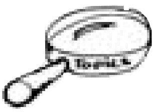
Focus on Time

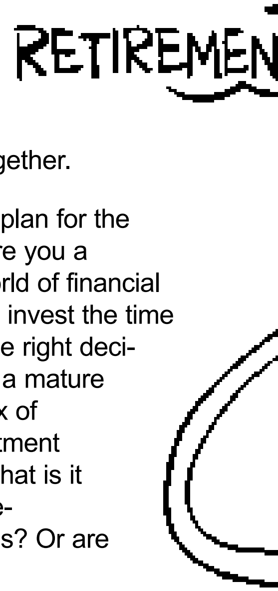


Introducing three investors - Jack, Kate and Clive; understanding the link between time, your life span and successful investing

The tick-tick of the alarm clock on his bedside table is a most unwelcome noise to Jack, lying wide awake in the middle of the night with a whole lot of unpleasant thoughts racing through his mind. What's the time now - 2:45! What I'd give for a good night's sleep, he thinks to himself. Once again, he finds himself running through his current list of financial problems. There was the phone call he had received from his ex-wife - she was wondering how they were going to come up with tuition payments for their two teenaged children over the next few years. The oldest will be heading to college next fall. How am I going to find the cash for that? Jack asked himself. His car has developed a whining sound under the hood. I just got the muffler replaced and now this! Should I take on that extra project that is been offered to me at the plant?

Jack gets together with a few buddies on Thursday nights for poker and darts, and these days he often feels left out when his chums start talking about their investments and retirement. His best friend Jimmy thinks he will be able to retire in just five years. Jack, on the other hand, has just turned 50 and for the first time he has taken a close look at his annual company pension plan statement. Is that going to be enough to retire on in 15 years? he asked himself.

These depressing themes continue as Jack falls in and out of sleep ... until he is finally jarred awake by the alarm. 6:30! But it is a new Jack who climbs out of bed. Time to make some decisions, he tells himself. Time to get some decent financial advice and get my act together.



What does your plan for the future look like? Are you a beginner in the world of financial planning, willing to invest the time it takes to make the right decisions? Or are you a mature investor, with a mix of savings and investment assets but aware that is it always useful to re-evaluate your plans? Or are you somewhere in between?

Our goal in preparing The Ten Principles of Being Rich is to provide fresh insight into the laws, myths and realities of financial planning from the important point of view of time. You will learn that time is a factor in almost every aspect of financial planning. Investors must be prepared to make

adjustments to accommodate changes in their lives as they age: and also changes in the world around them. A plan that makes sense for a 25-year-old with 35 working years ahead of her will probably not be appropriate for a 50-year-old like Jack, who has just awakened to the need to start saving for his retirement, or for a 69-year-old retiree who is concerned with estate planning. Even for two 50-year-olds, if they have distinct values, styles and resources, different rules apply. And investors of all ages must be willing to change course in response to such new conditions as revised tax laws, changing markets or new investment options.

The Ten Principles of Being Rich will help you to prepare for change, to get comfortable with the idea of change. And the key aspect of change that has to be mastered is chronological change: the passage of time.

And now let's meet three individuals who represent different stages in the life path.

Kate is a 25-year-old sales representative with a bold and aggressive approach to living her life. Her chestnut brown hair is cut short and she invariably wears simple dark business suits: the less fuss the better. Kate is single, a career woman who is willing to work 12-hour days to get ahead during the work week and so has decided to give up night-clubbing in Toronto with her old girlfriends. Her favourite weekend leisure activity is rock-climbing - but she's even extra-serious as she pursues that pastime.

You've already met Jack, the 50-year-old with the sleeping problem. He is divorced, and works as a mid-level manager at a large manufacturing plant.

His two teenaged children live with their mother, and he lives alone in a townhouse with 10 years left on the mortgage. Like Jack, the place tends slightly to the unkept side, but at least, he tells himself, it's clean. Jack is a hard worker with good instincts in most areas but only now is he realizing he should have been devoting more attention to his long-term financial affairs. And now both of his children are talking about attending college. Jack loves golf but that's another expense to factor in. So all in all, Jack is facing a financial crunch.

The third investor is Clive, who is 69 years of age and the owner of a small picture-framing business. Clive is tall and lean, favours crisp long-sleeved dress shirts most days and takes care to pay his bills on time. This is a critical year for Clive because he, like all other 69-year-olds in Canada, has to make some important decisions on converting his RRSPs. Clive and his wife Ida have been talking more and more often about selling the business and buying a condominium in Arizona. There is some urgency here because Ida has developed chronic emphysema - thus the plan to head to hot-but-dry Arizona, at least during the winter.

Kate, Jack and Clive each have their own unique sets of opportunities and considerations, but they have one thing in common - they each seek financial security. As you follow their stories, you'll be able to compare your own traits and needs with theirs and identify further principles that will help you prepare your own financial plan.