Producing Income: the Bucket Strategy

One investment portfolio, multiple different time frames

If you have a RRIF account that you need to begin withdrawing from at the minimum amount of 5.4% (at age 72), what is your time horizon for that account?

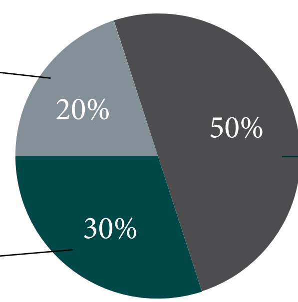
It's pretty immediate, isn't it?

But do you need to access the *whole* portfolio immediately? No, only the 5.4%.

This is where the Bucket Strategy comes into play. It allows you to allocate different portions of your investment portfolio with their own individual time frames. The sooner you need to access it, the less risk you take with those assets. With the assets that you don't need to access for 10+ years? You can now afford to safely take on more risk to potentially generate higher returns and keep the portfolio from being drawn down too much over time.

The Bucket Strategy means not having to take the same amount of risk with the assets you are about to withdraw from as you do with the assets you won't be accessing for many years to come. This is a great way for a portfolio to grow and generate income at the same time.

Time Horizon: 0-3 Years
Investment Risk: Very Low



Time Horizon: 4-9 Years
Investment Risk: Low/Moderate

Time Horizon: 10+ Years
Investment Risk: Moderate (or higher)