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Why Invest in a Corporate Class Mutual Fund

The biggest single challenge for most investors is keeping the profit they make from their investments in today's heavily taxed environment. Canada is a great place to live, but a difficult country to generate after-tax rates of return.

The second biggest challenge for investors today is the ability to manage the risks of investing without the threat of taxation on every investment decision

Well there is a cure for both of these pressing financial issues and it comes in one simple product: A corporate class mutual fund.

A corporate class mutual fund is like a traditional mutual fund except, it allows the investor to switch their investments without tax considerations and all of the growth generated by the investment is taxed in the lowest possible taxed vehicle, capital gain tax.

Corporate class investments are a perfect fit for investors who:

- Are higher-income earners and have maximized their RRSPS
- Investors with limited RRSP room – i.e. because of defined benefit pension plans
- Small business owners facing challenges in funding an individual pension plan
- And investors who have created sizable non registered portfolios

And with that being said, these types of investors are traditionally looking to:

- Invest dollars outside of a traditional registered plan (RRSP)
- Have the ability to rebalance their portfolio as needed without triggering taxes
- Turn highly taxed interest income into tax-efficient capital gains
- Defer taxes payable to the government as long as legally possible

Corporate class mutual funds are currently offered by a number of the leading mutual fund companies. It is important that due diligence is taken on the selection of these investments and that proper asset allocation is performed.

Corporate class investing should be on the top of every investor's list when monies are allocated to non-RRSP investment vehicles.

And again, the Canadian tax system will eat into your after-tax returns which could put a serious damper on your long-term retirement goals, so talk to your financial advisor about these excellent investment options.

