



Creating an Investment Strategy



1. Set Your Goals and Expectations

Try to be as specific and as realistic as possible.

For example:

- I want to retire when I am 60 years old, that is in 5 years.
- I want to have \$100,000 income annually, in addition to my CPP and OAS.
- I expect to inherit \$55,000 in 2 years.
- I have no company pension.
- I want my income to grow every year at least as much as inflation.

2. Estimate How Much You Need to Save

Use the Monthly Expenses worksheet from the Module 1 vault to estimate your spending in retirement.

For example:

- I have \$650,000 in investible savings now, generating 5.0% return annually.
- Using divDream™, I will need to save \$500 per month until I retire. I will invest my \$55,000 inheritance in dividend growth stocks when I receive it.
- I will reinvest all dividends that are generated in my accounts until I quit working.

3. State Your Dividend Growth Investing Strategy

State your investment guidelines that will achieve these goals.

For example:



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- I will invest in dividend growth stocks that will provide at least 6% yield within 10 years of purchase.
- I will keep 10% cash in my account for emergencies or to take advantage of unusual buying opportunities in the market.
- I will review my portfolio annually to rebalance and to check that my income is growing as anticipated.
- My target sector allocation will be:

Financial	30%
Utilities	35%
Consumer Defensible	5%
Telecom	30%
TOTAL	100%