

## PRESS RELEASE

For immediate release

### The IQPF and FP Canada Standards Council publish the 2019 Projection Assumption Guidelines

**Montréal, April 30, 2019** – The Institut québécois de planification financière (IQPF) and FP Canada Standards Council and have jointly released the [2019 Projection Assumption Guidelines](#), which are available today. Developed and updated annually by a committee of individuals who are all licensed financial planners (through either the F.PI. license in Québec or the CFP® certification in the rest of Canada) and either actuaries or CFA Charterholders, the Guidelines help financial planners make long-term financial projections (10 or more years) that are free from potential biases or predispositions. The 2019 Guidelines come into effect April 30, 2019.

The Projection Assumption Guidelines for 2019 are as follows:

**Inflation rate:** 2,10%

**Return rates**

Short-term: 3,00%

Fixed-income: 3,90%

Canadian equities: 6,10%

Foreign developed market equities: 6,40%

Emerging market equities: 7,20%

**Borrowing rate:** 5,00%

**YMPE, MPE growth rate or salary:** 3,10%

“The IQPF is very proud to have created the Projection Assumption Guidelines. From their first appearance in 2008, they changed the day-to-day life of financial planners by helping them make realistic projections and provide their clients with unbiased professional advice,” says Jocelyne Houle-LeSarge, FCPA, FCGA, IQPF President & CEO.

To ensure full transparency and replicability, the Guidelines are drawn from a variety of reliable and publicly available data sources, including the Quebec Pension Plan and Canada Pension Plan actuarial reports and historical data based on the DEX 91-day T-bill index, the DEX Universe Bond™ (Canadian bonds) index, the S&P/TSX (Canadian equities) Composite index, the S&P 500 (U.S. equities) index and the MSCI EAFE (Europe, Australia, Far East) index.

For the first time this year, the IQPF and FP Canada Standards Council also surveyed key individuals at financial institutions and other relevant organizations on their long-term projections for inflation and rates of return. The survey results provided a new source of data to replace the Willis Towers Watson Annual Canadian Investment Perspectives Survey, which was discontinued after 2016.

“Predicting the direction of the economy and financial markets is a difficult exercise with many variables,” says Martin Dupras, A.S.A., F.PI., M.Fisc., ASC, a member of the Projection Assumptions Guidelines Committee. “By using multiple sources of data, including the new survey that we introduced this year, we eliminate the potential bias that may be created by relying on any single source. Thank you to everyone who participated in the projection survey.”

The Projection Assumptions Guidelines are accompanied by an [Addendum](#) containing the data sources on which the Guidelines are based, as well as the specific calculations for inflation and rate-of-return guidelines. The Addendum offers financial planners an opportunity to fully understand and replicate the recommended calculations for their own use.

### **About the IQPF**

For 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. More information is available at [IQPF.org](http://IQPF.org).

### **About the FP Canada Standards Council**

A division of FP Canada™, the FP Canada Standards Council™ establishes and enforces financial planning standards, sets the certification requirements for professional financial planners and develops and delivers certification examinations. The FP Canada Standards Council ensures FP Canada certificants—Certified Financial Planner® 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. Learn more at [FPCanada.ca](http://FPCanada.ca).

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