

Have you ever considered the “What ifs.....?”

Managing Your Money

LYNN MacNEIL



You’ve worked hard, saved diligently, and imagined a retirement of leisure – maybe on the golf course or sailing the high seas. Maybe you’re already there or maybe you can see the target in sight. But “what if...?” What if inflation remains high? What if markets drop? What if interest rates skyrocket? What if your spouse dies? What if you divorce? What if...? What if...? What if...? No one has a crystal ball, but planning for the future, at least financially, can consider a multitude of scenarios, and how they could affect you.

People often contact me for a second opinion on their investment plan or their current portfolio. But what I often find missing is a ‘wealth plan’. Don’t get me wrong, a strong investment plan is important, but I believe it should be part of a bigger picture – a ‘wealth plan’. A wealth plan not only encompasses goals like retirement or passing on wealth to the next generation, but it should also consider tax planning, protection of wealth, and of course, the “what ifs”.

“A comprehensive wealth plan gives people the ability to see their financial future and consider various scenarios.”

Unlike the medical field where a general practitioner is often the quarterback, pulling together information from other specialists... advice in the wealth management field is often more fragmented. Accountants, lawyers, notaries, and investment managers don’t always communicate with each other, so no one is really seeing the full picture. That is where a wealth manager, with a comprehensive wealth plan can play a key role. Seeing the big picture and ensuring that all pieces are in place.

Visuals can show cash flow needs and various sources of income throughout life, factoring in inflation.

Two years ago, a successful business owner came to see me. She had a significant portfolio at a large financial institution. Her portfolio had enjoyed excellent returns during the bull run of the past decade, but she had



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no wealth plan! When we did a comprehensive wealth plan, it clearly showed that for her to attain her goals of eventual retirement and financial security for her family, she needed only a 2.6% annual return on her investments. She questioned why her previous advisor was taking so much risk when it wasn’t necessary. She also realized the importance of a wealth plan as a ‘beacon’ for all her financial decisions. We have now been successfully managing her wealth, her investments, and working with the other professionals involved, which has even led to opportunities for her to tighten up her corporate planning. Her investment returns are still a lot higher than the minimal 2.6% required, but much of the risk has been taken off the table. With the recent volatility in the markets this more defensive approach has served her well. Overall, the implementation of a comprehensive approach has led to a better protection of her wealth.

Many people are surprised when they realize how comprehensive a wealth plan can be. Of course, it depends on the complexity of the situation, but generally it will include everything from pensions, investments, and insurance policies to wills, powers of attorney, etc. For more complex situations, corporate structure, trusts, estate freezes, holding companies, etc., will be factored in. The central focus of a wealth plan lies around goals, concerns, and objectives. These often include the intergenerational transfer of wealth, sale of a business, or simpler things like retirement, protection of wealth, and tax reduction.

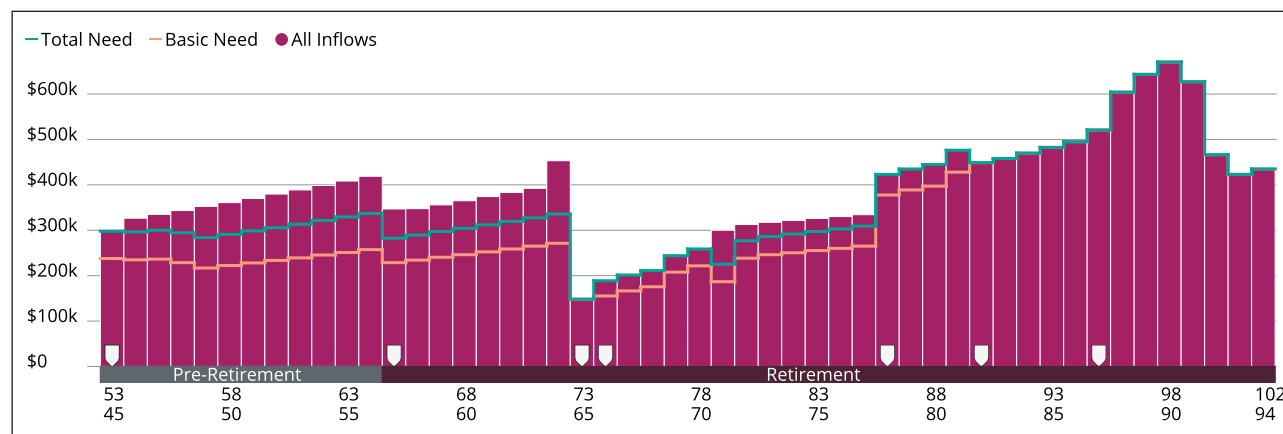
In my opinion, one of the most important benefits of having a wealth plan, is the ability to consider the “what ifs”. I had a virtual meeting this week with a client who lives out west that recently retired. She expressed concern over rising prices, especially now that she is retired. She’s been worrying about whether or not she’ll be able to maintain her lifestyle in retirement if inflation keeps burning away at the value of her money. Pulling up her wealth plan on my screen, I was able to show her various inflation scenarios, and reassure her that we had planned well, and that her lifestyle was well protected.

As a wealth manager, I feel that one of my most important responsibilities is to help people reduce their financial stress and anxiety. A comprehensive wealth plan is one of the tools I use to do that. It gives me the ability to show people their financial future and consider scenarios that may be causing them to worry, or scenarios that they haven’t even considered. So, if you ever feel concern over your financial future, or want to ensure that your wealth is safe, it may be time to implement a comprehensive wealth plan to pull all aspects of your financial life together.

Lynn MacNeil, F.P.L., CIM®, is an Associate Portfolio Manager, Associate Investment Advisor and Financial Planner with Richardson Wealth Limited in Montreal, with over 25 years of experience working with retirees and pre-retirees. For a second opinion, private financial consultation, or more information on this topic or on any other investment or financial matter, please contact Lynn MacNeil at 514.981.5796 or Lynn.MacNeil@RichardsonWealth.com. Or visit our website at www.EphtimiosMacNeil.com.

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