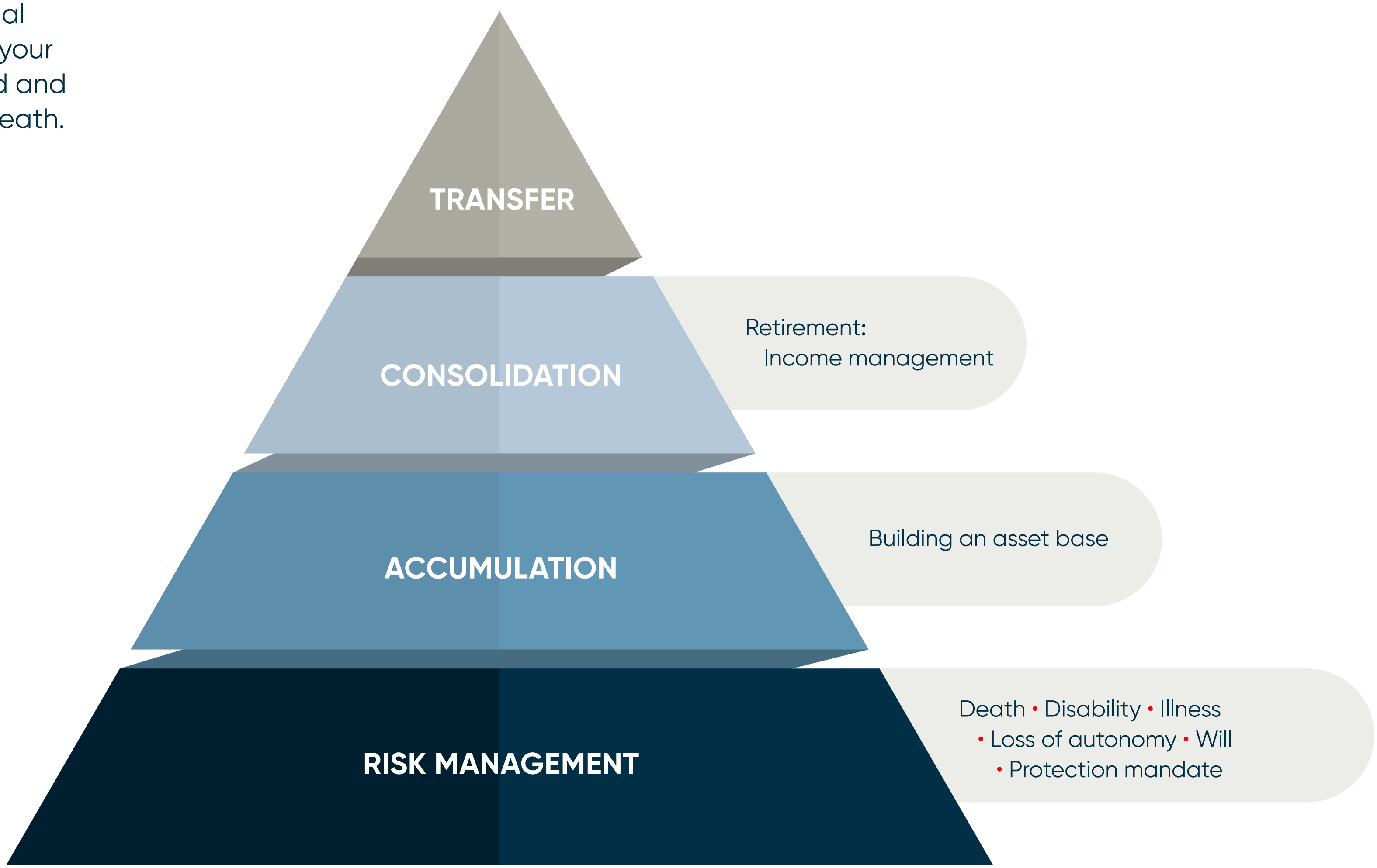
# The 3-box theory

The 3-box theory: a simple strategy to structure your assets effectively. It consists of three distinct boxes.



# Have you thought about risk management?

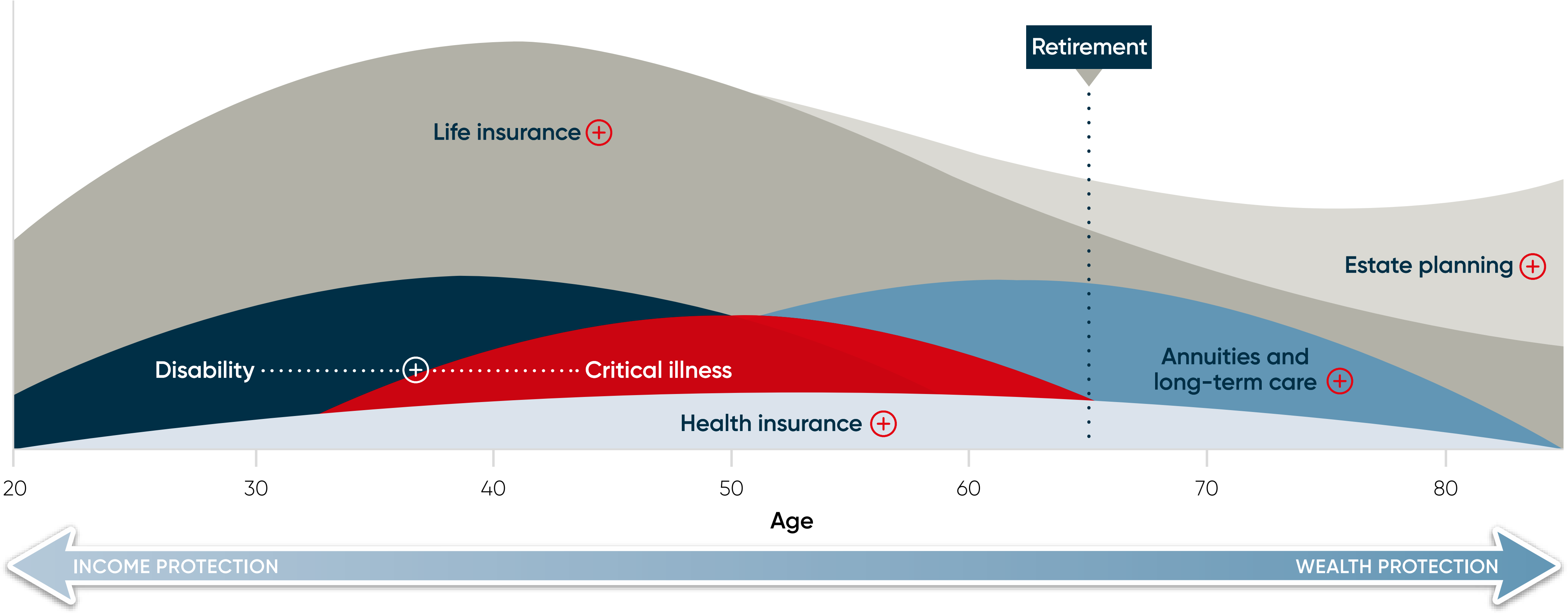
Integrate risk management into your financial planning in order to facilitate the growth of your estate, maintain your way of life once retired and bequeath a part of your estate after your death.




Insurance needs

# Do you occasionally revise your insurance plan?

Insurance needs vary with age. It is important to review your coverage to ensure it always suits your needs.




Risk management

The data presented above are strictly hypothetical and serve to illustrate the various types of insurance protection available.

# How to distinguish your different insurance needs

Take the time to thoroughly analyze your insurance needs by distinguishing **fundamental** characteristics from **strategic** ones.

## Fundamental needs

- Emergency funds
- Debts and loans
- Income replacement
- Shareholders' agreement
- Cashflow at death

**PROTECTION**
**I need it!**

## Strategic needs

- Intergenerational transfer
- Equalize the bequests
- Tax at death
- Insured annuity
- Legacy gifts

**INVESTMENTS**
**I want it!**

# Saving for retirement

# Are you ready to retire?

## DID YOU KNOW?

- **67% of Canadians** surveyed feel they have fallen behind in their retirement savings.[1]
- **72% of Canadians that are currently working with an Advisor** rate their financial well-being to be good to excellent (7 or more out of 10) **compared to 48% of households that are not working with an Advisor as of February 2023.**[2]
- **54% of Canadians** don't have a retirement plan.[1]

## Questions to ask yourself

Where do you see yourself in 5, 10, 15 years?

What worries you about retiring?

- Where will you live out your retirement? At home? With your children? In a retirement home?
- Have you reviewed your insurance coverage?
- What would you do if you lost your autonomy?
- At what age do you plan on retiring? Have you assessed your life expectancy?
- What kind of lifestyle do you want to have? Have you made a retirement budget?
- What impact will taxes have on your income? What have you planned in order to pay the least amount of taxes during retirement?
- Have you already determined if it would be better to invest in a TFSA for your retirement?
- Have you planned your estate?
- Do you have a good idea of your income during retirement (pension plan, CPP/QPP, part-time work, rental income, savings, etc.)?

5 risks of retirement

RRSP, TFSA or FHSA?

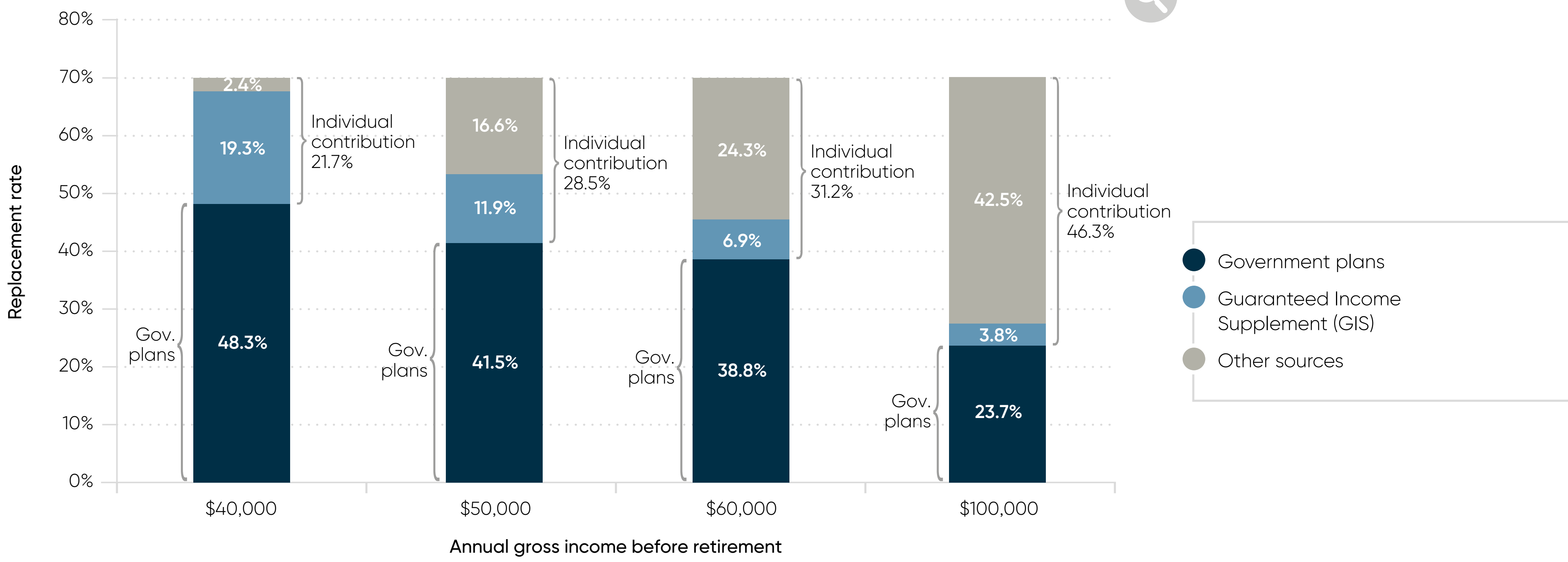
Source: 1. *Financial optimism during the pandemic: Canadians discovering true value of advice and planning* – RBC poll, March 2021. 2. *Financial Planning: A Pathway to Improved Financial Resilience*, Financial Resilience Institute's Full Report, July 2023.

# Why do you need to save for retirement?

In certain cases, public plans aren't enough to live retirement to its fullest. Saving will allow you to get the most out of your retirement.

For a retiree with pre-retirement income of $60,000 and no savings, government plans will replace the equivalent of 45.7% of their gross annual income before retirement. However, if the retiree's savings were sufficient to replace 70% of their pre-retirement income, they would lose the Guaranteed Income Supplement. The individual contribution therefore has to be 31.2%.

Replacement rate needed to reach 70% of active period income




Note: These figures are based on amounts applicable in Quebec for government plans (QPP, OAS) and the Guaranteed Income Supplement on January 2023.

# Have you considered these 5 retirement risks?

## 1. Underestimating your life expectancy

According to recent statistics, if you are currently 60 years old, you or your partner have a 50% chance of living to the age of 94.

Table showing the probability of survival

## 2. Not accounting for inflation

Essential goods undergo the largest fluctuations.

Graph showing the consumer price index of some essential goods

## 3. Forgetting to plan for healthcare expenses

Starting at age 70, healthcare costs for Canadians tend to nearly double every 10 years.

Graph showing medication expenditures, per inhabitant, by age group

## 4. Withdrawing too much money

It is crucial to properly calculate how much money to withdraw so that you don't use up your capital too quickly. In the example chart, we can see that someone who takes out 10% of their assets each year (weighted for inflation) will run out of money at age 80.

Graph showing the projection of different annual withdrawals on a 35-year period

## 5. Only opting for low-risk investments, thereby reducing potential yield

Properly allocating your investments helps make your capital last longer. In the example below, we see that Portfolio C generates a higher yield than Portfolio A for the same level of risk.

Graph showing the theory of efficient portfolio selection

Sources of income

Withdrawal strategy

# RRSP, TFSA or FHSA?



It all depends on your situation. An RRSP is a long-term retirement-savings account that is tax-deductible and taxable upon withdrawal. TFSAs are not tax-deductible; however, upon withdrawal, the amount withdrawn is non-taxable. The FHSA is a savings account meant for first-time home purchase. Contrary to RRSPs, withdrawing from a TFSA and a FHSA does not reduce your government benefits. Learn about the main differences and similarities between the three products here.

| | RRSP | TFSA | FHSA |
|---|---|---|---|
| **Who is eligible?** | Any Canadian resident age 71 and under who earned income in the previous year (subject to pension adjustment) | Any Canadian resident aged 18 and over[2] | Any Canadian resident between the ages of 18[4] and 71 who, at any prior time in the calendar year or in the preceding 4 calendar years, inhabits as a principal place of residence a qualifying home in Canada or not, owned or co-owned by them or their current spouse or common-law partner |
| **How much is the authorized annual contribution?** | 18% of income earned up to the allowed annual maximum[1] | $7,000[3] | $8,000, with a lifetime limit of $40,000[5] |
| **How is the contribution ceiling indexed?** | Indexed for inflation using the Industrial Aggregate average wages and salaries in Canada | According to the Consumer Price Index, rounded to the nearest $500 | This amount will not be adjusted for cost of living or inflation |
| **Can the contributions be deducted from taxable income?** | Yes | No | Yes |
| **Are contributions to a spouse permitted?** | Yes | No, but a person could make a donation or a loan to their spouse for the latter to contribute to their TFSA[3] | No, but a person could make a donation or a loan to their spouse for the latter to contribute to their FHSA[5] |
| **Is there a penalty for overcontributions?** | Yes: 1% per month (a lifetime maximum surplus of $2,000 is allowed without penalty) | Yes: 1% per month on excess contributions, regardless of when it occurs during the month | Yes: 1% per month on excess contributions, regardless of when it occurs during the month |
| **Are withdrawals taxed?** | Yes, except for HBP withdrawals | No | No, if they are applied to the purchase of a first eligible home |

RRSP or TSFA

FHSA

Sources of income

Withdrawal strategy

1. Source: Canada Revenue Agency website, canada.ca, RRSP Contributions section.
2. Contribution rights begin at age 18, regardless of the province's age of majority.
3. Source: Canada Revenue Agency website, canada.ca, TFSA Contributions section.
4. Depending on the age of majority in the province of residence.
5. Source: Canada Revenue Agency, *Design of the Tax-Free First Home Savings Account*, canada.ca.

# What are the main sources of income during retirement?



**Your retirement income comes from three main sources:** personal savings, private pension plans and government plans. Government plans usually aren't enough to ensure you can maintain your cost of living during retirement.

Ensure you save enough money to complement the other sources of income!

**PERSONAL SAVINGS**
Registered and non-registered investments (RRSP, TFSA, etc.), other personal assets (real estate, etc.)

**PRIVATE PENSION PLANS**
(pension fund with your employer)

**GOVERNMENT PLANS**
(Quebec Pension Plan (QPP), Canada Pension Plan (CPP), Old Age Security (OAS) pension, etc.)

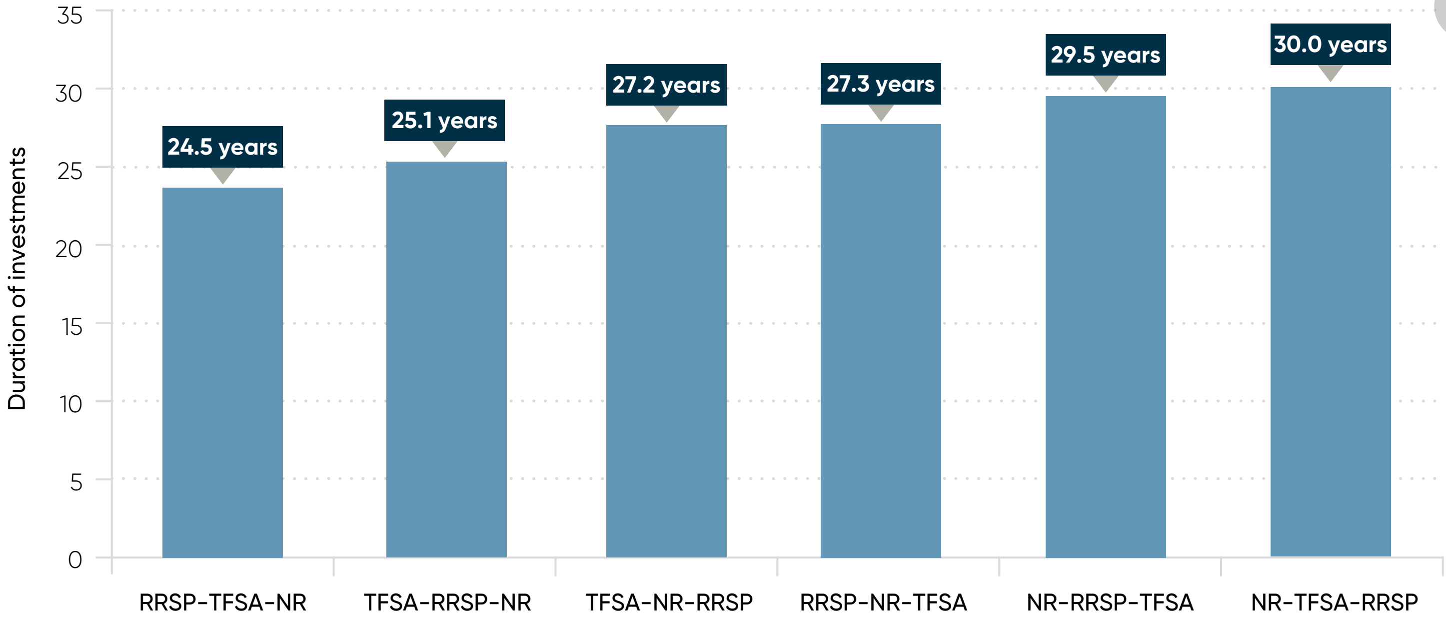
RRSP, TFSA or FHSA?

When to withdraw money from the CPP/QPP and OAS?

Withdrawal strategy

# Have you established a withdrawal strategy?

The order in which you withdraw your investments significantly affects the duration of your capital. Usually, it is better to withdraw non-registered (NR) investments first.




Hypothesis: Start-up capital distributed equally in an RRSP, a TFSA and non-registered investments. The portfolio is continually rebalanced to 50% in equities (return of 6.5%; 80% capital gains, 20% dividends) and 50% in fixed income (return of 4%). The calculations are made at the margin, assuming a tax rate of 40% and a special tax treatment of capital gains and dividends.

RRSP, TFSA or FHSA?

When to withdraw money from the CPP/QPP and OAS?

Sources of income

# When should you withdraw your pension from the CPP/QPP[1] and OAS?

There is no perfect formula for calculating the ideal age to withdraw your government pension.
It is up to you to assess your personal situation and make decisions according to your needs and priorities.

| Factors to consider | It is recommended to withdraw early | It is recommended to wait a bit longer |
| --- | --- | --- |
| 1 Sources of income | I anticipate having **limited additional** sources of income. | I anticipate having **multiple** sources of income. |
| 2 Life expectancy | I have a **lower** life expectancy (according to my health and family history). | I have a **normal** life expectancy (according to my health and family history). |

CPP: Canadian Pension Plan

QPP: Quebec Pension Plan

OAS: Old Age Security

Sources of income

Withdrawal strategy

Note on OAS: If your gross income will be higher than the OAS clawback threshold at age 65, it's preferable to defer your OAS pension as long as possible. For clients who will receive the GIS, it's recommended to apply for the OAS pension as soon as you are eligible.

1. According to your province of residence.

# Our investment solutions

# Why choose us?

## Access to the world's best portfolio managers

Being the leading retail open architecture provider in Canada, National Bank Investments has the freedom to select from among the world's best portfolio managers to offer investment solutions that meet the evolving needs of investors.

### Open architecture

**Its benefits**

- Allows us to choose from among the world's best portfolio managers.
- Ensures optimal performance through continuous process and performance monitoring.
- Provides diverse solutions to meet the evolving needs.

Discover NBI

## The power to choose

Our six criteria for selecting portfolio managers:

**OP4+ selection and evaluation process**

| | |
|---|---|
| Organization | Strong organization with top-tier investment culture |
| People | Stable team of investment professionals |
| Process | Proven management processes to select securities, build portfolios and manage risk |
| Portfolio | Optimized portfolio construction that follows the investment process and ensures sound diversification |
| Performance | Strong and predictable risk-adjusted returns |
| ESG+ | Integration of Environmental, Social and Governance factors |

# Responsible investment at NBI

## Our beliefs and approach

- We believe that considering ESG criteria along with traditional financial analysis allows for a better assessment of risks and opportunities, resulting in better investment decisions.
- Thus, responsible investment is an integral part of the selection criteria of portfolio managers of NBI Funds. The ESG pillar of our OP4+ process allows us to evaluate the portfolio managers on their ESG initiatives and how they incorporate responsible investment in their investment process.
- Depending on the fund, responsible investment can range from a purely risk mitigation standpoint to thorough assessments designed to achieve sustainable objectives.

## Our commitments

*Signatory of:*

PRI Principles for Responsible Investment

RIA Responsible Investment Association

CLIMATE ENGAGEMENT CANADA

## NBI Sustainable Solutions take a step further

NBI offers sustainable mutual funds and exchange-traded funds in several asset classes to meet the different investment needs of investors. Learn more

| Objective | Target clients | Global expertise | Investments | Exclusions |
|---|---|---|---|---|
| Provide long-term capital growth while respecting a sustainable investment approach. | Clients that want to prioritize a sustainable investment approach. | Actively managed by world's top global portfolio managers that are renowned for their expertise in sustainable investment. | Invest in companies or issuers with sustainable practices or offering products and services that are key to building a more sustainable and just economy. | Aim to exclude companies that are significantly involved in:<br>› The production and distribution of tobacco<br>› The manufacturing of controversial weapons<br>› Oil and gas production<br>› Thermal coal extraction<br>› Oil and gas exploration and extraction in the Arctic offshore. |

# Do you know about Meritage Portfolios®?

meritage PORTFOLIOS®

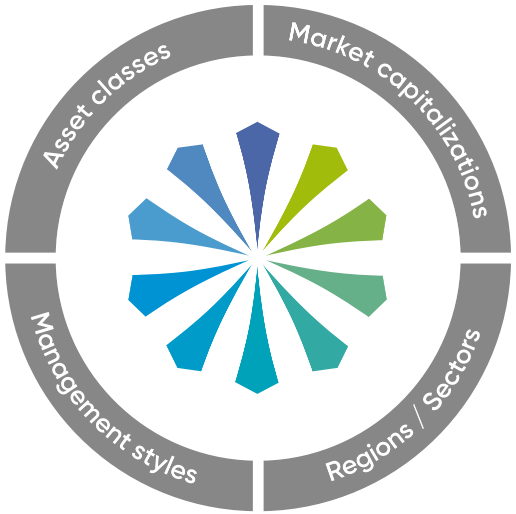
Meritage Portfolios are all-in-one solutions that help investors achieve their financial goals. The success of the Meritage range is based on partnerships with accomplished portfolio managers who are selected for their expertise and performance history.

## A tailored offer

- 24 turnkey solutions: a Meritage Portfolio for each investor profile.
- Designed to reduce risk while optimizing yield.
- Rigorous processes for selecting and periodically assessing portfolio managers.

Learn more about Meritage Portfolios

## Optimal diversification




## Ongoing optimization

**Meritage Portfolios made up of mutual funds**

Systematic rebalancings

**Meritage Tactical ETF Portfolios**

Tactical deviations

# What are NBI Exchange-Traded Funds?

NBI offers a range of exchange-traded funds (ETFs) that provide an attractive and convenient solution for both investors and investment advisors. NBI ETFs allow for the selection of a variety of sectors, geographies, asset classes, and management styles to increase portfolio diversification and mitigate risk.

## NBI ETFs

- Innovative risk and portfolio diversification opportunities.
- Alternative, active and sustainable niche exposure.

### Alternative ETFs

- NBI Liquid Alternatives ETF (NALT)

### Actively managed ETFs

- NBI Canadian Dividend Income ETF (NDIV)
- NBI Active U.S. Equity ETF (NUSA)
- NBI Active International Equity ETF (NINT)
- NBI Global Real Assets Income ETF (NREA)
- NBI Active Canadian Preferred Shares ETF (NPRF)
- NBI Unconstrained Fixed Income ETF (NUBF)
- NBI High Yield Bond ETF (NHYB)

### Sustainable ETFs

- NBI Sustainable Canadian Short Term Bond ETF (NSSB)
- NBI Sustainable Canadian Corporate Bond ETF (NSCC)
- NBI Sustainable Canadian Bond ETF (NSCB)
- NBI Sustainable Canadian Equity ETF (NSCE)
- NBI Sustainable Global Equity ETF (NSGE)

### Index-tracking ETFs

- NBI Global Private Equity ETF (NGPE)

Learn more about NBI ETFs

# Understanding NBI Funds

Whether alone or as a complement to a larger investment strategy, NBI Funds seek to provide risk-adjusted investment returns over the long term, catering to multiple investment profiles.

## NBI Funds

- A complete suite of investment funds designed to help investors of each risk profile reach their financial goals.
- Objective: provide superior risk-adjusted returns over the long term.
- Offered individually or as a complement to your strategies.
- Suited for a multitude of investor profiles.

Learn more about NBI Funds

- Money Market Funds
- Short-Term and Income Funds
- Diversified Funds
- Canadian Equity Funds
- Global Equity Funds
- Specialty Funds

nbinvestments.ca

NATIONAL BANK INVESTMENTS

## National Bank Investments

Meritage Portfolios® (the "Portfolios") are managed by National Bank Investments Inc., a wholly owned subsidiary of National Bank of Canada. Commissions, trailing commissions, management fees and expenses all may be associated with investments in the Portfolios. Please read the prospectus of the Portfolios before investing. The Portfolios' securities are not insured by the Canada Deposit Insurance Corporation or by any other government deposit insurer. The Portfolios are not guaranteed, their values change frequently and past performance may not be repeated.

® MERITAGE PORTFOLIOS and the Meritage Portfolios logo are trademarks of National Bank of Canada, used under licence by National Bank Investments Inc. All trademarks of the mutual fund and ETF companies are their property. National Bank Investments Inc. is an authorized user.

NBI exchange-traded funds (the "NBI ETFs") are offered by National Bank Investments Inc., a wholly owned subsidiary of National Bank of Canada. Management fees, brokerage fees and expenses all may be associated with investments in NBI ETFs. Please read the prospectus or ETF Facts document(s) before investing. NBI ETFs are not guaranteed, their values change frequently and past performance may not be repeated. NBI ETFs units are bought and sold at market price on a stock exchange and brokerage commissions will reduce returns. NBI ETFs do not seek to return any predetermined amount at maturity.

NBI Funds (the "Funds") are offered by National Bank Investments Inc., a wholly owned subsidiary of National Bank of Canada. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus of the Funds before investing. The Funds' securities are not insured by the Canada Deposit Insurance Corporation or by any other government deposit insurer. The Funds are not guaranteed, their values change frequently and past performance may not be repeated.

The information and the data supplied in the present document, including those supplied by third parties, are considered accurate at the time of their printing and were obtained from sources which we considered reliable. We reserve the right to modify them without advance notice. This information and data are supplied as informative content only. No representation or guarantee, explicit or implicit, is made as for the exactness, the quality and the complete character of this information and these data. The opinions expressed are not to be construed as solicitation or offer to buy or sell shares mentioned herein and should not be considered as recommendations.

The present document aims to supply general information and must on no account be considered as offering investment, financial, fiscal, accounting or legal advice. The present document on no account recommends the purchase or sale of any given security and it is strongly recommended that the reader consult an advisor of the financial sector and/or a professional tax consultant before engaging in any purchase or sale transaction of a security.

These index providers are included in this document: Standard & Poor's, FTSE and MSCI. These companies are licensing their indices "as is", make no warranties regarding same, do not guarantee the suitability, quality, accuracy, timeliness and/or completeness of their indices or any data included in, related to or derived therefrom, assume no liability in connection with their use and do not sponsor, endorse or recommend NBC and its wholly owned subsidiaries any of their products and services. The above index providers do not guarantee the accuracy of any index or blended benchmark model created by NBC using any of these indices. No responsibility or liability shall attach to any member of the Index Providers or their respective directors, officers, employees, partners or licensors for any errors or losses arising from the use of this publication or any information or data contained herein. In no event shall the above Index Providers be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, legal or other expenses, or losses (including, without limitation, lost revenues or profits and opportunity costs) arising out of or in connection with the use of the content, even if advised of the possibility of such damages.

The FTSE/TMX indices are trademarks of the LSE Group. S&P Indices are trademarks of S&P Dow Jones Indices LLC, a division of S&P Global. MSCI indices are trademarks of MSCI Inc.

® NATIONAL BANK INVESTMENTS is a registered trademark of National Bank of Canada, used under licence by National Bank Investments Inc.



National Bank Investments is a signatory of the United Nations-supported Principles for Responsible Investment, a member of Canada's Responsible Investment Association, and a founding participant in the Climate Engagement Canada initiative.

27199-402 (2025/03)