

# Goals Based Investing

# Why Invest with Coast Capital?

## Purpose Driven

As a member owned organization, our purpose is aligned with our members' and their goals.

## Community

We invest in our communities to create a brighter future for our youth—who are the leaders of our future.

## Culture of Care

We lean into the difficult conversations you will experience in life and empower you to achieve your financial well-being. We support the development and growth of our employees, members and communities by fostering a continuous learning environment and open communication.

## High Quality Partnerships

We partner with world class institutional money managers around the world to deliver investment solutions to meet your long term goals.

# Investing with Your Goals in Mind

When we say “future goals” what comes to mind?



Saving for my kids' education



Caring for my aging parents



Retiring comfortably



Having money and time to give back



Living without debt



Owning a home



Financial freedom



Personal/career development



Trying new experiences

# Ways to Invest

Looking to grow your money? We can help. There are several different options available to you, each with their own unique benefits depending on your goals and whether or not you need easy access to your money.

## Savings Account

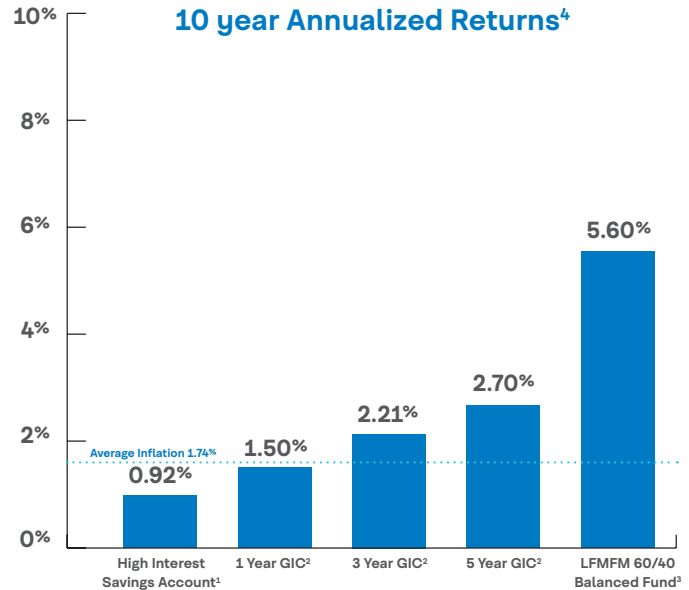
- Fully accessible
- Low risk
- Lowest growth potential

## GIC

- Less accessible
- Guaranteed rate of return
- Low growth potential

## Mutual Funds

- Fully accessible
- Not guaranteed
- Higher growth potential



<sup>1</sup> Interest rate is based on the per annum rate of 0.92% listed for the Coast Capital Savings High Interest Savings Account for the 10 year period ending February 28, 2020 on coastcapitalsavings.com

<sup>2</sup> Based on annualized return over 10 years of the actual 1, 3 and 5 year Coast Capital Savings Non-Redeemable Term Deposit

<sup>3</sup> 10 year total performance for Low-Fee, More-For-Me Balanced 60/40 fund S Class units, net of the Funds' operating expenses and applicable management fees payable to SEI. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

<sup>4</sup> Annualized returns to February 28, 2020. For illustrative purposes only. Past performance is not indicative of future performance.

# Understanding Mutual Funds

## Mutual Funds



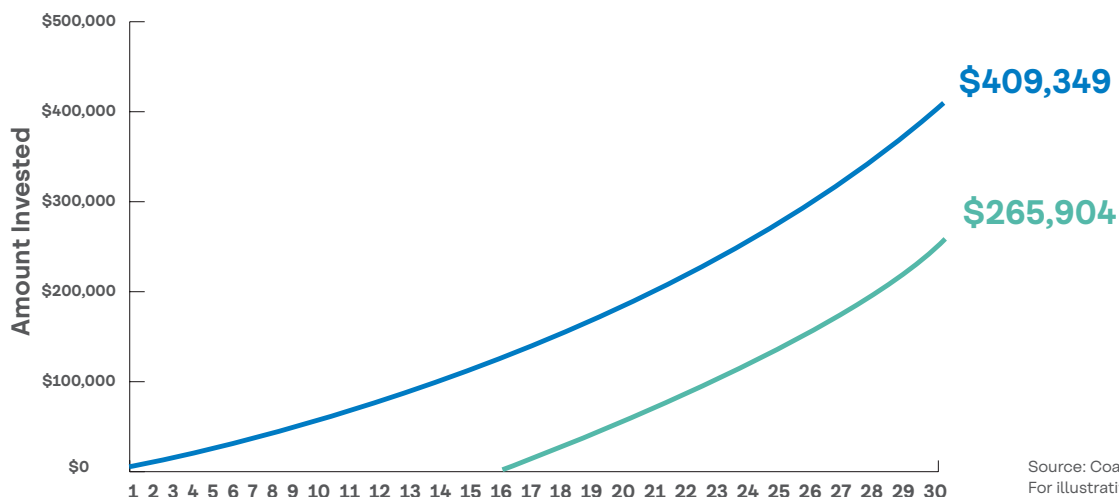
## Benefits for Coast Capital Investors

- **Broad diversification** by asset class and investment style to manage risk and provide the potential for above-average returns.
- A **personalized investment strategy** set up by your Mutual Fund Representative or Financial Planner, based on your goals, your time frame and your tolerance for risk.
- Access to **globally-prominent money managers** normally available only to large institutional investors.
- **Continuous monitoring** of each underlying fund within your portfolio by SEI's team of investment specialists around the world.
- Investors receive **detailed quarterly statements** that include a personal rate of return.

# Invest Early

Starting early makes a big difference. The graph below compares investing \$500/month immediately for 30 years versus waiting for 15 years and then investing \$1,000/month for 15 years. Both examples assume a 5% annual return on investment.

## Starting early makes a big difference



Source: Coast Capital Savings calculation. For illustrative purposes only.

# Invest Regularly

## Investing regularly takes advantage of dollar-cost averaging

Everyone knows that you're supposed to "buy low, sell high" but it can be difficult – if not impossible – to time the market. By investing on a regular basis, you benefit from dollar-cost averaging.

Month	Investment	Unit Price	Units Purchased
January	\$600	\$10	60
<b>Total</b>	<b>\$600</b>		<b>60</b>
<b>Average cost per unit</b>		<b>\$10</b>	

For example, a lump sum \$600 investment in month 1 would purchase 60 units ( $\$600 / \$10$  per share = 60 units). But, by investing \$100 regularly over 6 months, the same \$600 buys more units (67.7) and lowers the average unit cost to \$9.33.

Source: SEI Investments Canada. Seic.com For illustrative purposes only.

Month	Investment	Unit Price	Units Purchased
January	\$100	\$10	10
February	\$100	\$12	8.33
March	\$100	\$6	16.67
April	\$100	\$11	9.09
May	\$100	\$9	11.11
June	\$100	\$8	12.5
<b>Total</b>	<b>\$600</b>		<b>67.7</b>
<b>Average cost per unit</b>		<b>\$9.33</b>	

# Diversify

It pays to diversify. How a portfolio is diversified can be one of the greatest determinants of overall investment performance. With such market unpredictability, a well-diversified portfolio can be the best investment strategy to help you reach your goals.

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Best	EM Equity 29.6%	EM Equity 32.6%	EM Equity 19.4%	Gov't Bonds 11.9%	EM Equity 54.0%	HY Bonds 22.0%	Gov't Bonds 9.6%	HY Bonds 15.9%	US Equity 41.7%	US Equity 24.4%	US Equity 20.7%	Canadian Equity 21.1%	EM Equity 28.4%	US Equity 3.7%	US Equity 25.2%
	Canadian Equity 24.1%	EAFE Equity 26.7%	Canadian Equity 9.8%	HY Bonds 0.3%	Canadian Equity 35.1%	Canadian Equity 17.6%	IG Bonds 7.9%	EM Equity 14.8%	EAFE Equity 31.5%	Canadian Equity 10.6%	EAFE Equity 18.1%	HY Bonds 16.1%	EAFE Equity 17.0%	Gov't Bonds 2.5%	Canadian Equity 22.9%
	EAFE Equity 9.8%	Canadian Equity 17.3%	Gov't Bonds 5.0%	IG Bonds 0.0%	HY Bonds 31.9%	EM Equity 12.8%	US Equity 4.5%	EAFE Equity 13.9%	Canadian Equity 13.0%	Gov't Bonds 7.5%	Gov't Bonds 3.7%	US Equity 8.7%	US Equity 14.0%	HY Bonds 2.0%	EAFE Equity 16.2%
	Gov't Bonds 7.0%	US Equity 16.2%	HY Bonds 4.1%	US Equity -23.1%	IG Bonds 15.3%	US Equity 9.2%	HY Bonds 2.4%	US Equity 9.2%	HY Bonds 5.8%	IG Bonds 7.4%	IG Bonds 2.7%	EM Equity 8.0%	Canadian Equity 9.1%	IG Bonds 1.0%	EM Equity 12.8%
	IG Bonds 6.0%	HY Bonds 9.7%	IG Bonds 1.3%	EAFE Equity -30.8%	EAFE Equity 13.7%	IG Bonds 7.3%	Canadian Equity -8.7%	Canadian Equity 7.2%	EM Equity 4.3%	EM Equity 7.0%	EM Equity 1.3%	IG Bonds 3.6%	HY Bonds 8.5%	EAFE Equity -6.5%	HY Bonds 10.4%
	HY Bonds 4.4%	IG Bonds 4.3%	EAFE Equity -4.8%	Canadian Equity -33.0%	US Equity 9.1%	Gov't Bonds 6.2%	EAFE Equity -10.1%	IG Bonds 6.5%	IG Bonds 0.8%	EAFE Equity 4.0%	HY Bonds -2.4%	Gov't Bonds -0.4%	IG Bonds 3.5%	EM Equity -7.3%	IG Bonds 8.0%
Worst	US Equity 1.4%	Gov't Bonds 3.6%	US Equity -9.7%	EM Equity -43.0%	Gov't Bonds -1.5%	EAFE Equity 2.2%	EM Equity -16.5%	Gov't Bonds 2.2%	Gov't Bonds -2.3%	HY Bonds 1.2%	Canadian Equity -8.3%	EAFE Equity -1.9%	Gov't Bonds 0.1%	Canadian Equity -8.9%	Gov't Bonds 3.7%

■ EM Equity=MSCI EM      ■ Canadian Equity=S&P/TSX      ■ HY Bonds=ICE BAML Canada High Yield      ■ EAFE Equity=MSCI EAFE  
■ IG Bonds=ICE BAML Canada Corporate      ■ Gov't Bonds=ICE BAML Canada Government      ■ US Equity=S&P 500

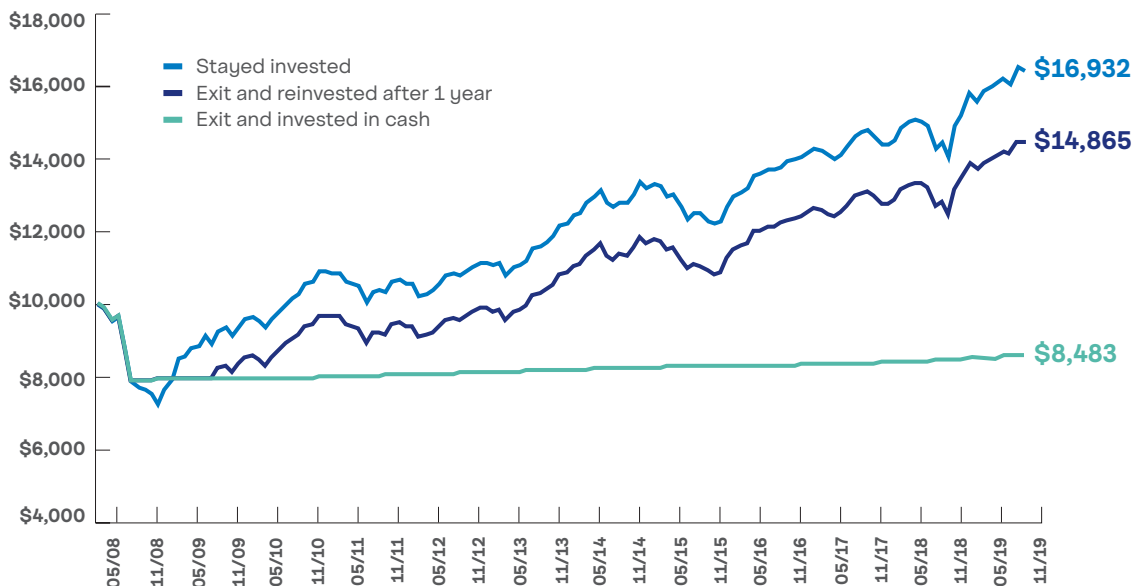
Source: Bloomberg, Guardian Capital; Calendar Year Asset Class Returns (% Canadian dollar basis) For illustrative purposes only. Past performance is not indicative of future performance.

# Stay Invested

Investing can feel like an emotional roller coaster. But history has shown that growth can't occur without some volatility. The best course of action for most long-term investors is to stay invested.

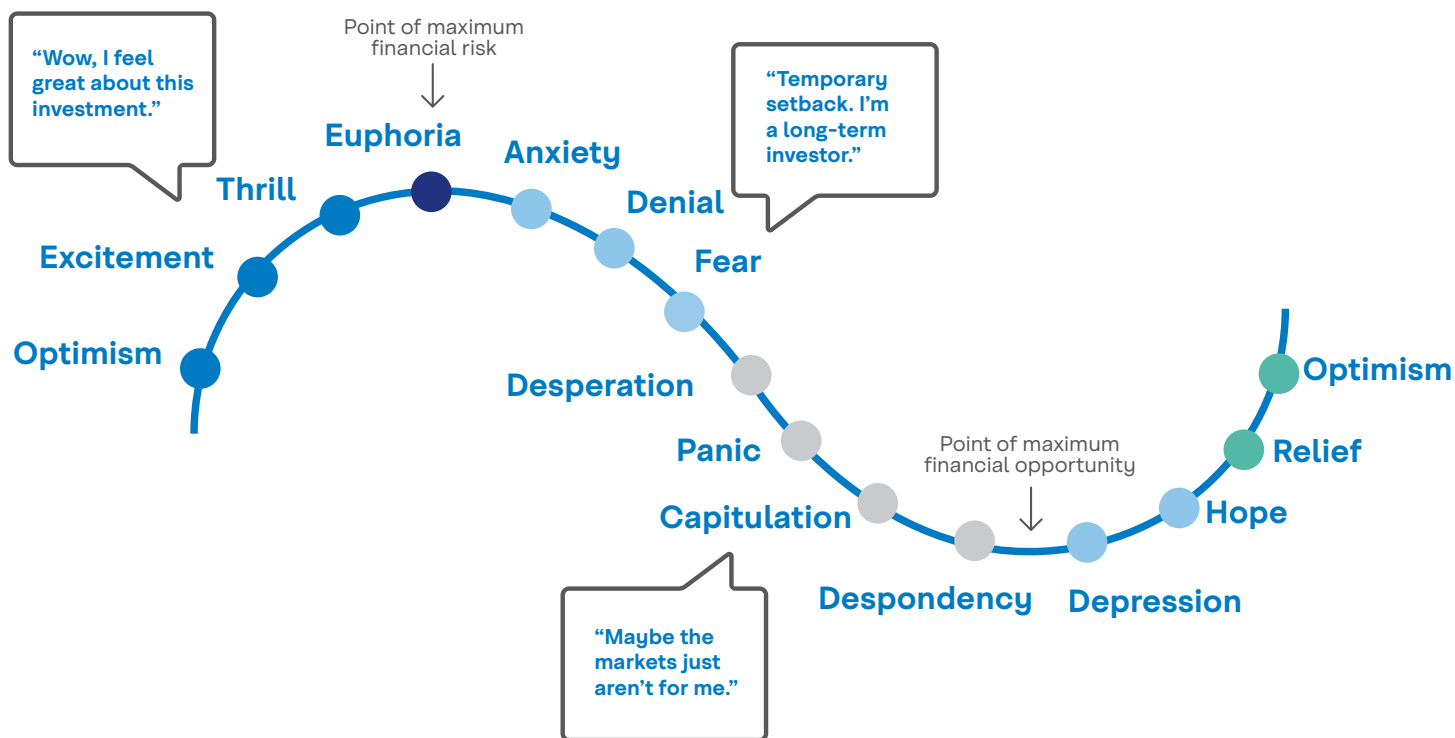
## \$10,000 Invested at the 2008 Market High

(Portfolio of 65% Stocks and 35% Bonds)



Portfolio Blend: 65% S&P/TSX Composite Index and 35% FTSE Canada Overall Bond Universe Index, rebalanced annually. Cash: FTSE TMX Canada 30 day T bill index all in CAD. Source: Guardian Capital, Bloomberg. For illustrative purposes only. Past performance is not indicative of future performance.

# Cycle of Market Emotions



## Saving for Long-Term Goals

How to stay focused on long-term goals: Resist the emotional roller coaster

There will always be events that cause ups and downs in the financial markets — and for many, it’s easy to overreact to short-term news. It’s important to remember, however, that historically, markets have always rallied and gone on to reach new heights.

### S&P/TSX Composite Price Index (20 years from Dec 31, 1999 to Dec 31, 2019)

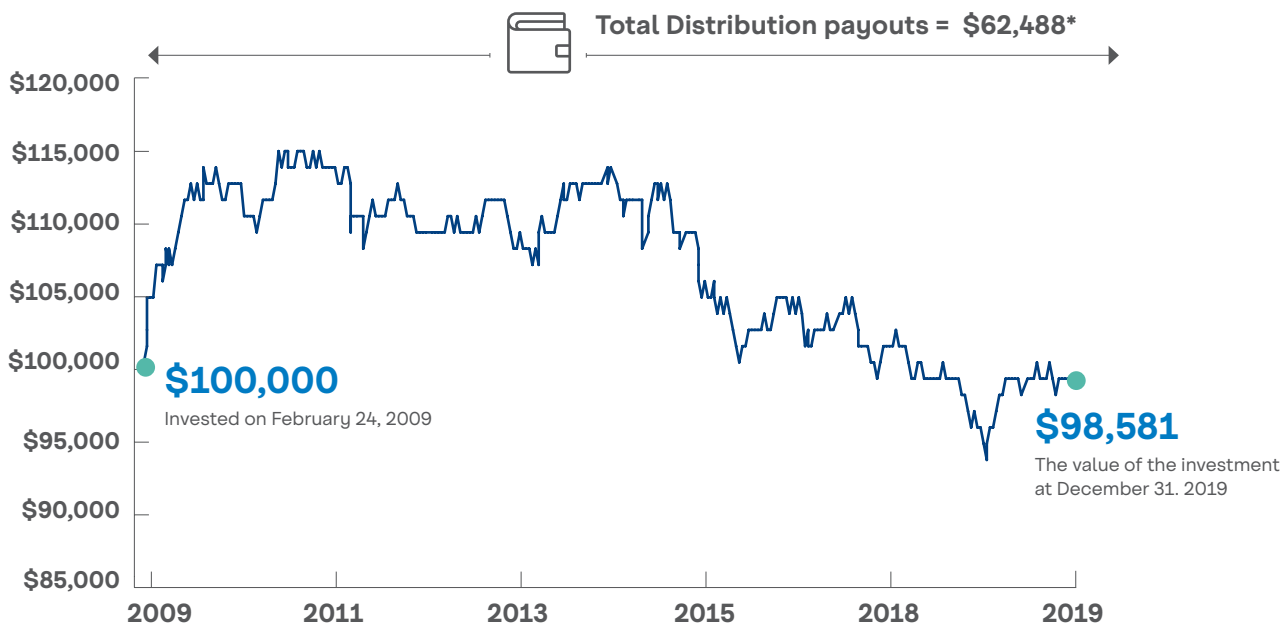


Source: SEI Investments Canada seic.com For illustrative purposes only. Past performance is not an indicator of future performance.

# Investing for Income

Investing can be a great tool for generating a monthly cash flow with distributions paid in cash.

This example shows that the \$100,000 initial investment pays out a monthly distribution over more than 9 years. The investment is still worth \$98,581, while the investor received ongoing monthly distributions. The total dollar amount of monthly distributions received between the start and end dates is \$62,488.

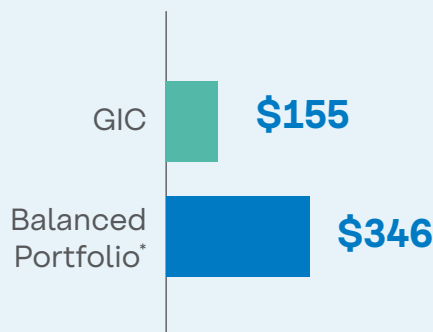


\* Example listed is of the SEI Conservative Monthly Income Fund Class S. Annual distribution rate (paid in monthly installments) was 48 cents per unit between February 2009 and December 2016. Starting in January 2017 the rate was changed to 4% per unit annually (calculated on December 31), paid monthly. The rate of return or mathematical table shown is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the Fund or returns on investment. Performance shown is for Class S units, net of the Fund's operating expenses and applicable management fees payable to SEI. For illustrative purposes only. Past performance is not indicative of future performance.

# Investing for Income

Investing in mutual funds as opposed to short term GICs can be a great tool for generating a higher monthly cash flow when you need it most.

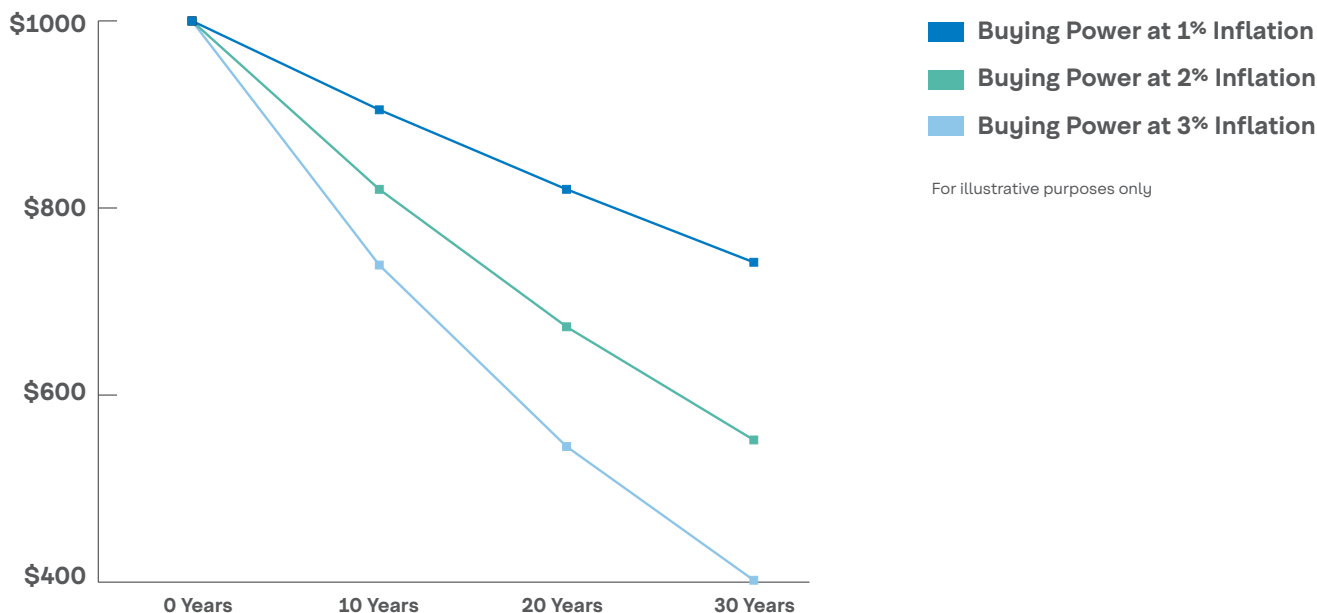
This chart illustrates the monthly income potential after investing \$100 a month for 30 years in each type of investment product.



Inflation adjusted monthly income for 25 years based upon Coast Capital Wealth Management calculation. GIC rate based on the 10 year CPI from the Bank of Canada inflation calculator, 10 year actual 5 year GIC rate at Coast Capital ( 10 year Coast Capital Data of 2.697% less inflation of 1.74% for net rate of .93%). Balanced portfolio based on 10 Year annualized rate of return on the SEI Balanced 60/40 Fund Series S as of Feb 28, 2020 ( 5.60% less inflation rate of 1.74% for a net return of 3.86% ). For illustrative purposes only.

# The Effects of Inflation

A dollar today is not worth as much as a dollar tomorrow. Over the long term, the effects of inflation can reduce buying power. Did you know that if you spend \$150 per week on groceries today, the same groceries would cost you \$270.92 in 20 years based on a 3% inflation rate? That's why it's important to grow your money.



## Inflation Risk

### Effects of inflation on \$1,000

Number of years	0% (\$)	1% (\$)	2% (\$)	3% (\$)
1	1,000	990	980	970
10	1,000	905	820	739
20	1,000	820	673	545
30	1,000	742	552	402

This material is for educational purposes only and is not intended to constitute investment advice, nor an opinion regarding the appropriateness of any investment. Investors should consult an appropriate professional regarding their particular circumstances before acting on any of the information here.

Coast Capital Savings Federal Credit Union provides advice and service related to deposit, loan and mortgage products. Coast Capital Wealth Management Ltd provides investment and financial planning services. Worldsource Financial Management Inc. provides advice and service relating to mutual funds.

The Low-fee, More-for-me Mutual Funds are legally known as the SEI Funds. SEI Investments Canada Company, a wholly owned subsidiary of SEI Investments Company, is the Manager of the SEI Funds in Canada. Index returns are for illustrative purposes only, and do not represent actual performance of an SEI Fund. Index returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. For more information about SEI and the SEI Family of Mutual Funds, visit seic.com.

Mutual funds are not guaranteed or insured by any financial institution, government or other deposit insurer. Mutual fund values change frequently and past performance may not be repeated. Commissions, trailing commissions, management fees and expenses may all be related with mutual fund investments. Important information about mutual funds is contained in the relevant fund facts and simplified prospectus. Please read the fund facts carefully before investing.