

The news is good!

Canada's Tax-Free Savings Account gives investors a break

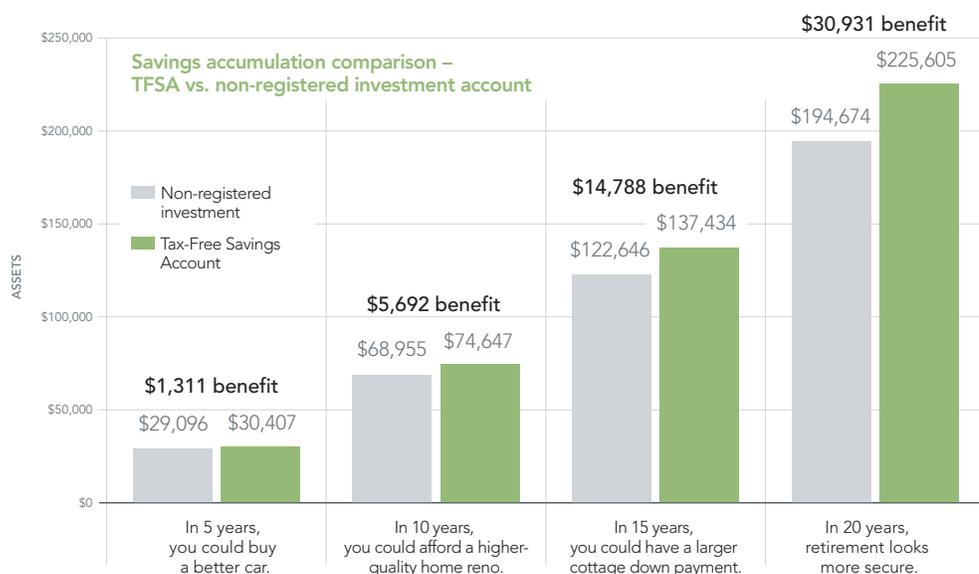
The Tax-Free Savings Account (TFSA) represents a unique way for Canadians to save money and pay less tax.

Key features

- Canadian residents aged 18 and older with a social insurance number can save up to \$5,500 every year.¹
- Investments grow tax-free while inside the account.
- TFSAs can hold many of the same investments as an RRSP, including all Fidelity mutual funds.
- Withdrawals can be made at any time for any purpose and are not subject to tax.
- Unused contribution room can be carried forward indefinitely to future years.
- Withdrawals can be recontributed in future years.
- Withdrawals are not considered income, so they won't increase taxable income or affect income-based eligibility for income-tested government benefits or tax credits, including Old Age Security and the Guaranteed Income Supplement.

A TFSA can help you achieve your goals

Whether you're saving for a car, a house or a comfortable retirement, the additional savings benefit of a TFSA can be significant both in the short and the long term.



Assumptions: Rate of return of 6%, national 2012 tax rate of 44% for interest and 22% for capital gains, reinvested distributions, distribution yield of 4.25%, distribution composed of 50% interest and 50% capital gain, initial contribution of \$5,000 and contributions increase in \$500 increments based on a 2% inflation rate. Contributions were made at the beginning of the period. Unrealized capital gains were taxed at the end of the holding period.

Save – but in what?

The table below identifies common primary and secondary purposes of Canada's popular savings accounts and a TFSA. As you can see, the TFSA is highly versatile, offering more primary savings purposes than any other plan. It is the most flexible tax-advantaged savings vehicle in Canadian history.

The best idea? Talk to your advisor to find out how a TFSA can fit into your overall financial plan.

SAVINGS NEED				
	GENERAL SAVING	HOME PURCHASE	EDUCATION	RETIREMENT
TFSA	Primary purpose Contribute to a TFSA for general savings needs.	Primary purpose Contribute to a TFSA to increase savings for a home purchase.	Secondary purpose Contribute to a TFSA after contributions to an RESP of \$2,500 to pay for a child's education. Contribute to a TFSA to pay for your education.	Primary purpose Contribute to a TFSA when the tax rate at the time of contribution is expected to be equal or lower than in retirement. There is no age limit at which TFSA assets must be withdrawn.
NON-REGISTERED	Secondary purpose Contribute to a non-registered account after a TFSA for general savings needs.	Secondary purpose Contribute to a non-registered account after a TFSA and an RRSP to purchase a home.	Secondary purpose Contribute to a non-registered account after an RESP and a TFSA to pay for a child's education.	Secondary purpose Contribute to a non-registered account after an RRSP and a TFSA.
RRSP	Not intended for this purpose.	Secondary purpose Contribute to an RRSP and use the Home Buyers Plan to purchase a home.	Secondary purpose Contribute to an RRSP and use the Lifelong Learning Plan to pay for your education.	Primary purpose Contribute to an RRSP when the tax rate at the time of contribution is expected to be equal or higher than in retirement. An RRSP must be converted to a RIF at age 71.
RESP	Not intended for this purpose.	Not intended for this purpose.	Primary purpose Grant of 20% on contributions up to \$2,500 to pay for a child's education.	Not intended for this purpose.

1. TFSA contribution limits from 2009 to 2012 were \$5,000 per year. For 2013 the limit was raised to \$5,500.

Read a fund's prospectus and consult your advisor before investing. Mutual funds are not guaranteed; their values change frequently and past performance may not be repeated. Investors will pay management fees and expenses, may pay commissions or trailing commissions and may experience a gain or loss.

