

# THE TRACK RECORD

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## Are we there yet?

It's a familiar saying on many road trips. And it's the same way with your savings, especially when you're saving for a big purchase or a special event. You may be making progress, but sometimes it's just not fast enough. Take heart! The Profit Sharing Plan can help you.



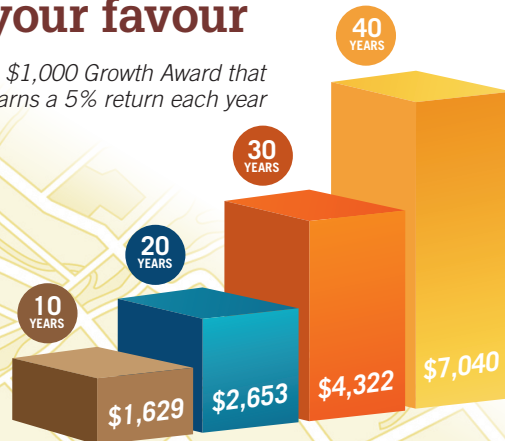
## The power of compounding

You have the opportunity to earn two awards per year in the Profit Sharing Plan – the Savings Award in January and the Growth Award in May. If you keep the money in your Profit Sharing accounts, your investments will “compound,” or earn more money on the money you've already invested! This can make a big difference over time – even on small savings amounts.

Let's say you receive a Growth Award of \$1,000 and you earn a 5% investment return on that award, each year. At the end of 10 years, you'd have \$1,629 in your account – without having any additional contributions! Of course, if you receive more Growth and Savings Awards in each of those 10 years, your account would grow even faster.

## Compounding works in your favour

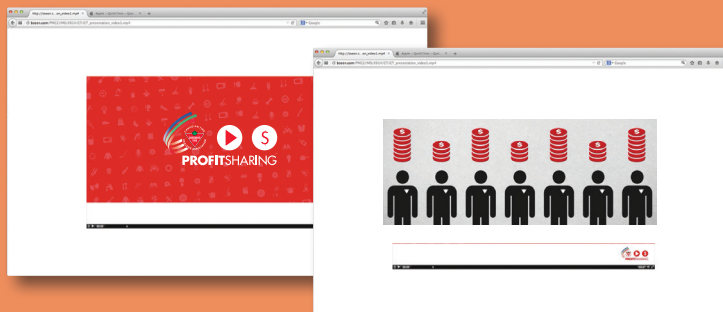
A \$1,000 Growth Award that earns a 5% return each year



## Want to learn more about Profit Sharing?

We've got two new videos that make it easy. Just open your web browser and type:

- [profit-sharing-1.s3.amazonaws.com/index.html](http://profit-sharing-1.s3.amazonaws.com/index.html)
- [profit-sharing-2.s3.amazonaws.com/index.html](http://profit-sharing-2.s3.amazonaws.com/index.html)

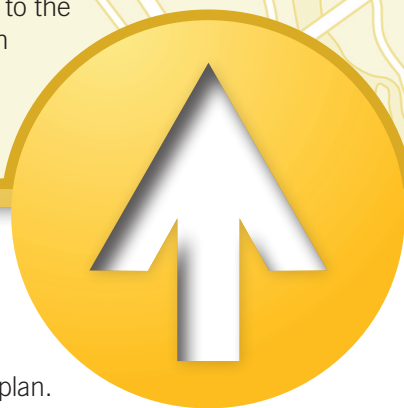


# Have you thought about investing your own money in the Plan?

Aside from saving more toward retirement (which is always a good idea!) there are significant advantages to it.

## Grow your savings without paying tax

You can make personal contributions to your Savings Award account (up to the annual contribution limit set by Canada Revenue Agency). Any money you contribute goes directly to the RRSP part of your account, where it can grow on a tax-free basis.



## Get group rates

The Profit Sharing Plan is a “group” plan. This means you can also take advantage of lower fees on the investment options because they’ve been negotiated and discounted for all Plan members across the country. If you compare your Profit Sharing fees to those you’d have to pay in a personal RRSP, you may only find a small difference. However, a little can go a long way.

## An Extra \$19,700

Let’s say you:

- Contribute \$4,000 each year,
- Earn a 5.75% investment return each year, and
- Pay an annual fee of 1.5%.

At the end of 30 years, you would accumulate \$238,900. If the same plan had an annual fee of only half a percent more (i.e., 2% instead of 1.5%), you would only accumulate \$219,200 – that’s a difference of \$19,700!

Why not take your income tax refund and contribute it to the Profit Sharing Plan? The bonus? This will increase your chances of receiving another tax refund next year!

### QUESTIONS OR COMMENTS ABOUT THIS NEWSLETTER?

Please send an email to:  
[profitsharingplan@morneaushepell.com](mailto:profitsharingplan@morneaushepell.com)

### QUESTIONS ABOUT THE PROFIT SHARING PLAN?

Please contact a Sun Life Financial representative by calling:  
1.866.733.8612