

PRESS RELEASE

For immediate release

The IQPF and FPSC publish the 2018 Projection Assumption Guidelines

Montréal, April 30, 2018 – The Institut québécois de planification financière (IQPF) and Financial Planning Standards Council (FPSC) are releasing the [2018 Projection Assumption Guidelines](#), available as of today.

A tool for better projections

The Projection Assumption Guidelines aim to give financial planners practical support when making long-term financial projections, an important aspect of financial planning. The Guidelines are therefore intended as a guide to help financial planners make realistic financial projections.

Predicting the direction the economy will take and how financial markets will evolve is a difficult exercise requiring the integration of a large number of variables and highly sophisticated valuation models. To protect themselves and their clients, financial planners are encouraged to rely on these Guidelines.

Developed by Nathalie Bachand, A.S.A., F.PI., Martin Dupras, A.S.A., F.PI., M.Fisc., ASC, Daniel Laverdière, A.S.A., F.PI., and A. Kim Young, CFP, FCIA, the document includes estimates for the inflation rate, borrowing rate, life expectancy and different types of returns. The Guidelines also include an estimate for the growth of the year's maximum pensionable earnings (YMPE or MPE).

For 2018, the guidelines are:

- borrowing rate: 4.90%
- inflation rate: 2.00%
- Growth of the YMPE or MPE: 3.00% (inflation + 1%)
- returns
 - short-term returns: 2.90%
 - fixed income returns: 3.90%
 - Canadian equities returns: 6.40%
 - Foreign developed market equities returns: 6.70%
 - emerging market equities returns: 7.40%

The Projection Assumption Guidelines are based on various external sources such as the Quebec Pension Plan and the Canada Pension Plan.

An [Addendum](#) accompanies the 2018 Projection Assumption Guidelines. This additional document contains the data sources on which the Projection Assumption Guidelines are based, as well as the specific calculations for inflation and rate of return guidelines. The Addendum also includes historical Projection Assumption Guidelines dating back to 2009, rates of return for relevant indices and the standard deviation of returns.

The Projection Assumption Guidelines are available on the IQPF and FPSC's websites, as well as in the [Solution IQPF](#).

A mobile app

The 2018 Projection Assumption Guidelines will also be available soon in the Guidelines mobile app, on [the web](#), in the [Apple Store](#) for iPhones and iPads and on [Google play](#) for Android devices (simply search for "IQPF").

Developed in 2015 with the collaboration of [Kronos Technologies](#), this mobile app accompanies financial planners in their day-to-day work. Along with the Projection Assumption Guideline theoretical content, it also includes calculators for inflation, portfolio return, capital accumulation, life expectancy, LIF withdrawals and paying up the mortgage vs saving up.

About the Institut québécois de planification financière

For almost 30 years, the IQPF has been a stalwart of financial planning in Québec, asserting itself in the North American arena by adopting the highest standards. The IQPF has made the financial planner a sought-after expert for any consumer concerned with preserving and increasing their wealth.

The IQPF's mission is to protect the personal finances of the public by training financial planners and establishing standards of professional practice. The IQPF has almost 5,000 affiliates.

About the Financial Planning Standards Council

A professional standards-setting and certification body working in the public interest, FPSC's purpose is to drive value and instill confidence in financial planning. FPSC ensures those it certifies—CFP® professionals and FPSC Level 1® Certificants in Financial Planning—meet appropriate standards of competence and professionalism through rigorous requirements of education, examination, experience and ethics. There are more than 18,500 Financial Planners in Canada who have met, and continue to meet, FPSC's standards. More information is available at [FPSC.ca](#) and [FinancialPlanningForCanadians.ca](#).

- 30 -

Source:

Hélène Berger, Vice-president
Institut québécois de planification financière
514-767-4040 or 1-800-640-4050, ext. 247
hberger@iqpf.org

Liette Pitre, Communications Coordinator
Institut québécois de planification financière
514-767-4040 or 1-800-640-4050, ext. 235
lpitre@iqpf.org