

The risks of “safe” investments

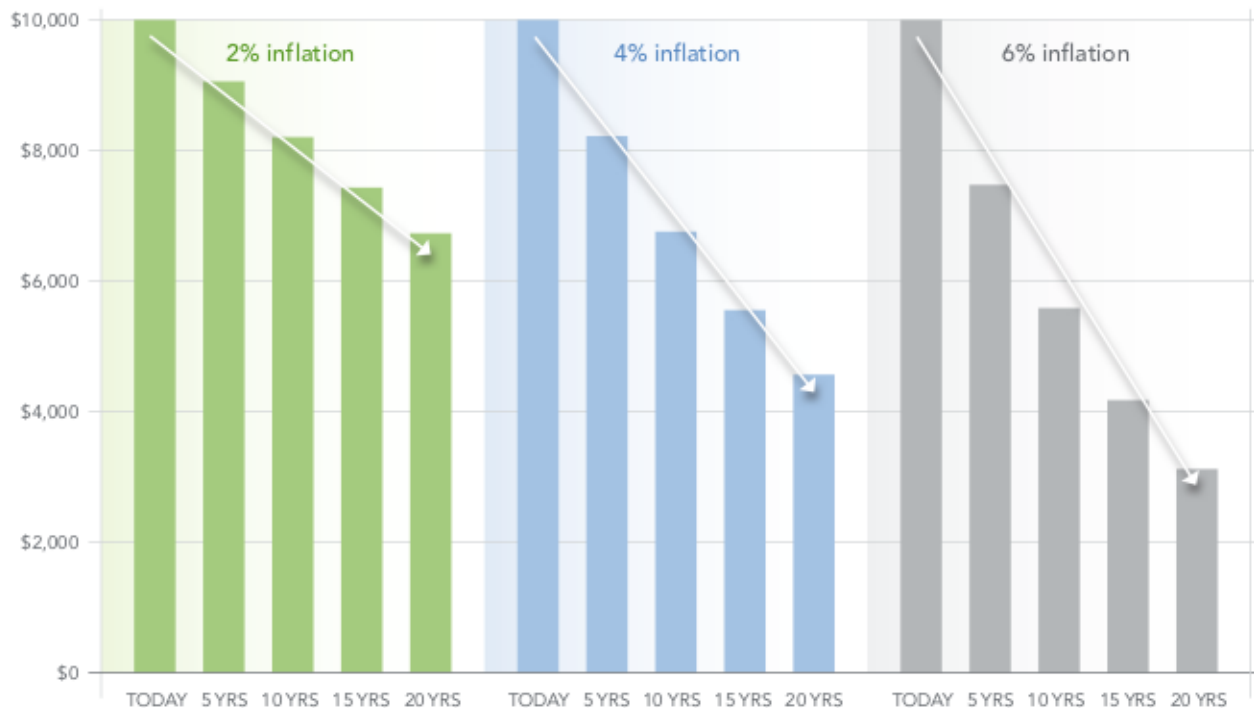
When calculating your investment goals, you should always factor in inflation. Although inflation is currently low, the future holds no guarantees – and even low rates can eat away at your savings.

The risk of inflation is one reason so-called “safe” investments such as GICs may not be so safe after all. Often they have low returns, so on their own they may not generate enough to meet your goals, once the increased cost of living is factored in.

Consider diversifying your portfolio with equities for better growth potential, to offset the impact of inflation.

Erosion of purchasing power

The chart illustrates the effect of inflation on \$10,000. Even at the relatively low rate of 2%, \$10,000 shrinks to \$6,729 of purchasing power in 20 years.



Source: Fidelity Investments Canada ULC.

For more information, ask your advisor or visit [fidelity.ca](https://www.fidelity.ca)



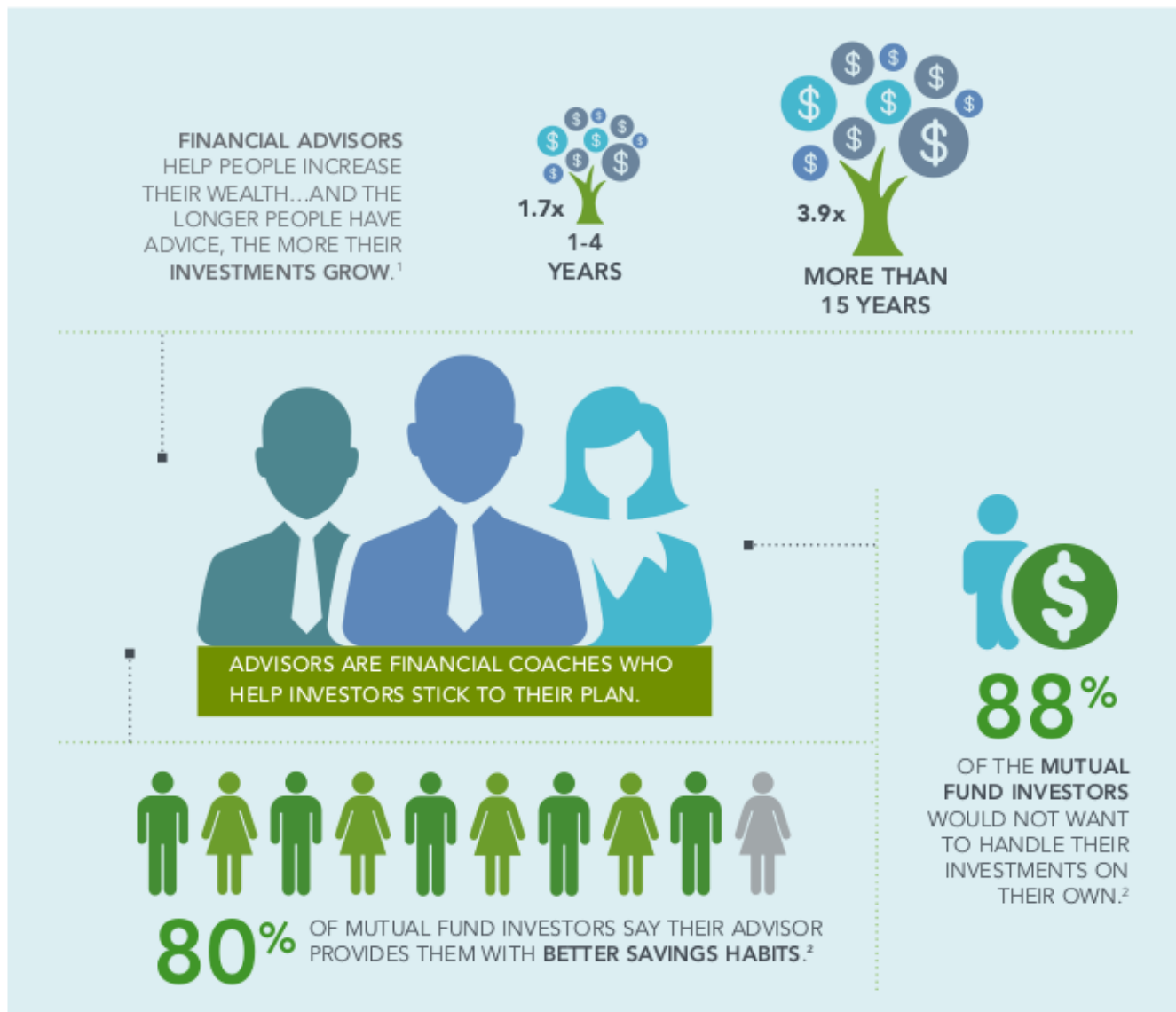
Commissions, trailing commissions, management fees, brokerage fees and expenses may be associated with investments in mutual funds and ETFs. Please read the mutual fund or ETF's prospectus, which contains detailed investment information, before investing. Mutual funds and ETFs are not guaranteed. Their values change frequently, and investors may experience a gain or a loss. Past performance may not be repeated.



© 2020 Fidelity Investments Canada ULC. All rights reserved. Fidelity Investments is a registered trademark of Fidelity Investments Canada ULC. Third-party trademarks are the property of their respective owners. Used with permission.

Good advice is a great idea

According to research, working with a financial advisor has a significant positive impact on your wealth. Whether it's being better prepared for retirement or developing a successful savings discipline, having a good relationship with your financial advisor can have a meaningful impact on your ability to reach your financial goals.



For more information, ask your advisor or visit fidelity.ca



¹ Center for Interuniversity Research and Analysis of Organizations, 2016.

² Pollara Research, *Canadian Mutual Fund & Exchange-Traded Fund Investor Survey*, 2019.

Commissions, trailing commissions, management fees, brokerage fees and expenses may be associated with investments in mutual funds and ETFs. Please read the mutual fund or ETF's prospectus, which contains detailed investment information, before investing. Mutual funds and ETFs are not guaranteed. Their values change frequently, and investors may experience a gain or a loss. Past performance may not be repeated.

