

RETIREMENT COUNTDOWN

11 : 05 : 10  
 YEARS MONTHS DAYS

## Transition to Retirement



Life Stage:	<i>Getting Comfortable</i>
Marital Status:	<i>Married and getting to know each other again</i>
Employment:	<i>From employEE to employER</i>
Income:	<i>Enough to build that perfect cottage</i>
Savings:	<i>We are doing well</i>
» Our Goals:	<b>Growing our investments outside our RSPs, tax efficient charitable donations and keeping up our lifestyle.</b>

## Successful, mortgage free, living our way.

“Life is good. We work some, play some and get away some. There is simply more choice about what we can do with our time.

We still have our concerns. Retirement is looming just around the corner and we're now responsible for the care of our parents. All these changes require flexibility in our financial planning. We plan to keep our RSP contributions at their maximum in our last contributing years and now we are able to have substantial savings outside our RSPs.

When we first started our RSPs we always thought they would be enough to live and enjoy retirement on. But how much is enough?

We want our NexGen Tax Managed Funds to **make our retirement about living well**, not just living to get by.”

May 4, 2007

 **NEXGEN**  
FINANCIAL

*The better way to invest*

# You've Earned Your Money; Now Invest Better to Reduce Your Taxes

NexGen Registered and Tax Managed Funds were designed to defer and ultimately reduce tax burdens over time. This is tax efficient investing.

## Why is Tax Efficient Investing Important?

- To maximize your portfolio size over the long term
- To minimize surprise year-end tax bills
- To keep your hard earned money where it should be ... under your control

## Tax Costs over the last 10 years:

- Average **Core Fixed Income Fund** lost 47.5% of pre-tax returns
- Average **Balanced Portfolio Fund** lost 30.8% of pre-tax returns
- Average **Canadian Equity Fund** lost 23.5% of pre-tax returns
- Average **Global Equity Fund** lost 20.7% of pre-tax returns

*Morningstar, Average Post Liquidation Tax Efficiency as of March 30, 2007*

Ignoring the effect of tax on your hard earned savings could cost you.

## Why is NexGen the better way to invest?

Simply put, we have the **MOST COMPREHENSIVE TAX PLANNING MUTUAL FUND PRODUCTS** in Canada.

### NexGen **Registered Funds** for your RSP

- Contributing to your RSP is the first step in saving for and securing your retirement.

### NexGen **Tax Managed Funds** for your non-registered account

- 14 Tax Managed mutual funds allow you and your financial advisor to regain control of your tax destiny by giving you choice. Choose your investment. Choose your type of taxable income. Choose the NexGen Fund and Tax Class that best suits your investment profile.

The following Tax Classes endeavour to provide:

**Capital Gains Class:** An annual distribution of capital gains

**Return of Capital Class:** Monthly tax deferred 'return of capital' income

**Dividend Tax Credit Class:** Monthly tax efficient Canadian dividend income

**Compound Growth Class:** Minimal or no distributions

All income is not created equal. Employment Income, Capital Gains, Canadian and Foreign Dividends and Return of Capital, are all taxed differently. NexGen Tax Classes use that to your advantage.

### Combined Top Marginal Tax Rates for Individuals – 2007 (%)

Province	Eligible Canadian Dividends	Non-eligible or Foreign Dividends	Capital Gains	Interest and Employment Income
British Columbia	18.5	31.6	21.9	43.7
Alberta	17.5 <sup>1</sup>	25.2 <sup>2</sup>	19.5	39.0
Ontario	24.6	31.3	23.2 <sup>3</sup>	46.4
Quebec	29.7	36.4	24.1	48.2

(1) Alberta announced that this rate will decrease to 14.55% by 2009.

(2) Alberta announced that this rate will increase to 27.71% by 2009.

(3) Ontario announced that this rate will decrease to 22.38% by 2010.

NexGen allows you a choice of investments that meet *both* your investment needs and your tax situation as your life changes. **Your financial advisor can help.**

# Your Financial Lifeline

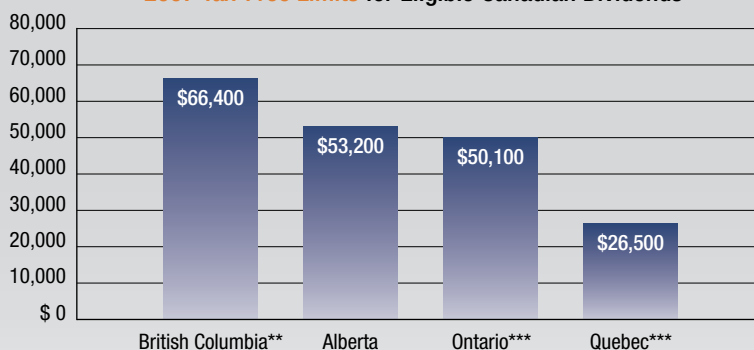


HERE'S AN IDEA

## Use different Income Types to receive Income Tax Free

Income from eligible Canadian dividends is taxed at substantially lower rates than interest or foreign dividend income. Depending on your overall income level, a distribution of Canadian dividends could be received tax free through any NexGen Fund by selecting the Dividend Tax Credit Class. In the case of a spouse with modest or no income, he/she could receive approximately \$50,100 tax free in Ontario.

2007 Tax-Free Limits for Eligible Canadian Dividends\*

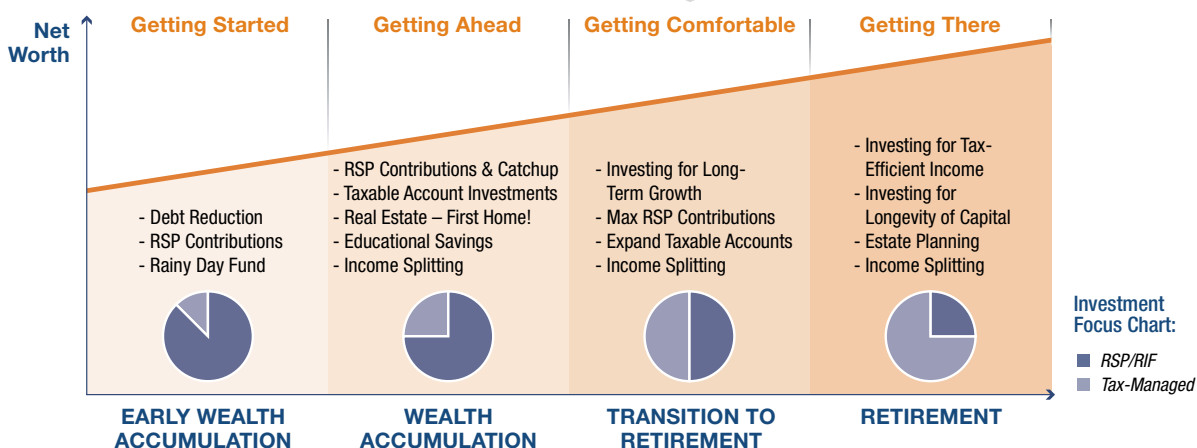


\*All maximums subject to changes in Canadian Legislation. Consult your financial advisor.

\*\*While basic federal tax starts at \$66,400, BC tax on eligible dividends does not commence until a level of \$150,800. Alternative Minimum Tax can apply.

\*\*\*At these levels, Health Tax would be payable: Ontario: \$750; Quebec: \$139

The balance between saving in an RSP versus a non-registered account will change as your life and priorities change. Through NexGen you can contribute to your RSP and invest tax efficiently outside of your RSP.



Smart investing and smart tax planning that can change with your ever changing life will mean one thing for you and your family: **MORE MONEY IN YOUR POCKET!**

## NexGen Investment Teams

### NexGen Financial



**Jeff Young, MBA, CFA**  
Portfolio Manager Jeff Young, MBA, CFA joined NexGen in 2005 to focus on North American equity investing. Mr. Young has over 12 years financial industry experience and was a Co-Recipient of the 2004 Barclays Global Investors Canada Research Award.

**Manager of:**  
NexGen Canadian Large Cap Funds  
NexGen North American Large Cap Funds



**Jonathan Baird, CFA**  
Jonathan Baird has over 20 years experience as a money manager, primarily managing mutual funds. He possesses a strong value record of performance investing in both North American and International markets. Mr. Baird's responsibilities include the management of the NexGen Global Value Funds as well as oversight of the investment activities of the Macquarie NexGen Global Infrastructure Corporation.

**Manager of:**  
NexGen Global Value Funds  
Macquarie NexGen Global Infrastructure Corporation

### Selective Asset Management



**Robert McWhirter, F.C.S.I., CFA**  
Bob McWhirter has more than 25 years experience in the securities industry and is a well known money manager. A fund managed by Mr. McWhirter was recently honoured with the prestigious 2005 Canadian Investment Awards' Science & Technology Equity Fund of the Year for the third consecutive year.

**Manager of:**  
NexGen North American Small/Mid Cap Funds  
NexGen North American Value Funds  
NexGen Canadian Dividend and Income Funds  
NexGen Canadian Growth Funds  
NexGen Canadian Growth and Income Funds (Equity Portion)

### J. Zechner and Associates



**John Zechner, BA, MA, CFA**  
Led by its founder, John Zechner, the firm manages over \$2.3 billion in assets from their offices in Toronto. Mr. Zechner emphasizes a team approach coupled with strong economic research and fundamental analysis, focused on variations of three investment mandates: Canadian and North American equity, balanced and fixed income investing.

**Manager of:**  
NexGen Canadian Cash Funds  
NexGen Canadian Bond Funds  
NexGen Canadian Balanced Growth Funds  
NexGen Canadian Growth and Income Funds (Fixed Income Portion)  
NexGen North American Dividend and Income Funds  
NexGen North American Growth Funds  
NexGen American Growth Funds

## Transition to Retirement

Growing your investments outside our RSPs, tax efficient charitable donations and keeping up our lifestyle.

### SIX WAYS TO REDUCE YOUR TAX BILL

1. Maximize your RSP contributions
2. Contribute to a spousal RSP
3. Earn different types of income for tax advantages
4. Make charitable donations to organizations you care about
5. Use income splitting
6. Use In-Trust-For accounts to save tax efficiently for minor children

**Invest better:** Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their value changes frequently and past performance may not be repeated.

The payment of distributions for Dividend Tax Credit Class and the Return of Capital Class should not be confused with a mutual fund's performance, rate of return or yield. If distributions paid by a mutual fund are greater than the performance of the fund, then your investment will decline.

Distributions paid as a result of capital gains realized by a mutual fund and income and dividends earned by a fund are taxable in your hands in the year they are paid. For Return of Capital Class, your adjusted cost base will be reduced by the amount of any returns of capital. If your adjusted cost base goes below zero, then you will have to pay capital gains tax on the amount below zero.

Please contact your financial advisor to learn more about the better way to invest and reducing your tax burden.

**NexGen Financial Limited Partnership**  
36 Toronto Street, Suite 1070, Toronto, ON M5C 2C5  
Ph 866 378 7119 Fax 866 378 7121  
Ph 416 775 3727 Fax 416 775 3737  
[www.nexgenfinancial.ca](http://www.nexgenfinancial.ca)

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