

Investment Loans

Making
time work
for you



Have you considered how you can make time work for you? Do you have available cash flow you can dedicate to reach your financial goal?

There are 3 factors to consider as you work with your advisor to create an investment strategy to make your goals a reality.

Align your cash flow with your time horizon

When you think about getting an investment loan, generally you think about a financial goal first, then how much loan you can afford. After these two items are defined, your monthly loan payment will be determined.

However, consider your loan decision from another perspective and start with your monthly available cash flow. With the help of your advisor, you can then determine the loan duration and loan amount that aligns with your time horizon.

The benefit of this approach is that the monthly payment is pre-determined by you and not by the size of the loan.

Review the example below and work with your financial advisor to see how time can work for you.

How can time work for you?

For example, if you had cash flow of **\$1,000** a month and wanted a loan duration of 10 years, you could get a \$98,000 principal and interest investment loan. At the end of 10 years you would have investment savings of \$175,503* or a net gain of \$57,276 after repaying the loan with interest.

Compare this with a no loan scenario where you invest \$1,000 per month for the same 10 year duration, you would have accumulated \$167,660* — \$7,843 less than in the loan scenario.

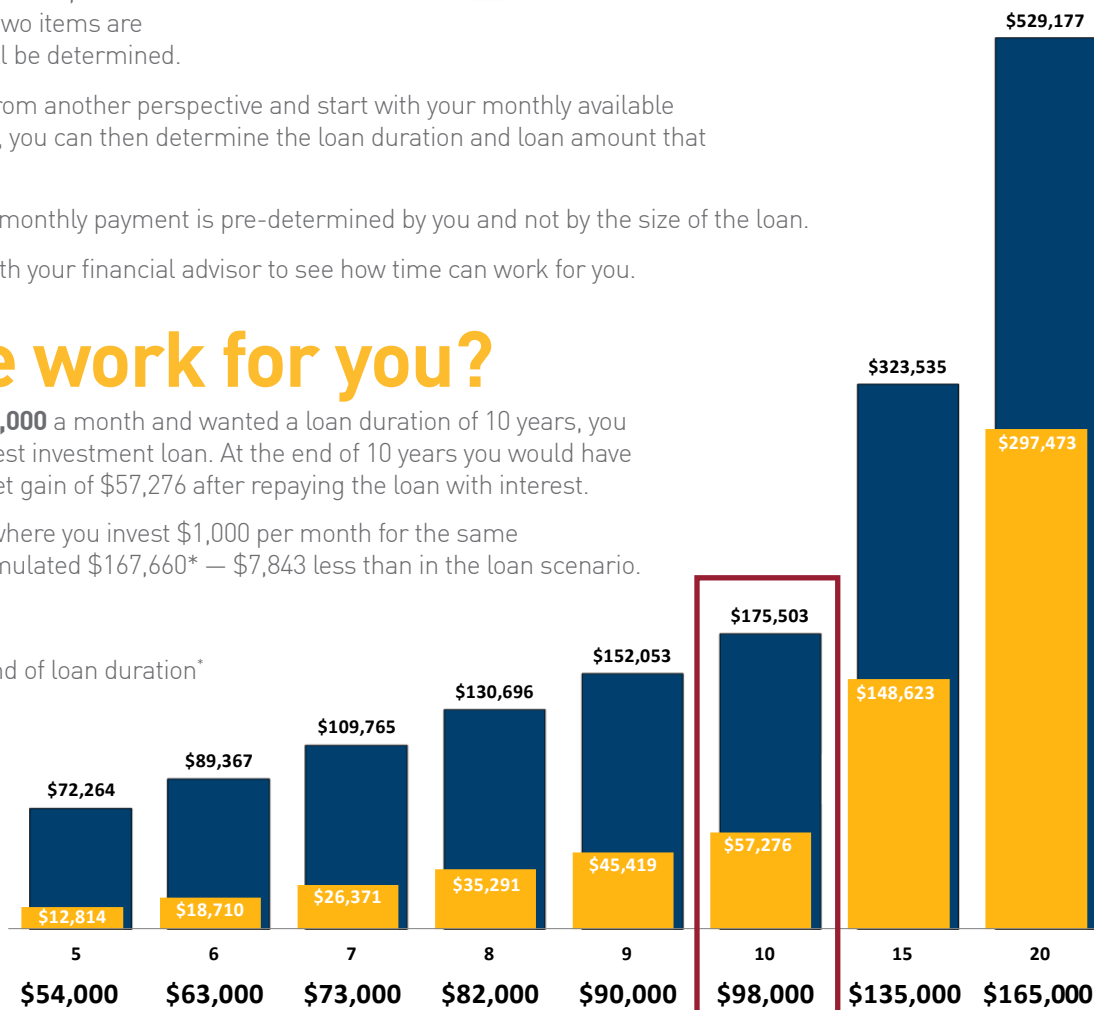
■ Final value of invested amount at end of loan duration*

■ Net gain (after loan paid off)**

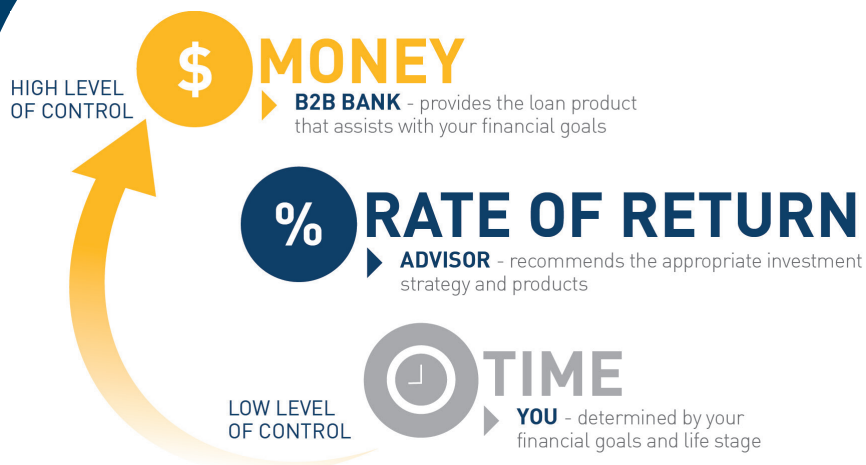
A With your cash flow of \$1,000 a month, select the loan duration that matches your time horizon.

B Loan duration (Years) →

C Loan amount*** →



*Assumes a 6% rate of return on investments over the duration, exclusive of fees. **Interest rates used for loan calculations are 4% for loans under \$100,000 and 3.75% for loans \$100,000 or greater. ***Loan amounts have been rounded down to the nearest thousand (example \$11,300 becomes \$11,000). Loan payment amounts reflect principal and interest. For illustrative purposes only. Actual rates and amounts may differ. The illustration is a hypothetical example and is not intended to project or predict actual results.



Tell me more about investment loans

An investment loan allows you to borrow money to purchase investments that have the potential to increase in value, and:

- Accelerates savings through an initial lump sum investment
- Interest costs may be tax deductible¹
- Can be used as a wealth building tool

What are compound returns?

Compound returns on an investment means that returns are calculated not only on the initial investment, but also on the accumulated growth from year to year. Having a larger initial investment growing for the longest possible time is essential for compounding success.

Is an investment loan right for me?

Only your advisor can help you determine if investment lending is right for you. In general, investors who may benefit from this strategy will have:

- ✓ A long investment horizon
- ✓ Available cash flow
- ✓ A high risk tolerance

Our investment loans

We have been offering investment loans for over 20 years. Our Loan products are among the most competitive in the industry and offer:

- Flexible payment options
- Manageable loan amounts starting as low as \$10,000
- Broad fund eligibility
- A wide range of product features
- Fast funding

What is interest deductibility?

Generally speaking, interest paid to borrow money to earn investment income is tax deductible. When the interest is deducted, it can be an effective way of reducing the overall cost of an investment lending strategy.



While investment loans have the ability to magnify gains, they also have the potential to magnify market losses. Leveraging involves greater risk than purchasing investments using only your own cash resources because it has the potential to magnify investment losses. You are required to repay the loan, including interest, regardless of the investment return. An investment loan may limit your access to credit due to the outstanding debt of the loan. Work with your advisor to understand both the benefits and risks of this strategy.

For your calculations²

Our lending philosophy is simple.

We believe in investment lending and the power it has to help you achieve your financial goals. As a responsible lender, we acknowledge that investment lending is not for everyone.

About B2B Bank

We believe that all Canadians should have access to independent financial advice. So while we don't sell our banking services directly to you like other banks, we work with your advisor, so they can offer you the products and services you need to reach your financial goals.

Our products and services include:

- Investment and RSP Loans
- Mortgages
- Investment Accounts and Services
- Banking Services
- Deposits

To determine if an investment loan is right for you, speak with your advisor. To learn more about B2B Bank Investment Loans, visit b2bbank.com/borrowtoinvest.

¹Interest is not deductible in all circumstances. Individuals should consult qualified tax specialists for more information. ²B2B Bank is not responsible for any investment strategy or calculation in the "For your calculations" section. B2B Bank does not provide investment advice to individuals or advisors and does not endorse or promote any investment products. The dealer and advisor, not B2B Bank, are responsible for determining the suitability of investments for their clients and for informing them of the risks associated with borrowing to invest. B2B Bank acts solely in the capacity of lender and loan account administrator. Any loan approval from B2B Bank should not be construed as an endorsement of any investment choice, program or strategy. All loans are subject to credit approval and borrowed monies are due and payable regardless of the performance of the investments purchased. B2B Bank reserves the right to request additional information or documentation at its sole discretion. The B2B Bank Investment Loan Program is available exclusively through licensed financial advisors. [®]B2B BANK is a registered trademark of B2B Bank.