

How To Get This Done (iShares)

I'll use the same example as the "Really Simple" portfolio.

Again, let's say you have an RRSP, a LIRA (locked-in Retirement Account which is an RRSP derivative), a TFSA and a non-registered account. You have \$75,000 in your RRSP, \$25,000 in your LIRA, \$50,000 in your TFSA, and \$10,000 in your non-registered account. All have a long-term time horizon. You determine your appropriate asset allocation is 60% growth and 40% safety.

You have a total of \$160,000 of which \$96,000 is earmarked for growth and \$64,000 for safety.

We decide on the "iShares" Growth portfolio and the "Really Simple iShare" Safety portfolio.

We therefore need:

30% x \$96,000 of iShares Core S&P/TSX Capped Index ETF	= \$28,800	
37% x \$96,000 of iShares Core S&P Total US Stock Index ETF	= \$35,520	
22% x \$96,000 of iShares Core MSCI EAFE Index ETF	= \$21,120	
11% x \$96,000 of iShares Core Emerging Markets Index ETF	= \$10,560	\$96,000
and:		
50% x \$64,000 of GIC	= \$32,000	
50% x \$64,000 of iShares Core Canadian Short-T. Bond ETF	= \$32,000	\$64,000

Next, which accounts get what:

Non-registered account:

iShares Core S&P/TSX Capped Index ETF = \$10,000 \$10,000

RRSP

iShares Core MSCI EAFE Index ETF = \$18,800

GIC = \$32,000

iShares Core S&P Total US Stock Index ETF = \$24,200 \$75,000

LIRA

iShares Core Canadian Short-T. Bond ETF = \$25,000 \$25,000

TFSA

iShares Core Canadian Short-T. Bond ETF = \$7,000

iShares Core S&P/TSX Capped Index ETF = \$18,800

iShares Core MSCI EAFE Index ETF = \$2,320

iShares Core Emerging Markets Index ETF = \$10,560

iShares Core S&P Total US Stock Index ETF = \$11,320 \$50,000

It helps to create a spreadsheet like this:

	Can iShare	US iShare	EAFE iShare	Em. Mk. iShare	Short-Term Bond iShare	GIC	
Non-Reg	\$ 10,000						\$ 10,000
RSP		\$ 24,200	\$ 18,800			\$32,000	\$ 75,000
LIRA					\$ 25,000		\$ 25,000
TFSA	\$ 18,800	\$ 11,320	\$ 2,320	\$ 10,560	\$ 7,000		\$ 50,000
	\$ 28,800	\$ 35,520	\$ 21,120	\$ 10,560	\$ 32,000	\$32,000	\$ 160,000

Again, this is a reasonable asset location. Don't get hung up on this. There are many asset locations you could choose that wouldn't be wrong. Ultimately, you have no interest earning investments within your non-registered accounts. You have liquidity. Should you need money you can redeem from your TFSA or your non-registered account.

Purchasing the portfolio

I won't go through the math on this but note that the US iShare, the EAFE iShare, and the Emerging Market iShare trade in the US so you will have to do the arithmetic on the conversion as in the Really Simple portfolio.

Rebalancing

I won't get into the arithmetic of rebalancing but it is the same as with the Really Simple portfolio.