

Sun GIC Max

Retirement

Do you want a safe and simple investment that protects your principal and guarantees your interest rate? One that will help you save for the important things that matter and safeguard your savings from the ups and downs of the market?

If you want a solution with no volatility that has guaranteed interest, consider a simple investment product: guaranteed investment certificates (GICs).

Which guaranteed savings option is the best?

SLF Trust GIC Redeemable GIC

Guarantees an interest rate over a fixed period of time.

Sun GIC Max Non-redeemable GIC

Offers a higher interest rate compared to these other options, while continuing to minimize risk.

Redeemable GIC – investments are allowed to be cashed out before the maturity date; a market value adjustment (MVA) will apply.

Non-redeemable GIC – investments are not allowed to be cashed out early and must be held until the maturity date.





Meet Sarika and Vijay

Sarika and Vijay came to Canada 23 years ago and have spent the past 20 years saving for their retirement. Sarika, 58, is a university professor while Vijay, 60, is an engineer in the automotive industry. They've paid off their mortgage and both plan to retire within the next five years. Each year, they maximize their registered retirement savings plan (RRSP) contributions to help build a comfortable retirement.

Goal

To minimize investment risk in their savings portfolio.

With only five years to go, both Sarika and Vijay want to invest wisely and have additional money for their retirement. It's time to revisit the risk in their portfolio because they want to protect their hard-earned money from market fluctuations. They have \$10,000 extra in savings and want to invest it safely and get the best return they can.

Solution

Invest in a Sun GIC Max that will protect their investments from exposure to market fluctuations.

After revisiting their tolerance for risk, Sarika and Vijay decide to invest in Sun GIC Max to protect their principal and earn guaranteed interest. They decide to use the laddering strategy with their Sun GIC Max investments.

Result

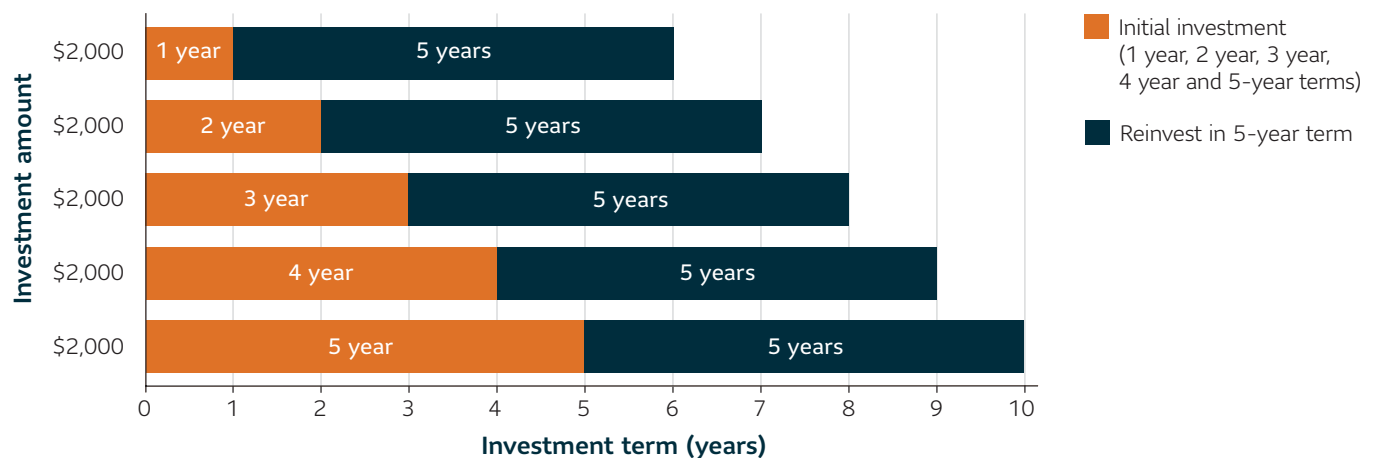
By using Sun GIC Max with the laddering strategy, Sarika and Vijay can get better interest rates and can access their money at the time of reinvestment.

Laddering Strategy

Laddering is a simple investment strategy that involves having investments with different maturity dates, allowing Sarika and Vijay to take advantage of different interest rates for each term.

Here's how it works:

1. They invest \$10,000.
2. They split the total investment into five \$2,000 investment terms - 1 year, 2 year, 3 year, 4 year and 5-year.
3. When each investment matures, they reinvest their \$2,000 plus interest earned in a new 5 year term, to continue the laddering process.



For illustration purposes only.

Advantages:

- This strategy ensures that each year, one of the initial investments will mature, allowing access to a portion of the money each year.
- Helps manage their exposure to interest rate risk. Since only 20% of their portfolio matures each year, if interest rates have temporarily fallen, only this 20% is exposed to the lower rate.
- Increases the liquidity of their portfolio; they always have access to 20% of their money each year.
- Helps to enhance their long-term rate of return by including investments with longer terms, which usually provide higher rates than shorter term investments.
- Sarika and Vijay could also decide to use their money for a different purpose, as each investment matures.



Meet Priscilla

Priscilla is 65. She has an active retirement lifestyle and is enjoying her time with family and friends. Fortunately, from her sources of income – old age security, Canada Pension Plan (CPP), company pension, registered retirement savings plan (RRSP) and personal savings – she has excess cash of \$25,000 to invest. She is looking for an effective and secure way to grow and protect this money for the next 15 years.

Goal

To have a savings investment that can provide growth and a guaranteed rate of return for her lump sum of \$25,000.

She wants to invest in a guaranteed savings product that will maximize her returns and allow her to reassess this investment every five years.

Solution

Invest in a five-year Sun GIC Max investment that offers a higher interest rate compared to a redeemable GIC.

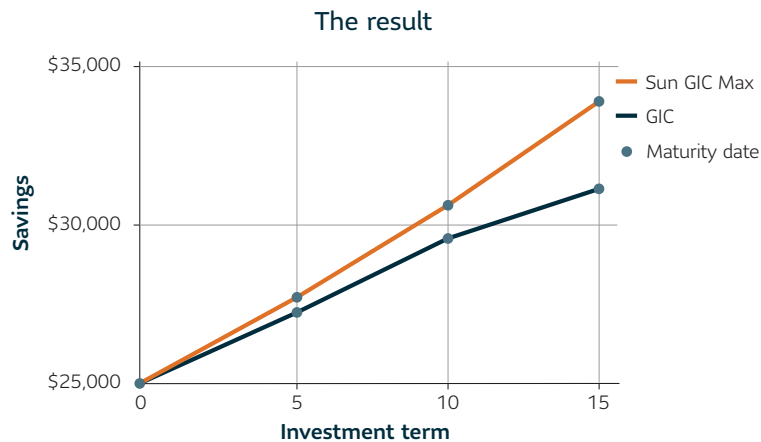
Priscilla invests her excess money of \$25,000 in a Sun GIC Max for five years and will roll it over for another five-year term every five years for the next 15 years. By investing in a Sun GIC Max, she can depend on a guaranteed interest rate, which will maximize her returns and at the same time allow her to reassess her financial situation at the end of each five-year period when the investment matures.

Investment maturity is the date an investment ends and interest is no longer paid. At that time, you can reinvest your money in a new Sun GIC Max investment term, move it to a different type of investment or take the cash value.

Result

With Sun GIC Max, Priscilla gets a higher guaranteed interest rate, which will maximize her returns.

In this example, in 15 years her savings will grow to almost \$33,750 (assuming no withdrawals were made at the end of each five-year term).



Assuming rates	5 year
GIC	1.65%
Sun GIC Max	2.00%

Investment terms available in a Sun GIC Max:

- Daily interest
- 30-364 days
- 1-5 years*

For illustration purposes only – rates are subject to change without notice. Compound interest investment; initial investment of \$25,000 in a five-year GIC that rolls at maturity twice for a total of 15 years invested.

*1-25 years available on RRIF.

TIP

In both clients' situations, they can take advantage of tax-free growth by investing in a Sun GIC Max tax-free savings account (TFSA).



For more information, speak to your advisor or:

Visit [sunlifeglobalinvestments.com](https://www.sunlifeglobalinvestments.com) | Call **1-877-786-5433**

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