

TD Asset Management



Next
Gen

Expect More
Plan for the Future

Understanding the Opportunity



Ingrid Macintosh

Vice President, TD Wealth
and Head of Sales
Enablement, Marketing &
Communications



Susan Mabley

Associate Vice President and
Head of TD Private Trust
Canada



Mark O'Farrell

President, Canadian Institute
of Certified Executor Advisors

Becoming a Better Advisor to Clients Across Different Generations

- 1 Assess your business
- 2 Engage the family
- 3 Execute your plan

How TDAM Can Help

- Tools and resources to assist you



¹IPC Private Wealth. (2017). "Wealth Transfer 101; How to talk to your heirs about their inheritance". [Online] ipcprivatewealth.ca.

Help ensure that every generation is ready to share and receive wealth



\$1T

By 2026, Baby Boomers are set to transfer \$1 Trillion to Gen Xers and Millennials.³

72%

of advisors are very concerned about retaining assets of clients who have passed away.⁴

66%

of children fire their parent's financial advisor after receiving their inheritance.⁵

At least
75%

of assets under management leave a firm after an heir receives his/her inheritance.⁶

³ Strategic Insight. (2019). "Investor Economics Insight, January 2019". [Online] investoreconomics.com.

⁴ Advisor's Edge. (2018). "How Intergenerational wealth planning is critical to your clients' success - and yours". [Online] advisor.ca.

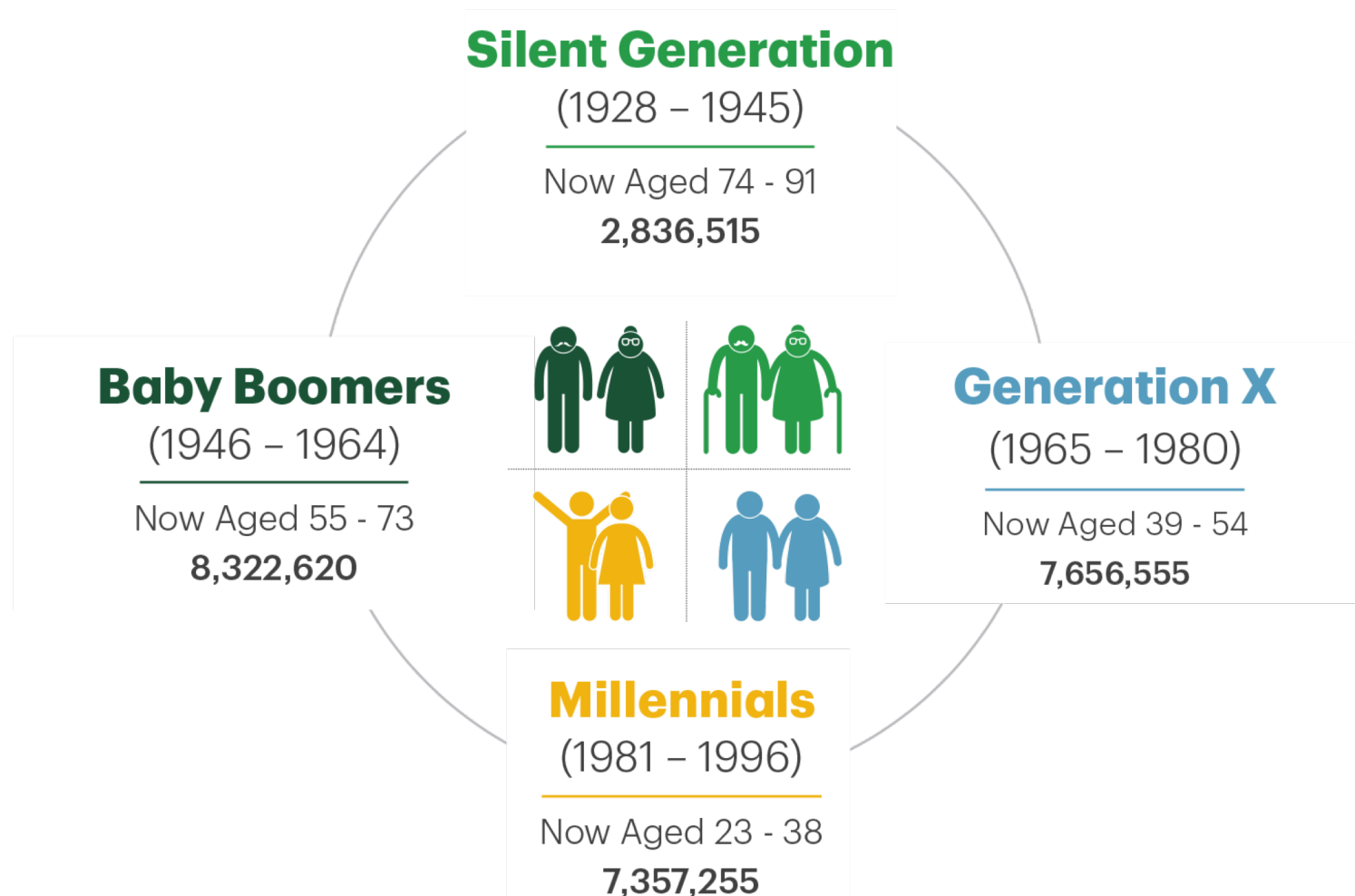
⁵ Liz Skinner. Investment News. (2015). "The great wealth transfer is coming, putting advisers at risk". [Online] investmentnews.com.

⁶ Claire O'Hara & David Berman. The Globe and Mail. (2015). "Wealth industry faces huge shift as boomers transfer wealth to their kids". [Online] theglobeandmail.com.

Canadian Generations at a Glance²



Generation X and Millennials comprise **43%** of Canada's population.



²Statistics Canada. (2017). "Census Profile, 2016 Census". [Online] statcan.gc.ca.

Breaking down the different generations



Silent Generation^{10,11}
1928 – 1945

Your Approach - provide extra help with online tools and planning for the future. They may also prefer:

- Hard copies of important documents
- Meetings at their home
- Clear, jargon-free communication

Suggested Investment Solutions:

- GICs
- Traditional FI solutions
- Solutions with established track-records
- Decumulation strategies

¹⁰ Katie Dangerfield. Global News. (2017). "From baby boomers to millennials: Which generation speaks to you?" [Online] globalnews.ca.

¹¹ Society of Actuaries. (2018). "Five-Generation Study: Millennials Face Increased Retirement, Financial Challenges". [Online] soa.org.

Breaking down the different generations



Baby Boomers^{10,11}
1946 – 1964

Your Approach – Customize to fit into their needs, busy schedules, and role as caretakers. They may also prefer:

- Open and direct communication
- Office meetings and phone calls
- Regular updates on innovations in the financial industry

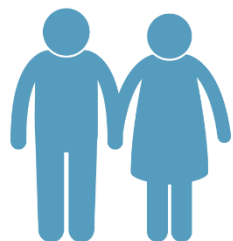
Suggested Investment Solutions:

- Retirement-focused portfolios
- Low volatility solutions
- Alternative solutions
- Tax efficient solutions

¹⁰ Katie Dangerfield. Global News. (2017). "From baby boomers to millennials: Which generation speaks to you?" [Online] globalnews.ca.

¹¹ Society of Actuaries. (2018). "Five-Generation Study: Millennials Face Increased Retirement, Financial Challenges". [Online] soa.org.

Breaking down the different generations



Generation X^{10,11}
1965 – 1980

Your Approach - Help them navigate market dips and avoid knee-jerk reactions. They may also prefer:

- Formal and informal meetings (screen and face time)
- Direct, no-nonsense communication
- Varied resources, from phone to digital channels

Suggested Investment Solutions:

- Fee-based solutions
- Low volatility solutions
- Pre-retiree solutions
- Managed products

¹⁰ Katie Dangerfield. Global News. (2017). "From baby boomers to millennials: Which generation speaks to you?" [Online] globalnews.ca.

¹¹ Society of Actuaries. (2018). "Five-Generation Study: Millennials Face Increased Retirement, Financial Challenges". [Online] soa.org.

Breaking down the different generations



Millennials^{10,11}
1981 – 1996

Your Approach – Be transparent about their financial options. They may also prefer:

- Collaborative advisors who make them feel heard
- Online meetings
- Networking events with other young clients
- Transparent pricing structures (i.e. fee-based vs. commission)

Suggested Investment Solutions:

- Fee-based solutions
- ETFs
- Alternative solutions
- ESG/SRI solutions

¹⁰ Katie Dangerfield. Global News. (2017). "From baby boomers to millennials: Which generation speaks to you?" [Online] globalnews.ca.

¹¹ Society of Actuaries. (2018). "Five-Generation Study: Millennials Face Increased Retirement, Financial Challenges". [Online] soa.org.

Now is the time to engage and assist clients with intergenerational wealth planning



80%

of investors plan to transfer their wealth, but only **45%** of them have a plan in place.⁷

58%

Of affluent Canadians have not yet discussed instructions for their estate with their heirs.⁸

70%

of wealth transfers result in disputes or loss of assets. **85%** of these fail because of a communication breakdown and not properly preparing heirs.⁹

⁷ State Street Global Advisors. (2016). "Roadmap for a New Landscape". [Online]. [adviservoice.com](https://www.adviservoice.com).

⁸ Leo Almazora. Wealth Professional Canada. (2018). "Wealth transfer a Concern among well-to-do Canadians". [Online]. [wealthprofessional.ca](https://www.wealthprofessional.ca).

⁹ Vic Preisser & Roy Williams. NAEPC Journal of Estate & Tax Planning. (2010). "The Future of Estate Planning". [Online]. [naepcjournal.org](https://www.naepcjournal.org).



Assess your business



Review

your book of business and leverage the **TDAM NextGen Business Assessment tool** to segment your clients by generation.

Make

a list of clients you want to focus on. Determine which clients are a risk to your business and don't have a legacy plan.

Determine

if, and how, you are meeting the needs of each group:

- Silent Generation
- Baby Boomers
- Generation X
- Millennials

2

If possible, engage the family



Help

your clients understand the importance of developing a legacy plan.

Understand

family dynamics and the unique needs of your clients' beneficiaries. What are their individual goals and values?

Customize

your approach to adapt to different generational needs.

Facilitate

a meeting with the family to discuss legacy planning.

Build

rapport and trust with key family members.

Keep

in touch with heirs on a regular basis.

An opportunity to help your clients



Estate Preparation

Help plan for the future

Will, Naming Executor & POA

Provide Support

Meeting immediate needs

Support for Executors & POAs



Value to you



**Client Loyalty
and Advocacy**



**Asset
Retention**



**Acquisition
of New Assets**

Support your clients in their personal wealth journey, capture money in motion and protect and grow your practice by:

- **Enhancing your value proposition by addressing a broader range of needs within your clients' financial journey**
- **Offering comprehensive information, conversation and solutions to address financial needs**
- **Elevating the client experience by offering custom tools and direction to access key professionals**

Value to your Client



Preparedness



Value beyond Advice



Education

- Education regarding the need for proper Will and Estate documentation to be in place
 - Identification of key opportunities and associated consequences to be addressed within Estate Planning documents
 - Confidence to make informed decisions
 - Clarity on next steps to satisfy this important need
- Ensure wishes as to how estate is to be distributed are captured
 - Estate planning minimizes the chances of family strife and ugly legal battles
 - Estate planning can help eliminate unnecessary tax burden

Surveys and Statistics



Estimated
Canadians
without a current
and valid Will:

70%

Leave A Legacy,
CAGP Report

Estimated assets
transferring to the
next generation
2019 – 2026:

\$1 Trillion

Investor
Economics

Percentage of
Canadians appointing
a family member as
their executor:

98%

Stats Canada
BMO Leger

Executors surveyed reported

Administrative
Complications: **47%**

Emotional Issues: **31%**

Legal Issues: **26%**

BMO Leger Poll

Unprepared
Testators...

...will transfer a
lot of money...

...with DIY
executors...

...who are already
having problems.

Will you be ready to help them?

Money on the move



\$1 Trillion over 8 years = \$500 Million per day



Chasing testators versus advising executors



Testators



- Don't know
- Don't care
- Don't want to talk about it

Executors



- Want to minimize estate challenges of:
 - Taxation • Litigation • Risk
 - Illiquidity • Grief
 - Inequality • Stress
- Have a vested interest in facilitating discussions
- Have legal and moral responsibilities for successful estate settlement
- Are the most trusted and influential
- They want to talk to us
- Their sibling heirs will listen to them
- Their testator parents will listen to them
- They will bring their testator parents to the table

Follow the money trail



Estate preparation
Asset consolidation
Non-reg to seg funds
Estate risk assessment
Estate liquidity analysis
Permanent life insurance

Executor Advising
Risk mitigation
Relationship building
Understanding other assets
Referrals to the other
16 CEA professions

Introduction from executor
Lump sum management
Debt analysis
Financial plans
Open accounts for transfer
Estate preparation

Continuing Education (CE) Credit Approvals:



(Advocis)



CIWM



PFP



To learn more, visit www.cicea.ca

To register, visit www.cicea.ca/register

Use the coupon code **TDAM** to save \$300 plus tax
(regular price is \$1,495)

Mark O'Farrell, BA | CLU | CHFC | TEP | CEA

For more information I can be reached at info@cicea.ca

3

Execute your plan



Recommend

investment solutions and products that align with the needs of different generations.

Deliver

holistic advice and offer introductions to other professionals such as tax advisors, will & estate lawyers.

Promote

financial literacy by hosting workshops and coaching sessions.

Empower

younger generations by providing financial resources on topics of interest.

Combine

human guidance and personal interaction with digital resources - only 25% of wealth managers offer digital channels outside of email.¹²

Empathize

with your clients. This is not an easy issue for families to navigate. Understand the entire client experience when it comes to legacy planning.

¹² "Why wealth management can't afford to miss the digital wave". 2016. PricewaterhouseCoopers



Dedicated web-page
on www.tdadvisor.com



Client Connection package

TDAM can help provide your clients with the investment solutions they deserve.

Whatever the generation and their needs, we deliver relevant, focused solutions that can make it easier to plan for the future and share the wealth.

Business assessment tool

Client-friendly brochure
aimed specifically at highlighting the importance of meeting the needs of different generations

Relevant **articles** and videos to share with your clients

Client-friendly worksheet to help your clients identify their goals and help important conversations

Seminar-in-a-box to help you plan and host successful workshops to retain and grow your business (coming soon)

Ass

Questions?



Canada is undergoing the largest intergenerational wealth transfer in its history.²³

Now is the time to invest in your relationships with clients, build rapport with heirs, and help ensure that everyone is ready to share and receive wealth. Deepening client relationships across generations is essential to the longevity and success of your business.

You already provide wealth management services that are tailored to your clients' needs. Take it one step further and help create a legacy that will last through the ages.



²³ "Wealth Transfer 101: How to talk to your heirs about their inheritance". October 2017. IPC Private Wealth

Disclaimer



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