

Sun Life Global Investments- RRSP Loan Disclosure

Borrowing to invest in your RRSP can be a useful way to help build lifetime financial security.

It's a good idea to discuss with you the risks of borrowing to invest. Here are some risks and factors that you need to consider before borrowing to invest:

Is it Right for You?

Borrowing money to invest is risky. You should only consider borrowing to invest if:

- You are comfortable with taking risk.
- You are comfortable taking on debt to buy investments that may go up or down in value.
- You are investing for the long-term.
- You have a stable income.

You should **not** borrow to invest if:

- You have a low tolerance for risk.
- You are investing for a short period of time.
- You intend to rely on income from the investments to pay living expenses.

You Can End Up Losing Money

- If the investments go down in value and you have borrowed money, your losses would be larger than had you invested using your own money.
- Whether your investments make money or not you will still have to pay back the loan plus interest. You may have to sell other assets or use money you had set aside for other purposes to pay back the loan.
- If you choose to sell investments and withdraw from your RRSP to repay the loan, you will be taxed on the withdrawal. You do not gain RRSP contribution room for any amounts you withdraw.
- If the investments go up in value, you may still not make enough money to cover the costs of borrowing.

Client: I have read Sun Life Global Investments – RRSP loan disclosure and confirm that the items listed in ***Is it Right for You?*** apply to me.

Client Signature: _____ Date: _____

Advisor: I have discussed the risk of borrowing to invest. I have documented my needs analysis, provided a *Reasons Why Letter* where applicable and delivered a copy of Sun Life Global Investments – RRSP loan disclosure to the Client along with a signed copy in the Client file.

Advisor Signature: _____ Date: _____