

BEATING THE TSX — IT WORKS!  
INTERNET WEBINAR — MARCH 22, 2014

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I. Outline

- |                               |                              |
|-------------------------------|------------------------------|
| 1. Why is saving money hard?  | 10. Real estate              |
| 2. In what should you invest? | 11. The portfolio            |
| 3. How much will you need?    | 12. Beating The TSX          |
| 4. How will we get there?     | 13. How does BTSX work?      |
| 5. First, a plan              | 14. Why does BTSX work?      |
| 6. Fixed income               | 15. How has BTSX performed?  |
| 7. Equities                   | 16. BTSX—a practical example |
| 8. Why dividend stocks?       | 17. Conclusions              |
| 9. High yielding stocks       |                              |

II. Take-home points

BTSX is a passive and objective low-risk way to receive returns higher than the index, and does not carry the fees associated with mutual funds. It has beat the total return index by an average of 32% (12.6% vs. 9.5%) over the past 26 years. A \$1000 investment has grown to \$15,360 over that time vs. \$8,039 for the index. Otherwise, stick with plain vanilla, broad index ETFs and GICs. You can empower yourself as an individual investor. Future stock prices are unknowable, so avoid active investing. Hold for a very long time, reinvest the dividends, and rely upon compounding. Learn to tolerate the swings of greed and fear. Knowledge is empowerment. Use the CMS and ShareClubs. Courage and patience are the most important attributes of successful individual investors.

III. References

C. D. Howe Institute, 2013, Long-Term Returns: A Reality Check.

DRIPs: <http://dripinvesting.org/Default.htm>

Finiki, The Wiki Encyclopedia For Canadian Finance And Investing.

[http://www.finiki.org/wiki/Main\\_Page](http://www.finiki.org/wiki/Main_Page)

FIRECalc: A different kind of retirement calculator <http://www.firecalc.com/>

S&P Dow Jones Indices, 2013, SPIVA Canada Scorecard <http://www.etfinsight.ca/?p=22385>

S&P/TSX 60 Index sorted by yield

<http://www.topyields.nl/Top-dividend-yields-of-TSX60.php>

Credit Suisse Global Investment Returns Yearbook 2014

A book you should read: N. N. Taleb, “Antifragile”, 2012