

# INVESTMENTSOLUTIONS

## Tax Efficient Investing— Beyond Your RRSP

Many people want to invest outside their RRSP but are reluctant to give up the deductible contributions and tax deferred compounding. They also know any money earned outside their RRSP is subject to taxes in the year it's earned – even if it isn't received in cash. They're unsure where they should be putting their money, but now there's a solution.

### Investment Solution

Franklin Templeton Corporate Class Funds are a version of traditional mutual funds allowing investors to switch among all of the funds available within the same corporate structure, without being subject to any immediate capital gains tax. Almost every fund in the Corporate Class structure invests directly in existing mutual funds under Templeton, Franklin, Bissett and Mutual Series fund families – all with proven track records.

### Easy to understand

Corporate Class Funds are ideal for investors who want to switch their assets between funds in their non-registered plans and defer the capital gains (or losses) that result from switching. All switches occur on a tax deferred "rollover" basis so that capital gains are not realized at the time of the switch, but are deferred until the investment is eventually redeemed.

### Tax advantage

The Franklin Templeton Corporate Class Funds are structured to pay mainly capital gains dividends. Capital gains are the best kind of income to earn, because they are subject to less tax than dividend or interest income.



### More benefits

- *Deferred taxes* - you defer taxes on the capital gains you earn when you sell a Corporate Class Fund to switch to another. You maintain that advantage until you withdraw from the Corporate Class structure entirely.
- *Compound growth* - exponentially growing your money is one of the best ways to let time fund your retirement.
- *No restrictions or limits*. Invest as much as you want, when you want, without any foreign content restrictions.
- *Well-established histories* - nearly all Franklin Templeton Corporate Class Funds invest directly in underlying funds that have established performance histories.
- *Change your portfolio mix* - Franklin Templeton Corporate Class Funds cover a range of investment management styles, asset classes, and geographic markets so you don't have to leave the structure – and incur capital gains taxes – if your investment objectives change.

### Investing beyond your RRSP

Building a successful investment program involves more than RRSPs. Adding Corporate Class Funds to your non-registered account may be a great way to complement what you're already doing.

With Franklin Templeton Investments Corporate Class Funds, you can easily transfer between 32 funds, covering every major asset class, with funds to suit every type of investor.

We recommend meeting your advisor for a complete evaluation of your assets and to ensure that your plan is as tax-friendly as possible. One of the best ways to improve your return is to focus on minimizing taxes while you're investing today.

For more information about Corporate Class Funds contact your Rice Financial advisor.

Courtesy of:



Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed or insured. Their values change frequently and past performance may not be repeated. The statements contained herein are based on material believed to be reliable but are not guaranteed to be accurate or complete. The article is not intended to provide individual financial tax or investment advice. Particular investment or trading strategies should be evaluated relative to each individual's objectives.



# Clearing a Path to Retirement

## Maximum Returns at Appropriate Risk

Do you have a clear view of the lifestyle you expect in retirement? Do you see travel? Home improvements? Club memberships? If you want your retirement to fit your vision, your investments need to stay on the right path.

The right path requires discipline over time. First you establish a portfolio with a strategic mix of equities and fixed-income investments, and regularly rebalance to keep it on track. Then you must adjust the mix over the years to make it progressively more conservative as you approach retirement.

Sound complicated? It is. Managing your retirement investments this diligently is so demanding that it is rarely undertaken to its full potential by individual investors.

Fortunately, there's an easier way to manage your retirement investment program this thoroughly. It's called Fidelity ClearPath™ Retirement Portfolios. ClearPath™ makes a highly sophisticated investment process easy to use. All you have to do is determine your proposed retirement date with

your investor. Clear Path™ does the rest. Designed to be a comprehensive solution for retirement investing, ClearPath™ portfolios are carefully managed over time to maximize returns at a level of risk appropriate to your investment time horizon.

There are ten portfolios to choose from. All you need to do is select the ClearPath™ portfolio that's closest to the date you plan to retire.

Each Fidelity ClearPath™ retirement portfolio is diversified with a strategic mix of equities and fixed-income investments depending on your time to retirement. Some portfolios add a component of cash investments to the mix. The farther you are from retirement, for instance, the larger the equity portion of the portfolio would be to maximize growth at a time you are best positioned to accept the risk. The strategic mix, optimized through two years of proprietary research at Fidelity, is automatically adjusted to become more conservative in an effort to provide a steady flow of income as you get closer to retirement and thereafter.

## DIVERSIFICATION MADE EASY

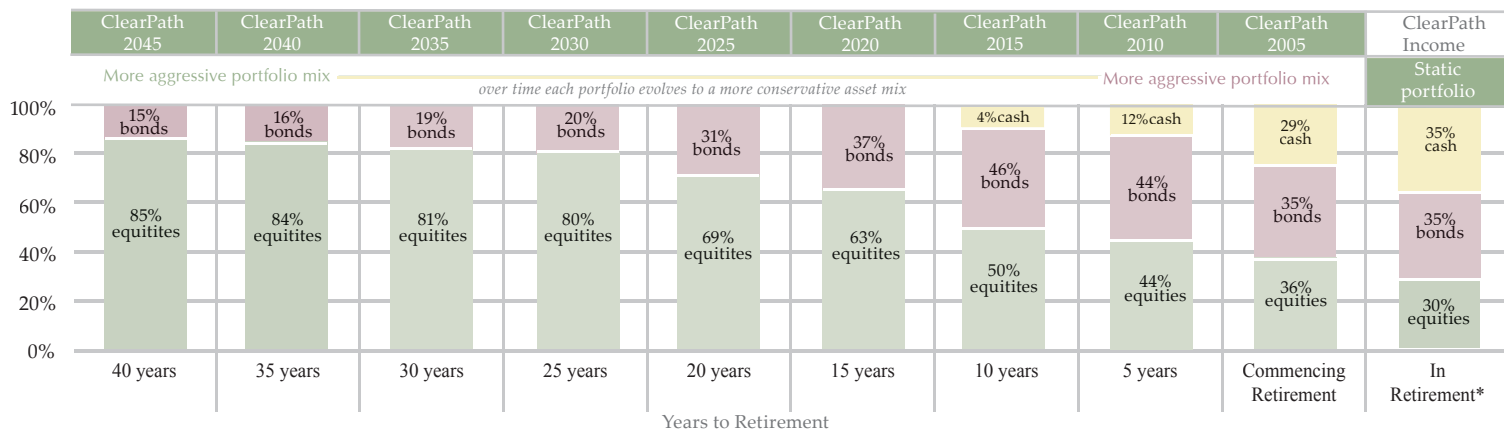
Each Fidelity ClearPath™ retirement portfolio is composed of a number of carefully selected Fidelity mutual funds to provide broad diversification in a one-stop retirement solution. The underlying Fidelity funds have been chosen for their:

- Historically consistent performance
- Investment style
- Asset-class characteristics
- Sector characteristics
- Geographic characteristics
- Market cap characteristics
- Portfolio management expertise

Why is this breadth of diversification so important? In any given year, the favourable returns of some underlying funds can help offset the out-of-favour returns of other underlying funds. That improves the potential for Fidelity ClearPath™ retirement portfolios to provide consistent returns while minimizing risk over long periods of time.

### Optimized asset allocation at work

Approximate target asset allocation and proposed investment types as at November 2005



\*Approximately 10 years after each ClearPath™ portfolio reaches its target date it will combine with Fidelity ClearPath™ income portfolio. The portfolio managers will periodically rebalance the portfolios as market conditions change. Please note that Fidelity Investments reserves the right to modify the target asset allocation strategy of any portfolio and may modify the selection of underlying funds in any of the portfolios.

Courtesy of : Fidelity INVESTMENTS

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