TD Direct Investing

Creating Goals

Goal Planning
Methodology Guide

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I. Preface

Welcome to Goal Planning!

At **TD Direct Investing**, we provide the tools and support you need to become a more confident self-directed investor. If you're here because you want to take control of your financial future, know that we're here, with the products, tools, service and inspiration to help make that happen. We believe that every Canadian should have access to an investment plan that is aligned with their financial goals.

One of our commitments to you as our client is to provide you with tools to sharpen your skills. We've introduced Goal Planning to provide you with a place to begin to plan for your future. We understand that this can be a difficult process to do on your own, so we've tried to make this tool easy and intuitive to use. This methodology guide is intended to make you aware of the methodology and assumptions that are used by the tool and to highlight some considerations to be made by you when using it.

As with any plan, the outcome is uncertain because the future is unknown; however, this ambiguity doesn't mean that there isn't value in taking steps to try to plan for it. The likelihood of attaining your goals is much higher when you have a plan to achieve them rather than doing nothing and hoping you're going to reach them. It's in this spirit that we're providing you with this tool. The projections used within the tool are uncertain as we cannot predict the future, but we believe the projections are useful as they help create a framework upon which to build your plan.

II. Understanding Investor Profiles

Summary

Consider the level of investment risk you're willing and able to take to achieve your investment goal before selecting or creating an investor profile

Each of the 3 investor profiles has an investment approach based on an asset class mix

Investment risk is defined as the volatility of the historical returns of an investor profile

Investment return assumptions are determined using the rolling annual market returns for each asset class over a 15-year period

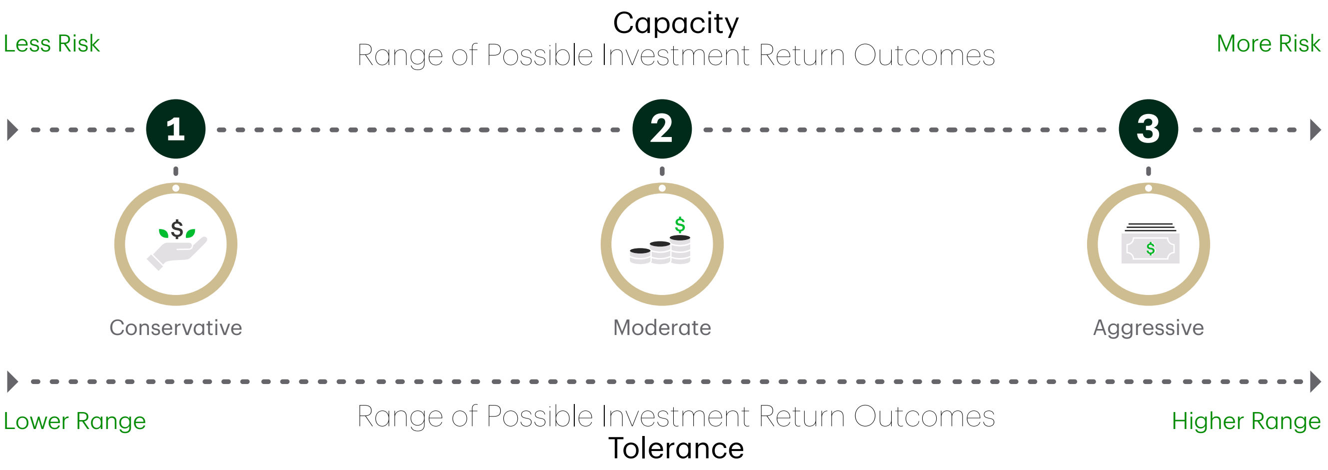
It's important to consider the time horizon of your goal when selecting or creating an investor profile

The risk & return characteristics of your investment portfolio may differ from the investor profile you've selected or created, even where you've created an investment portfolio with the same asset class mixes and weights

An important consideration for any investment goal is the level of risk that you're willing (tolerance) and able (capacity) to take and the investment time horizon associated with the investment goal. Your tolerance is how comfortable you are with changes to the value of your investments, while your capacity is a function of time and how you're performing relative to your goal. You may have the capacity to take on more risk, but this should be balanced with your tolerance for the range of possible outcomes. We provide 3 investor profiles to choose from, which are intended to reflect these considerations. We also provide you with the ability to create your own custom investor profile where these 3 investor profiles don't appropriately capture your investor profile in relation to your investment goal.

Defining Investment Risk & Return

Investment risk describes the historical range of possible investment outcomes over time. Some investments are riskier than others and have a greater chance of experiencing a loss. Those investors who are more comfortable or are more able to endure a wider range of possible outcomes tend to have more aggressive investor profiles than those who cannot tolerate or who aren't able to incur the possibility of a loss. Generally speaking, the potential for higher investment returns comes with the potential for a wider range of investment outcomes, including a higher potential for investment loss (loss of capital). We've assigned an investment approach to each of the investor profiles outlined below to help further define them and to establish a target asset mix for each. For purposes of this methodology guide, when we refer to the risk and returns of investor profiles, we are referring to the historical risk and returns of their underlying asset mixes as described in the next section. We call the range of investment returns around the average, volatility, which we measure through a statistical measurement called standard deviation. The closer the range of returns around the average, the lower the standard deviation. In the context of your investor profile, when we refer to risk, we are referring to the volatility of the investor profile and the possibility of a loss of capital. When we refer to return, we are referring to the average return of the investor profile.



Defining Asset Mixes

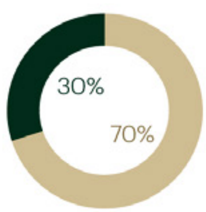
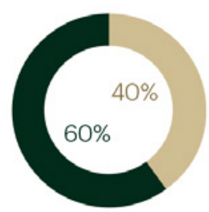
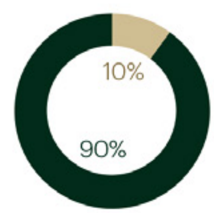
Each investment approach has an asset mix. These asset mixes are more broadly categorized into equities and fixed income.

Equities are any common share of stocks that are publicly traded on a securities market such as the New York Stock Exchange (NYSE), the Toronto Stock Exchange (TSX), or the TSX Venture Exchange (TSXV). Equities may be held directly by you through shares held in an account, or indirectly by you, through mutual funds and/or exchange-traded funds (ETFs). Historically, relative to fixed income, equities have exhibited both higher average returns and higher volatility.[1]

Cash equivalents and fixed income refer to any security under which the borrower or issuer is legally obligated to make payments of a fixed or variable amount. These include securities such as bonds, term deposits, and treasury bills. Historically, relative to equities, fixed income securities have exhibited both lower average returns and lower volatility.[2]

We've further broken down the equities and fixed income (plus cash) asset mixes into 6 asset classes; 1) Cash; 2) Canadian Fixed Income; 3) Global Fixed Income; 4) Canadian Equities; 5) U.S. Equities; and 6) International Equities. "International" refers to any geographic region outside of Canada and the United States, while "Global" refers to any geographic region outside of Canada. The target asset class weights within each asset mix across the investor profiles are:

Lower Historical Volatility ← Volatility → Higher Historical Volatility

Investor Profile	Conservative	Moderate	Aggressive
Investor Approach	Balanced Income	Balanced Growth	Aggressive Growth
Target Asset Mix ■ Equities ■ Cash & Fixed Income			

Target Asset Mix Asset Class Weights			
Canadian Equities	10%	20%	30%
U.S. Equities	12%	24%	35%
International Equities	8%	16%	25%
Canadian Fixed Income	60%	30%	5%
Global Fixed Income	5%	5%	0%
Cash	5%	5%	5%

Lower Historical Average Return ← Returns → Higher Historical Average Return

Studies have found that a portfolio's asset mix (asset allocation policy) explains over 90% of its return variation over time, suggesting that the asset mix decision plays a much more important role in determining investment returns within a diversified portfolio versus the underlying security selection.[3]

[1] 2024 Morningstar® Andex chart, S&P/TSX Composite TR Index since Jan 1, 1950 – return 9.7%, standard deviation 16.2.
[2] 2024 Morningstar Andex chart, FTSE TMX Long Bond Index since Jan 1, 1950 – return 6.7%, standard deviation 10.0
[3] Determinants of Portfolio Performance; Brinson, Hood, and Beebower; 1986

Measuring Risk & Return

To calculate the historical returns for each asset class we've used a selection of market indexes to act as a proxy for each. A market index tracks the performance of a universe of securities such as stocks or bonds using a methodology that is defined by an index provider. We use the term benchmark when referring to the market index for each asset class.

Asset Class	Benchmark/ Market Index	Index Provider	Index Definition & Methodology Link
Canadian Equities	S&P/TSX Composite Total Return Index	S&P Dow Jones Indices	S&P/TSX Composite (CAD)
U.S. Equities	S&P 500 Total Return Index (in Canadian dollars)	S&P Dow Jones Indices	S&P 500
International Equities	MSCI EAFE Total Return Index (in Canadian dollars)	MSCI	MSCI Index Methodology
Canadian Fixed Income	FTSE Canada Universe Index	FTSE Russell	FTSE Canada Fixed Income Indexes Methodologies
Global Fixed Income	Bloomberg Barclays Global Aggregate Bond Index (in Canadian dollars)	Bloomberg Barclays Indices	Bloomberg Barclays Index Methodologies
Cash	FTSE Canada 91 Day T-Bill Index	FTSE Russell	FTSE Canada Fixed Income Indexes Methodologies

We calculate the hypothetical historical returns of the investor profiles by using the target weights of each asset class and the historical returns of each benchmark. For this purpose, we've used 15 years of rolling annual returns. This 15-year return set is updated annually to reflect the end of the previous calendar year. Using the rolling annual returns we calculate the geometric average return, the best return, the worst return, and the standard deviation. This is done across all 3 investor profiles to provide you with a means of comparing them. Should you choose to build a custom investor profile, the same process is undertaken, however, instead of using the asset class weights we've defined, the risk and return measures will be calculated using the asset class weights you've defined.

Conservative
Investor Profile

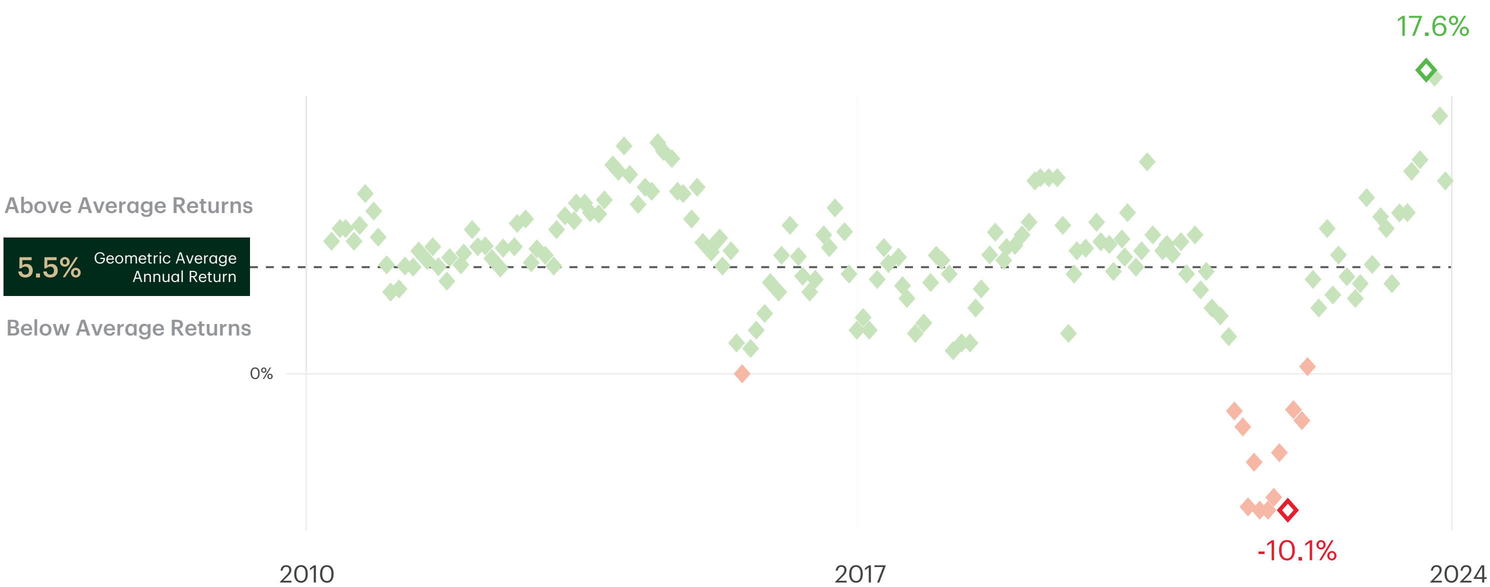
Investment Approach
Balanced Income

For this investment goal you have a time horizon of at least 3 years with a tolerance for portfolio volatility and loss of capital that is low to moderate. You're willing to tolerate short-term fluctuations in returns and small to moderate losses of capital in exchange for potential appreciation. An investment approach with this objective will seek to provide a moderate level of income and some potential for appreciation by investing primarily in a diversified portfolio of fixed-income investments with some exposure to equity or equity-type investments.

15 Year Historical Risk & Return Measures of the Conservative Investor Profile

Average Return	Best Return	Worst Return	Standard Deviation
5.5%	17.6%	-10.1%	4.7%

Rolling Annual Returns Around the Average Return (2010-2024)



Moderate
Investor Profile

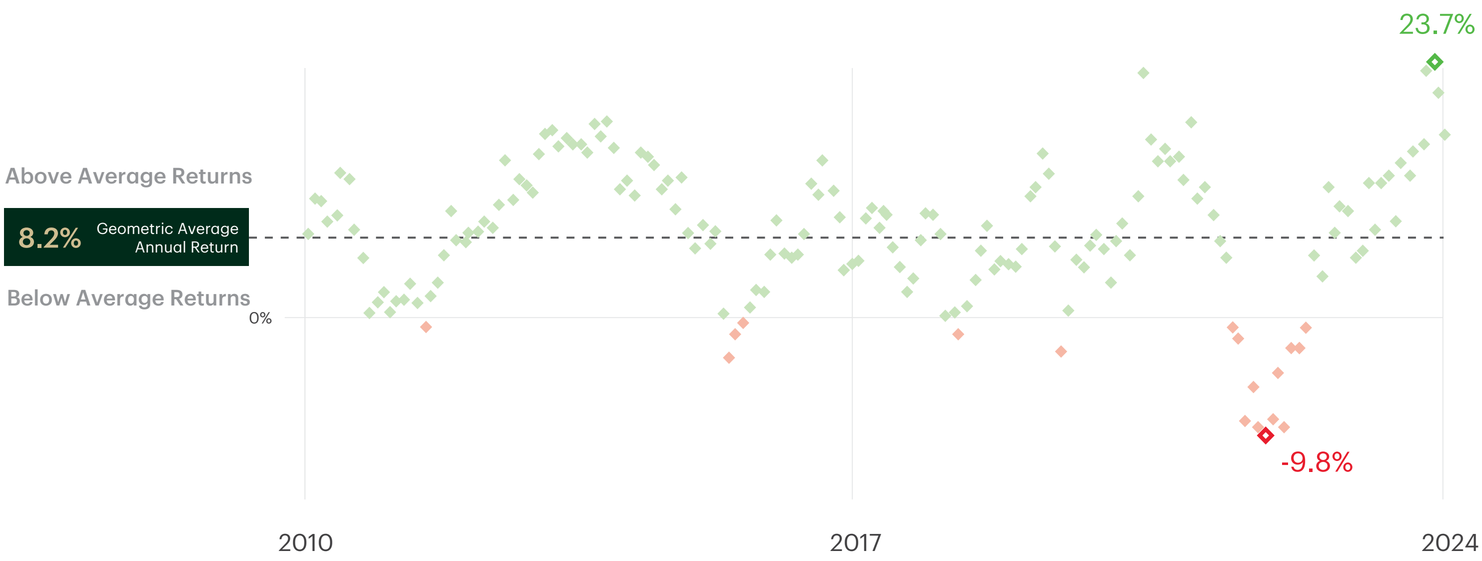
Investment Approach
Balanced Growth

For this investment goal you have a time horizon of at least 5 years with a tolerance for portfolio volatility and loss of capital that is moderate to high. You're willing to tolerate some fluctuations in your investment returns and moderate to large losses of capital but prefer a stable pattern of growth over the long-term. An investment approach with this objective will seek to provide long-term appreciation and modest income by investing primarily in equity or equity-type investments and fixed-income investments.

15 Year Historical Risk & Return Measures of the Moderate Investor Profile

Average Return	Best Return	Worst Return	Standard Deviation
8.2%	23.7%	-9.8%	6.4%

Rolling Annual Returns Around the Average Return (2010-2024)



Aggressive
Investor Profile

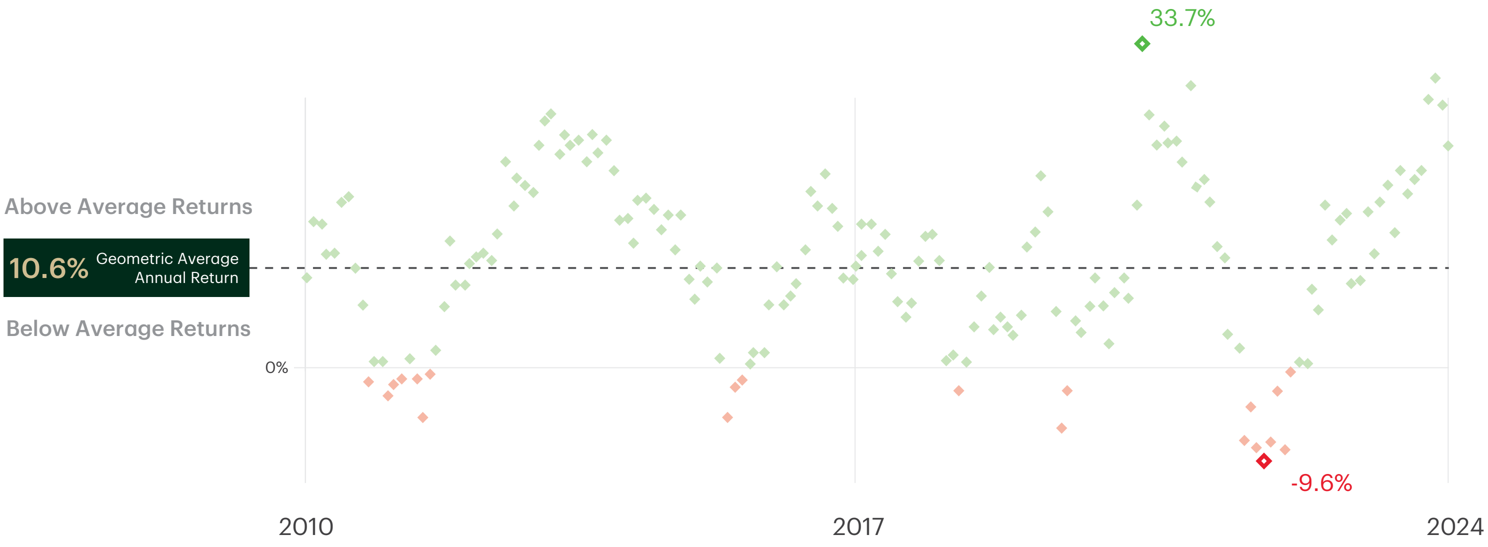
Investment Approach
Aggressive Growth

For this investment goal you have a time horizon of at least 5 years with a tolerance for portfolio volatility and substantial loss of capital that is very high. You're willing to tolerate large fluctuations in your investment returns and large losses of capital in exchange for potential long-term appreciation. You're solely focused on maximizing above market returns, which may include speculative trading. An investment approach with this objective will seek to provide long-term appreciation by investing primarily in equity or equity-type investments.

15 Year Historical Risk & Return Measures of the Aggresive Investor Profile

Average Return	Best Return	Worst Return	Standard Deviation
10.6%	33.7%	-9.6%	9.0%

Rolling Annual Returns Around the Average Return (2010-2024)



Time Horizon Considerations When Selecting or Creating an Investor Profile

An important factor to consider in selecting or creating an investor profile for your investment goal is the amount of time that you expect the money to be invested. With shorter investment time horizons, there is less opportunity to recover from a market downturn, which may impact the likelihood of success in reaching your goal. A longer investment time horizon provides the potential to recover from a short-term loss by staying invested through a market recovery. As an example, for the 5-year period beginning in 2007, a goal with an aggressive investor profile would have had an average annual return of -1.5% while a goal with a conservative investor profile would have had an average annual return of 3.8%. However, after 10 years, the aggressive investor profile had an average annual return of 5.8% while the conservative investor profile had an average annual return of 5.3%.

Investor Profile Considerations and Your Investment Portfolio

The asset mix of the investor profile you've selected or created within the tool forms the basis of the risk and return assumptions that we use when projecting your investment goal outcome. It's important to note that while we've provided the asset mixes for each investor profile, your actual investment portfolio may not have the same investment risk and return characteristics, even where you've created an investment portfolio with the same asset class mixes and weights. There are several things to consider with respect to how these may differ:

Diversification Across Asset Classes

Your investment portfolio may not hold securities across each of the asset classes represented within the investor profile you selected or created, or, you may hold a different mix of asset weights. Generally speaking, the higher your equity holdings relative to cash and fixed income, the higher the relative volatility of returns thanwhat is represented within the investor profile.

Diversification Within Each Asset Class

As discussed, we use market indexes as the basis for the benchmark returns for each asset class. These market indexes are created using a breadth of different holdings across industries and geographies according to the methodology of each index provider. The relative volatility of returns will generally be higher where your investment portfolio holds fewer securities across fewer industries and geographies than represented within each benchmark.

The Impact of Fees

The return assumptions of the investor profiles do not consider the impact that actual fees will have on returns. That said, we include an annual deduction of 0.25% when calculating the projected investment goal amount to account for fees. However, this may be less or more than what you may incur within your portfolio depending on the frequency of your trading activity or on the value of your investments or the type of investments you're holding.

The Impact of Taxes

The return assumptions of the investor profiles do not account for the impact that taxes may have on the returns within your investment portfolio. For example, dividends or interest earned in a Cash (non-registered) account would be taxable as well as any capital gains that are incurred on the sale of securities. Similarly, there will potentially be tax implications at the time you withdraw your funds for your goal.

III. Calculation of Projected Result

Summary

The projected investment goal amount is derived from at least 1,000 simulations, using the simulated outcome at the 30th percentile, based on the inputs included for your goal, including the risk and return assumptions of the investor profile you selected or created

By using the simulated outcome at the 30th percentile, 70% of the simulations met or exceeded the value that we're using for your projected investment goal amount

Investment Goal Projection Inputs

We've discussed the investor profiles and what we mean by risk and return. In this section we'll discuss how we derive the projected amount associated with your investment goal. The projection is the result of an algorithm which creates a series of simulations based on the following investment goal inputs:

1. Average return and the standard deviation

We use the historical average return and standard deviation of the investor profile you've selected or created calculated using the methodology described in the previous section,"Defining Asset Mixes".[4]

2. Initial investment amount

This is determined using the previous day's market value of the account(s) you've assigned to your investment goal plus the amount you've already invested elsewhere for the investment goal (as inputted by you). It's important to note that the amount already invested elsewhere for the investment goal is always equal to what you originally inputted and doesn't change each time the projection is run, unless you update it. Any amount entered should to be in Canadian dollars.

3. Ongoing contribution amount

This is the amount you inputted that you're comfortable investing regularly for this goal (as inputted by you). Any amount entered should be in Canadian dollars. Like the amount already invested elsewhere for the investment goal, this amount is always equal to what you originally inputted and doesn't change each time the projection is run, unless you update it. This amount is always run as an annual amount which is assumed to be invested at the end of each complete year from the projection run date (the date the projection is being run) through to the goal's end date. It's also important to note that if you already have an automatic deposit set up for an account assigned to this goal, you may choose to include this amount in your ongoing contribution amount; otherwise it will not be captured in the projection.

4. Investment time horizon

This is calculated based on your answers to the questions regarding your current age and the age at which you'll require the investment amount. Once you've saved your current age, we use this date as your goal's creation date. We use your retirement or target age to calculate your goal's end date. The time horizon for long term goals will be expressed in years. Shorter time horizons will be expressed in semi-annual, quarters, months, weeks or days, including longer time horizons which have become shorter after the passage of time. Time horizons are rounded to the nearest complete unit of time (year, semi-annual, quarter, month, week or day) remaining in the time horizon. So, for example, if at the time you set up your investment goal you were 30 years old and your retirement age was 65 years old, the initial time horizon would be 35 years. However, if you were to run the investment goal projection the following day, the difference between your goal's end date and the projection run date would be 35 years less one day. As such, the investment goal amount would be projected using a time horizon of 34 years.

5. Investment fees

Investment fees will vary by investor depending on the choice of investments made by you and the frequency of your trading activity. As such, we've included an annual fee assumption of 0.25% for purposes of the projection which will lower the average return assumption. However, this may be less or more than what you may incur within your portfolio depending on the frequency of your trading activity, the value of your investments or the type of investments you're holding.

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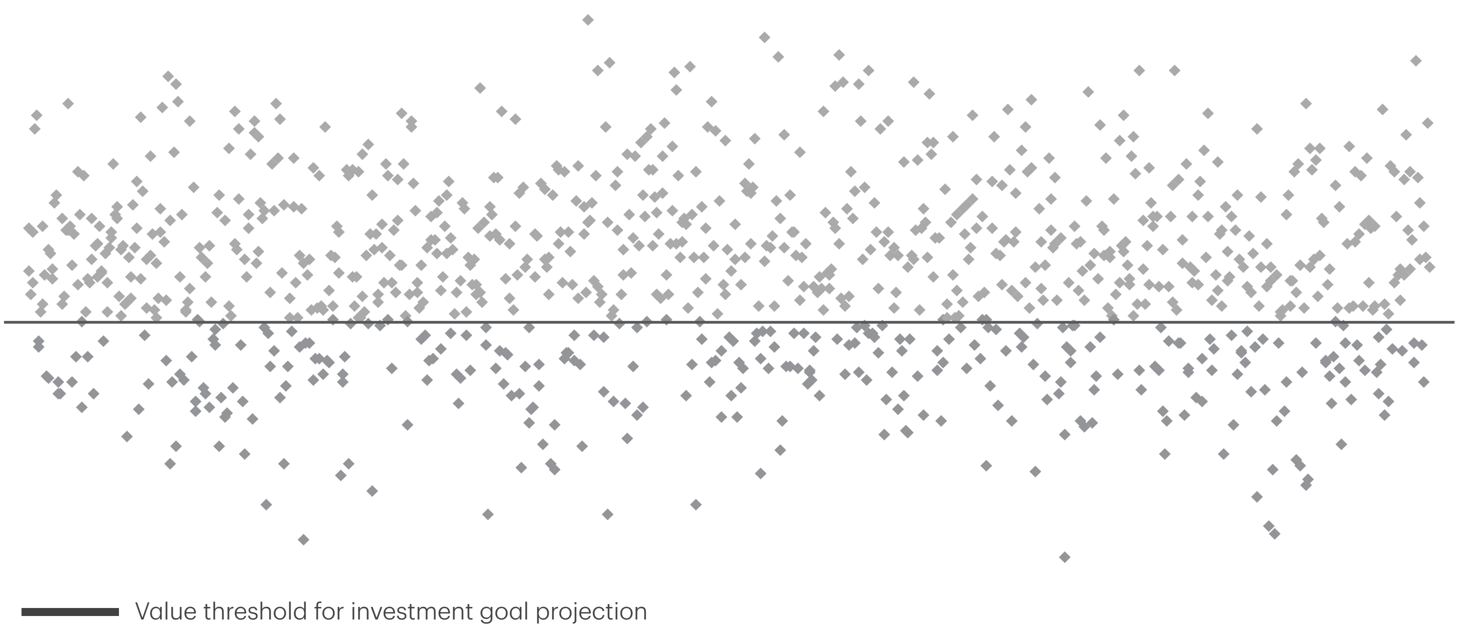
[4] There are limitations to using historical data to project into the future as the past may not be representative of the future.

Understanding the Projected Investment Goal Amount

Using the investment goal projection inputs described previously, an algorithm runs at least 1,000 return simulations for each year across your time horizon resulting in at least 1,000 projected outcomes. The result of each simulation is random, accounting for the distribution of returns as measured by the standard deviation of the investor profile you selected or created. This randomness leads to changes in the projected amount each time it's run. The algorithm assumes a normal distribution, which is a common probability distribution used in statistics[5]. So, for example, at 1,000 simulations, we would use the 300th worst simulated outcome at the end of your time horizon as the basis for presenting the projected investment goal amount. This means 700 simulations had an ending investment goal amount that was higher, while 299 simulations had an ending investment goal amount that was lower than the one we would be using for your plan. In other words, we're using the simulated result at the 30th percentile which is equivalent to a confidence level of 70% that the simulated amount will be met. However, given the random nature of and the number of simulations run, this is best interpreted as an approximation of the expected amount at this confidence level.

Simulated Goal Investment Outcomes

Example Results of 1000 Simulations



[5] Historically market returns have more outliers than would be expected from a normal distribution. This can understate the number of extreme low or high outcomes within the simulated results.

IV. Retirement Target Goal Considerations

Summary

The target retirement goal is calculated using the inputs outlined in this section and the risk and return assumptions of the conservative investor profile

The target retirement goal is a pre-tax investment amount at retirement and does not account for other after-tax considerations that may impact the amount needed to be invested

Your target retirement goal amount is calculated using additional default assumptions, as set out below, for life expectancy, inflation, and other income in retirement, all of which can be changed by you

Calculating Your Target Retirement Goal Amount

We use the following inputs to determine your target retirement goal amount:

1. Your current age

Once you've saved your current age, we use this date as the starting date for calculating your investment time horizon.

2. Your retirement age

We use your retirement age and your current age to calculate the accumulation investment time horizon of your retirement goal. This is the period during which you'll be investing for your retirement.

3. Your life expectancy

We use a default assumption of 90 years which is consistent with the Financial Planning Standards Council (FPSC) guidelines, but this can be changed by clicking on the **"View assumptions"** icon within 'Your Plan Summary'. We use your life expectancy and your retirement age to calculate the decumulation investment time horizon of your retirement goal. This is the period after retirement during which you'll be withdrawing from your investment.

4. Your current income before tax

This serves as the basis for determining how much you'll need in retirement on a pre-tax basis. While we've provided a tip that on average, people need 60-80% of their current income to maintain a similar lifestyle in retirement, there are number of considerations that can go into deciding how much you'll need, including:

- Which account types will you be using for your retirement? For example, any withdrawals from a registered account will be taxed as income; however, any withdrawals from a tax-free savings account are after-tax dollars and therefore won't be taxed on withdrawal.
- What will your ongoing expenses look like in retirement relative to where they are today? You may not expect to have mortgage payments, car payments, or other expenses tied to dependents (i.e. children) in retirement. Any ongoing investing for retirement will also likely stop. These may in part be offset by additional expenses in retirement related to travel or other leisure activities that you'd like to do more regularly.

5. Inflation

We use a default assumption of 2% per year which is consistent with the Financial Planning Standards Council (FPSC) guidelines, but this can be changed by clicking on the **"View assumptions"** icon within 'Your Plan Summary'. Inflation reflects the change in the purchasing power of a dollar over time. A dollar today will not buy you as much 10 years from now as prices tend to rise over time. As such, we adjust the income you'll need in retirement for inflation to ensure it reflects the equivalent purchasing power as it does today.

6. Other Income in Retirement

Your income in retirement can come from multiple sources. We need to understand all sources before we can determine how much you'll need to fund from your retirement investment savings. Common sources of other income in retirement are government pension plans (Canada Pension Plan, Quebec Pension Plan and Old Age Security). However, there may be additional sources such as rental property, a foreign government pension plan or a company pension plan.

Canada Pension Plan (CPP) / Quebec Pension Plan (QPP)

The CPP is a contributory program where the amount of pension received is based on the amount that has been contributed and operates throughout Canada, except in Quebec, where the QPP provides similar benefits. Typically, a maximum CPP requires working for 40 years earning at least the Yearly Maximum Pensionable Earnings (YMPE) each year. There are several provisions which can lower the number of working years based on lower incomes or child rearing years.

For more information on CPP or QPP please click here:
https://www.canada.ca/en/services/benefits/publicpensions/cpp.html

We use a default assumption equal to an estimation of the average CPP that a Canadian receives and we assume this starts being paid beginning at age 65 or as at any retirement age you enter after 65. However, this amount can be changed by clicking on the **"View assumptions"** icon within 'Your Plan Summary'.

Old Age Security (OAS)

OAS is a payment available to seniors aged 65 and older who meet the Canadian legal status and residence requirements. If your annual income is above the maximum annual income to receive the OAS pension (e.g. $123,302 in 2018) then you are not eligible to receive OAS. If your annual taxable income is higher than the threshold (e.g. $75,910 in 2018) then the amount above this threshold is subject to a recovery tax equal to 15% of the taxable income above the threshold.

For more info please click here:
https://www.canada.ca/en/services/benefits/publicpensions/cpp/old-age-security.html

We use a default assumption equal to an estimate of the maximum OAS amount and we assume this starts being paid beginning at age 65 or as at any retirement age you enter after 65. However, this amount can be changed by clicking on the **"View assumptions"** icon within 'Your Plan Summary'.

Other Income Sources

We use a default assumption equal to $0 per year for income from other sources but this amount can be changed by clicking on the **"View assumptions"** icon within 'Your Plan Summary'. It is assumed that any amount entered will be earned at the time of retirement during the decumulation investment time horizon and that this amount is being received in today's dollars (we will adjust for inflation) and before taxes.

7. Investor Profile

We calculate what you'll need to have saved at retirement to meet your pre-tax income needs in retirement, by using the risk and return assumptions of the conservative investor profile. We've used this assumption to be conservative, recognizing that most individuals will consider lowering the amount of investment risk they're willing to take once they're in retirement. Like the assumption used for your retirement investment goal projection, we derive this amount based on an estimate at a 70% confidence level that you'll meet your desired annual pre-tax income in retirement.

Getting Closer to Your Target Retirement Goal Amount

Your investment goal will have a goal status of "Good" when more than 70% of the simulated outcomes reach your target investment goal

Your investment goal will have a goal status of "Needs Attention" when less than 70% of the simulated outcomes reach your target investment goal

Your investment goal will have a goal status of "Incomplete" if it's been started but not yet finished by you. It will have a goal status of "Complete" when you've reached the time horizon associated with your goal

Within your dashboard you can make changes to your ongoing contribution, retirement age, or expected annual retirement income to see how they impact your goal plan. You can update your plan with any of the changes by saving them. It's important to keep in mind that any changes you save to your ongoing contribution will not update your automatic deposit plan(s). If you choose to do so, these automatic deposit plan(s) changes will need to be subsequently acted upon by you otherwise they may not be aligned to your plan.

V. Major Purchase Target Goal Considerations

Summary

The target major purchase goal is not adjusted for inflation

The target major purchase goal is a pre-tax investment target and does not account for after-tax considerations that may impact the amount needed to be invested

Calculating Your Target Major Purchase Goal Amount

We use the following inputs to determine your target major purchase goal amount:

1. Your current age

Once you've saved your current age, we use this date as the starting date for calculating your investment time horizon.

2. Your target age

We use your target age and your current age to calculate the accumulation investment time horizon of your major purchase goal. This is the period during which you'll be investing for your major purchase goal before withdrawing the amount.

3. Your target investment amount

We use this as the target major purchase goal amount. It's important to note that unlike the assumptions used for the target retirement goal amount, we've made no assumptions regarding inflation for this investment goal. Inflation reflects the change in the purchasing power of a dollar over time. A dollar today will not buy you as much 10 years from now as prices tend to rise over time. As such, you should consider how inflation may impact the amount you're looking to save for at some point in the future.

Another important consideration for the target major purchase amount is that it's a pre-tax amount. The after-tax amount will be driven by the account type from which the purchase amount is being withdrawn. You should consider the tax impact when determining what to enter as your target investment amount.

Getting Closer to Your Target Major Purchase Goal Amount

Your investment goal will have a goal status of "Good" when more than 70% of the simulated outcomes reach your target investment goal

Your investment goal will have a goal status of "Needs Attention" when less than 70% of the simulated outcomes reach your target investment goal

Your investment goal will have a goal status of "Incomplete" if it's been started but not yet finished by you. It will have a goal status of "Complete" when you've reached the time horizon associated with your goal

Within your dashboard you can make changes to your ongoing contribution, retirement age, or expected annual retirement income to see how they impact your goal plan. You can update your plan with any of the changes by saving them. It's important to keep in mind that any changes you save to your ongoing contribution will not update your automatic deposit plan(s). If you choose to do so, these automatic deposit plan(s) changes will need to be subsequently acted upon by you otherwise they may not be aligned to your plan.

VI. Grow My Money Target Goal Considerations

Summary

The grow my money goal is not adjusted for inflation

The grow my money time horizon will default to 20 years if left blank

The grow my money goal is a pre-tax investment target and does not account for after-tax considerations that may impact the amount needed to be invested

Calculating Your Target Grow My Money Goal Amount

We use the following inputs to determine your target grow my money goal amount:

1. Your current age

Once you've saved your current age, we use this date as the starting date for calculating your investment time horizon.

2. Your target age

We use your target age and your current age to calculate the accumulation investment time horizon of your grow my money goal. This is the period during which you'll be investing for your grow my money goal before withdrawing the amount. This is optional for this investment goal so if a target age is not provided, we will default the accumulation investment time horizon to 20 years.

3. Your target investment amount

We use this as the target grow my money goal amount. This is optional for this investment goal so if a target amount is not provided, we will not present one with the projection. It's important to note that unlike the assumptions used for the target retirement goal amount, we've made no assumptions regarding inflation for this investment goal. Inflation reflects the change in the purchasing power of a dollar over time. A dollar today will not buy you as much 10 years from now as prices tend to rise over time. As such, you should consider how inflation may impact the amount you're looking to save for at some point in the future.

Another important consideration for the target grow my money amount is inputted on a pre-tax basis. The after-tax impact on this amount will be driven by the account type from which the purchase amount is being withdrawn. You should consider the tax impact when determining what to enter as your target investment amount.

Getting Closer to Your Target Grow My Money Goal Amount

Your investment goal will have a goal status of "Good" when more than 70% of the simulated outcomes reach your target investment goal.

Your investment goal will have a goal status of "Needs Attention" when less than 70% of the simulated outcomes reach your target investment goal

Your investment goal will have a goal status of "No Status" when your goal does not have a target amount, and/or a target date assigned to it

Your investment goal will have a goal status of "Incomplete" if it's been started but not yet finished by you. It will have a goal status of "Complete" when you've reached the time horizon associated with your goal

Within your dashboard you can make changes to your ongoing contribution, target age, or target investment amount to see how they impact your goal plan. You can update your plan with any of the changes by saving them. It's important to keep in mind that any changes you save to your ongoing contribution will not update your automatic deposit plan(s). If you choose to do so, these automatic deposit plan(s) changes will need to be subsequently acted upon by you otherwise they may not be aligned to your plan.

VII. Investment Disclosure

Investing in securities involves some risks. Risk is often measured by the extent to which the value of the securities fluctuates.

The more frequent and greater the fluctuations, the more volatile the security. Each investor has a different tolerance for risk. Some investors are significantly more conservative than others when making investment decisions. Risk can be reduced by diversifying investments across the three main asset classes: money market investments for security, bonds for income and equity investments for growth. The common types of investment risks that may be applicable to a portfolio of securities include, but are not limited to

- An issuer of a fixed income security may be unable to make interest payments or pay back the original investment.
- A high concentration of assets in a single or small number of issuers may reduce diversification and liquidity within a portfolio and increase its volatility.
- Equity securities are affected by stock market movements, and equity securities of certain companies or companies within a particular industry sector may fluctuate differently than the overall stock market because of changes in the outlook for those individual companies or the particular industry.
- Some securities may be illiquid because of legal restrictions, the nature of the investment itself, settlement terms, a shortage of buyers or other reasons. Generally, investments with lower liquidity tend to have more dramatic price changes and may subject the investor to losses or additional costs.
- The value of securities denominated in a foreign currency will be affected by changes in foreign currency rates or the imposition of foreign exchange controls.
- The value of a portfolio that invests in bonds, mortgages and other income producing securities is affected by changes in the general level of interest rates.
- Investments in foreign securities involves additional risks resulting from different reporting standards and regulatory requirements, the amount and reliability of publicly available information, and the volume and liquidity of some foreign stock and bond markets.

This brief description does not disclose all of the risks and other important aspects of investing in securities and the use of derivatives within a portfolio. It is important to take into account your own comfort with risk as well as the amount of risk suitable for your financial circumstances and goals.