



DIVIDEND STOCKS ROCK

INVEST WITH CONVICTION, ENJOY YOUR RETIREMENT

CREATE YOUR PAYCHECK

One Page Action Plan

Your whole plan fits on one page. Write it down, revisit it each year, and retire each year.

#1 Build a robust portfolio

- **Strategy.** Write your philosophy so a 12-year-old gets it. Income, total return, or a mix?
- **Allocations.** Sectors capped at 20%. 30 to 40 stocks. No single payer above 20% of your income.
- **Quality.** Why do I own it? If the business model and the metrics hold, the price does not matter.

#2 Diagnose your income gap

- **Need.** What the portfolio must pay you each year, after CPP, OAS and pensions.
- **Income.** Dividends and interest your accounts generate today. Income is not yield.
- **Gap.** Need minus income. \$50,000 on a \$1M portfolio at a 2% yield leaves a \$30,000 gap.

#3 Design your paycheck

- **Cash reserve.** Three times the gap, out of the market, in a separate account. \$30K gap = about \$90K.
- **Sell order.** Misfits (weak triangle, broken thesis), then any stock above 10%, then sector balance.
- **Good year, bad year.** Gain above your withdrawal rate: sell the gap. Below it: cash the maturing GIC, sell nothing.

#4 Deploy and review

- **Withdrawal order.** Focus on a smooth tax rate. Iterate your projections.
- **Taxes.** Deduct, defer, divide. Example: fill the low brackets with RRSP withdrawals between 55 and 72.
- **Yearly review.** Income vs. plan, cash reserve level, projections and budget, allocations and sell order.

Your numbers

Line	Your amount	Rule of thumb
Annual income need	\$	After Govt benefits and pensions
Portfolio income	\$	Dividends plus interest
Income gap	\$	Need minus income
Cash reserve	\$	3 times the gap
Withdrawal rate	%	Need divided by portfolio. Above 5% is aggressive

Bonus: check your beneficiary designations today. Your spouse needs a plan that manages itself: one all-in-one ETF plus a cash wedge.