

# Investment Loans

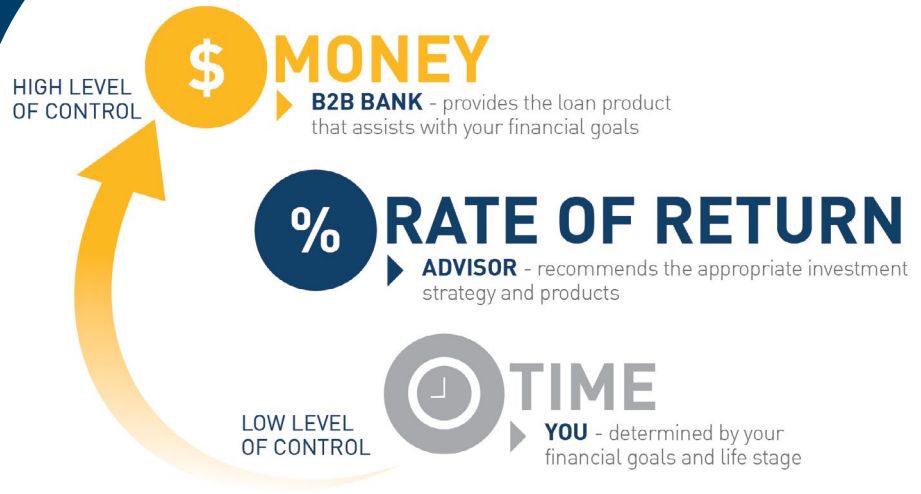
Fast  
forward  
your  
savings



Looking to get a head start on your investment goals? Or maybe you need to make up for lost time. There are 3 factors to consider as you work with your advisor to create an investment strategy to make your goals a reality.

## There's a better way to build your savings

With the help of your advisor, you've made solid investment choices and you're on your way to achieving your financial goals. Maybe you are saving monthly because you know the more you save over the long term the better. What if there was a way to put more money into building your retirement savings right now?

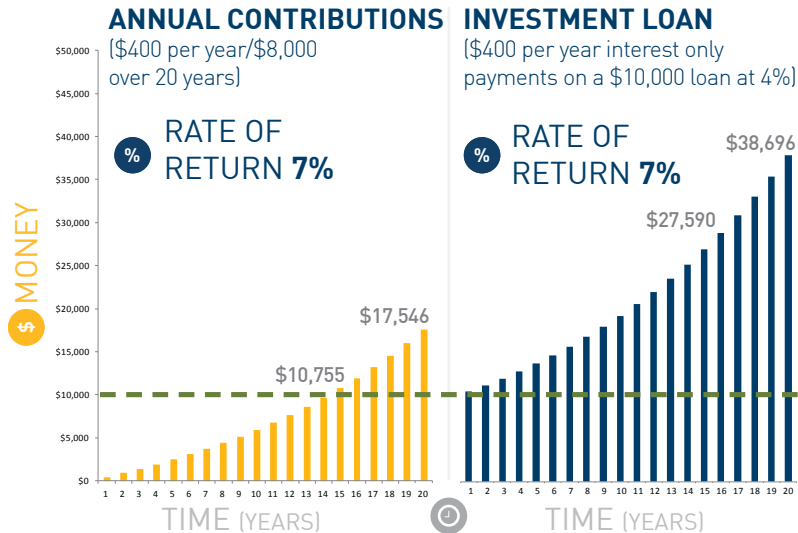


## Here's how you can fast forward your savings

With a traditional savings plan, only the investment you make in the first year will have the full 20 years to grow. Each subsequent year, the amount you contribute will have less time to grow. This means that the amount you contribute in year 2 will only grow for 19 years, in year 3 for 18 years, and so forth, resulting in a lost opportunity for compound returns compared to a larger lump sum investment.

Let's say you have \$400 to invest each year for 20 years. With a traditional savings plan at a 7% rate of return, it would take 15 years to grow your savings to \$10,000. After 20 years, your investment would be worth \$17,546.

However, if you made an interest only annual payment of \$400 toward a \$10,000 investment loan, the entire loan amount could benefit for the full 20 years, with your investment worth \$28,696 (after repaying the \$10,000 loan), which is \$11,150 more than the traditional savings plan. This is how an investment loan could fast forward your savings.



INVESTMENTS WORTH		
	15 YEARS	20 YEARS
Annual Contributions	\$10,755	\$17,546
Investment Loan (100%)*	\$27,590	\$38,696

Difference at year 20 after repayment of loan = **\$11,150**

\* Figures include loan principal which must be repaid to the lender.

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 deductible<sup>1</sup>
- 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.<sup>1</sup>



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 calculations<sup>2</sup>

## 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
- Banking Services
- Mortgages
- Deposits
- Investment Accounts and Services

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](https://b2bbank.com/borrowtoinvest).

<sup>1</sup>Interest is not deductible in all circumstances. Individuals should consult qualified tax specialists for more information. <sup>2</sup>B2B 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. <sup>®</sup>B2B BANK is a registered trademark of B2B Bank.