KCM Wealth Management
PORTFOLIO MANAGERS & FINANCIAL ADVISORS

Insight on Investing
by Adrian Mastracci,
***Fee-Only* Portfolio Manager**

"Salting away retirement money"

For Immediate Release

Vancouver, BC (Monday, July 12, 2010):

Many investors wonder what's required to save enough money for ultimate retirement. The figure often mentioned is salting away $1,000,000 by age 65, ignoring inflation.

Adding regular savings to the investment plan is a must for most. The degree of success has a lifetime of implications.

Our aim is to provide ballpark figures for investors to contemplate. We refer to it as accumulating the "serious" portfolio.

Let's overview the assumptions:

- Investors start saving at age 30, 40 or 50 with **no** retirement assets.
- Total income is greater than the expenses.

- Excess funds are saved and invested.
- Long-term patience is exercised.

Here is what it takes annually to accumulate $1,000,000 by age 65 (figures rounded):

Annual Returns	Annual savings starting at:		
	Age 30	Age 40	Age 50
4%	$13,600	$24,000	$49,900
5%	$11,100	$21,000	$46,300
6%	$9,000	$18,200	$43,000
7%	$7,200	$15,800	$39,800
8%	$5,800	$13,700	$36,800

A simple snapshot is to tally the total saving injections, say at the 5% returns:

Total savings contributed with 5% returns, starting at:		
Age 30	Age 40	Age 50
$388,500	$525,000	$694,500

Now for more key observations on the process:

- Waiting to start the retirement saving marathon is costly.
- Starting at 50 is a stretch unless there is a healthy saving capacity.

- Starting at 40 is doable, but still difficult for some.
- Starting at 30 is attainable for most investors.

- Incurring large investment losses can derail saving plans.
- Achieving constant investment returns is next to impossible.

- Diversified investment plans should contribute capital gains and dividends.
- Starting early allows taking greater risks, if desired.

- Every investor has to find the personal saving target that fits the situation.
- Power of compound interest is undeniable.

The saving goal seems scary, but can be accomplished.
Start as early as possible and pay yourself first.

The simple steps work very well.
Such as the TFSA and RRSP.

Best,

Adrian

Adrian Mastracci
Portfolio Manager
KCM Wealth Management Inc.
"Fee-Only" Portfolio Managers & Financial Advisors
Suite 1500, Box 1078, 885 West Georgia Street
Vancouver, BC, Canada V6C 3E8
Tel: 604.739.4500 Fax: 604.739.0234
Website: www.kcmwealth.com

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