



## GOALS-BASED INVESTING:

# An Approach that Puts Investors First

Goals-based investing is a relatively new approach to managing wealth that links the investing process to an investor's specific goals. It is different from traditional asset allocation methods that tend to measure progress based on market benchmarks. Instead, the process maps the investor's savings and investments to stated goals, which may involve differing time horizons or risk parameters, and measures the investor's progress towards achieving these specific goals.

With this approach, there is a dedicated focus on the investor in designing a wealth plan that meets their needs and works to achieve their unique goals. It takes into account a detailed understanding of an individual's personal liabilities, as well as their stated objectives over their lifetime: What do you currently owe and how will this change in the future? What do you wish to accomplish? When do you want to retire and what type of lifestyle do you envision in retirement? It also helps to plan for the many milestones that will come along the way:

Do you wish to save for and support a (grand) child's education?  
Are you planning on any large purchases, such as a car, home or vacation property?

### Why is this Approach Beneficial?

Goals-based investing shifts the focus away from the markets and back to the individual investor. For those who use this approach, the objective is not to generate superior returns or beat an index over the short term, but instead to manage investments to achieve measurable goals over

the longer term. This doesn't mean directing all emphasis away from market or investment performance, but it does help individuals to look beyond what may be happening in the markets in the short term and instead consider a broader view over multiple time horizons.

It can also help to instill discipline and foster better investment decision making. Investment decisions are now focused on achieving certain goals alongside the individual's personal risk tolerance, rather than based on what is happening within the markets over a short period of time. As investors, the biases that can influence poor investment decision making can more commonly emerge in periods of short-term uncertainty, especially during times in which the markets are volatile. A focus on longer-term investment objectives, instead of short-term market performance, has been shown to help investors make better decisions by tempering these biases.

A goals-based approach also requires a deep understanding of the investor, which can help to foster better relationships between advisors and investors. As the investor, you are in the driver's seat and will be actively involved in the decision-making

process, with your investment strategy aligned to your life goals. Over time, your progress will be carefully followed to help ensure that you are on track to achieve your set goals. There is no blanket strategy – the approach is tailored to your own personal roadmap. Your life goals are unique to you and your wealth strategy should take this into account.

Ultimately, the purpose of having a goals-based investing approach is to help individuals attain better outcomes for their financial independence. Because you have clearly set out your goals from the onset, the approach can provide peace of mind as you track your wealth plan throughout time and towards meeting your life objectives.

### We Can Assist

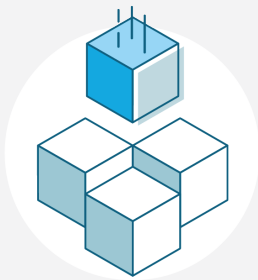
Portfolio construction and management should begin with the individual investor in mind. A goals-based investing program is an investment process that puts individuals first and can significantly help investors to clarify and reach their financial goals. If you have questions about your own portfolio or how this approach can support your investing program, please don't hesitate to contact us.

## THE GOALS-BASED PLANNING PROCESS



### 01. Discovery

We work with you to understand your background, financial needs, current situation and vision for the future. Based on the discovery process, we will develop the goals that will form the basis of your wealth plan.



### 02. Development

We will create a personalized wealth strategy that focuses on achieving your unique vision based on the goals that you have set. This road map will include your investment strategy, as well as broader wealth management strategies, that are focused on you.



### 03. Implementation

We will support your strategy on an ongoing basis. Where required, we can also engage other specialists to create integrated solutions for your wealth management.



### 04. Tracking

We will meet regularly to review progress and make course adjustments where necessary or as circumstances change. We will continuously monitor this progress to help you remain on track toward achieving your wealth goals.