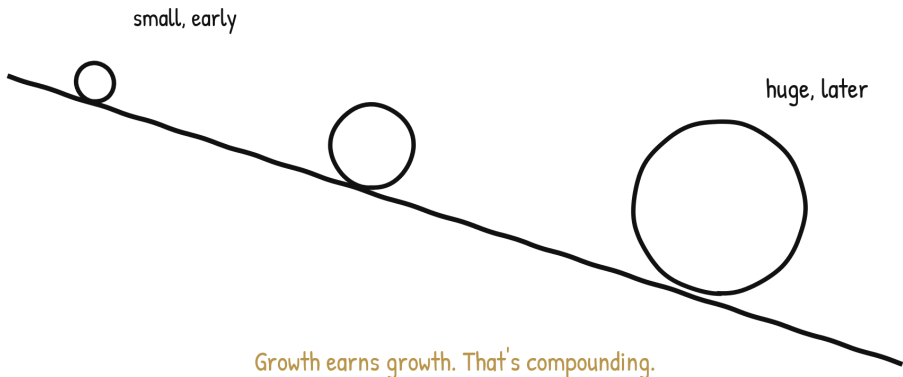


Money That Works While You Sleep

A plain-English guide to compounding, capital, and the TFSA, RRSP, RESP and FHSA. Long-term investing, not gambling.



Franklyn Marshall

Licensed Advisor, Ontario · FSRA #22207349 · ClearestFinances

BEFORE WE START

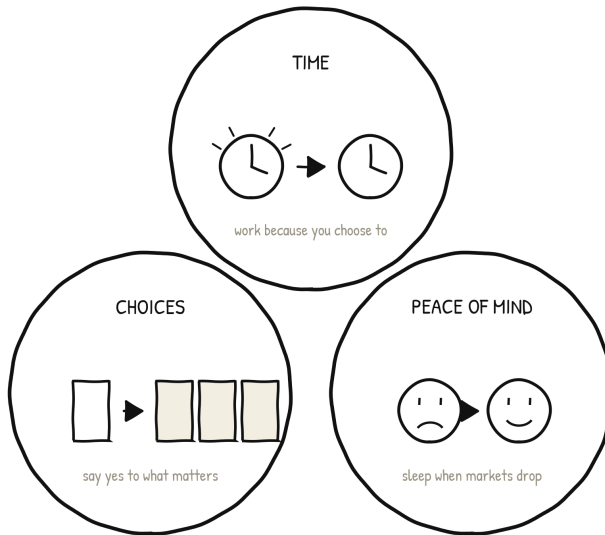
Why do we want money?

Most people think they want to be rich. Ask a few more questions and it turns out they want three things money can buy.

Time: working because you choose to, not because you have to.

Choices: being able to say yes to the things that matter.

Peace of mind: not lying awake when the news is bad.



Money is just stored time, choices and calm.

Investing isn't about getting rich quick. It's about buying those three things back, slowly and for good.

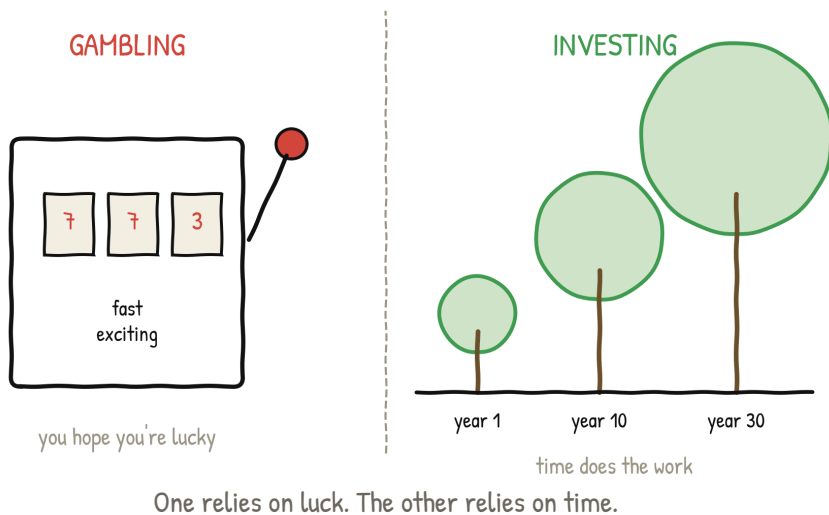
"The stock market is a device for transferring money from the impatient to the patient."

WARREN BUFFETT

CHAPTER 1

Investing is not gambling

Most people's idea of investing comes from social media: someone who turned \$500 into \$50,000 on one stock or coin. That isn't investing. That's a lottery ticket with a nicer screenshot.



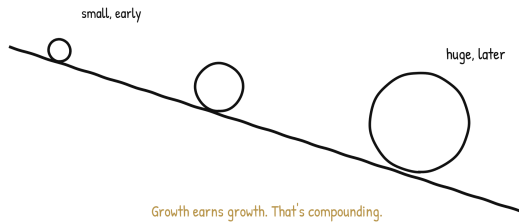
5 signs you're investing, not gambling

- Your time horizon is years, not days.
- You own many businesses at once, not one bet.
- It's boring and automatic, not exciting and checked hourly.
- Your growth comes from compounding, not from guessing right.
- You have a plan for bad years, instead of panicking in them.

CHAPTER 2

How compounding actually works

In year one, you earn growth on the money you put in. In year two, you earn growth on your money *and* on last year's growth. Every year after that, the growth starts earning its own growth.



A snowball picks up more snow because it's already big.

Here's what that looks like with real numbers. Someone puts **\$300 a month** away for **30 years**, and it grows at an illustrative 6% a year.

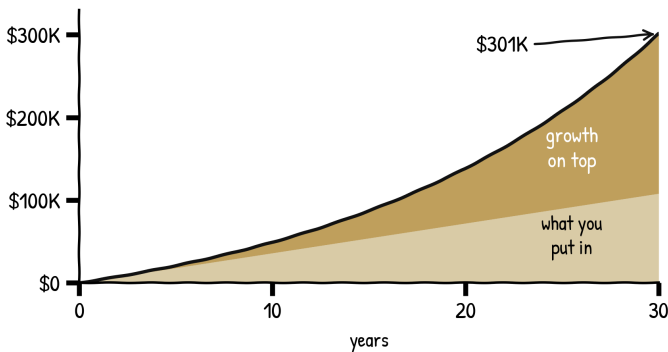


Illustration only: \$300 a month at 6% a year, compounded monthly. Not guaranteed.

They put in **\$108,000**. It grew to about **\$301,000**. Nearly two out of every three dollars came from growth, not from them.

A handy shortcut, the **Rule of 72**: divide 72 by the growth rate to see how many years it takes your money to double. At 6%, that's about every 12 years.

Real markets don't move in a straight line. There will be down years. The people who get the curve are the ones who stay in through them.

CHAPTER 3

Time beats amount

Meet Emma and Liam. Both invest \$300 a month at the same illustrative 6%.

Emma starts at 25, invests for 10 years, then stops forever. **Liam** waits until 35, then invests every month for 30 years.

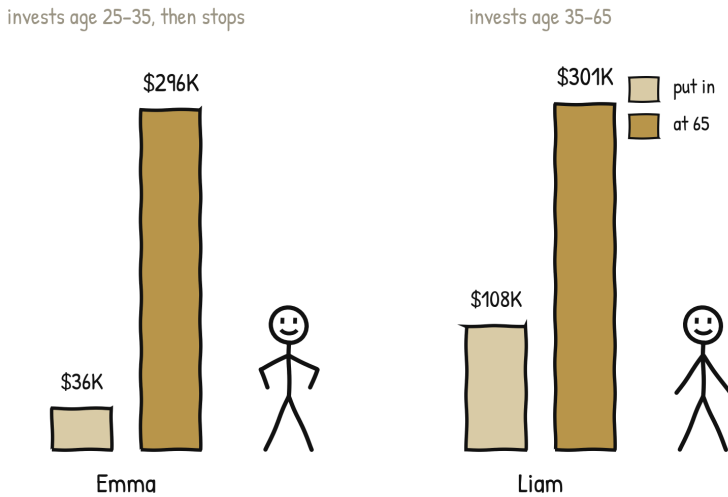


Illustration only, 6% a year. Not guaranteed.

Emma put in \$36,000 and ends up with about \$296,000 at 65. Liam put in \$108,000, three times as much, and ends up with about \$301,000.

Emma's secret wasn't money. It was ten years.

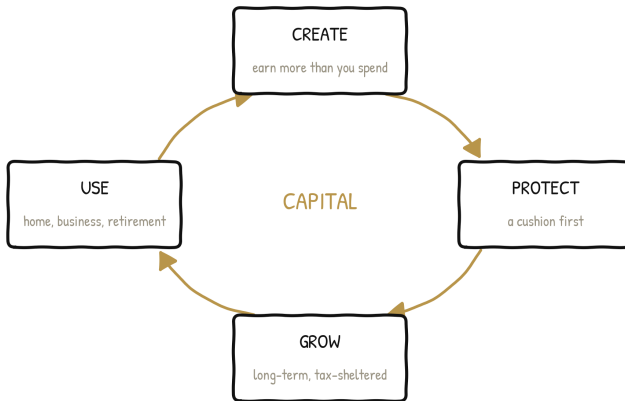
"The best time to start was ten years ago. The second best time is this month."

FRANKLYN MARSHALL, CLEARESTFINANCES

CHAPTER 4

Capital: create it, protect it, grow it, use it

Capital is money that works for you instead of you working for it. Every wealthy family follows the same cycle, in the same order.



1. Create it

Capital starts with the gap between what lands in your account and what's already spoken for. No gap, no capital. Widening that gap is the first investment.

2. Protect it

Before you invest, build a cushion. The cushion is what stops you from selling your investments in a bad year to pay a surprise bill.

3. Grow it

Long-term, diversified, tax-sheltered, automatic. Boring on purpose.

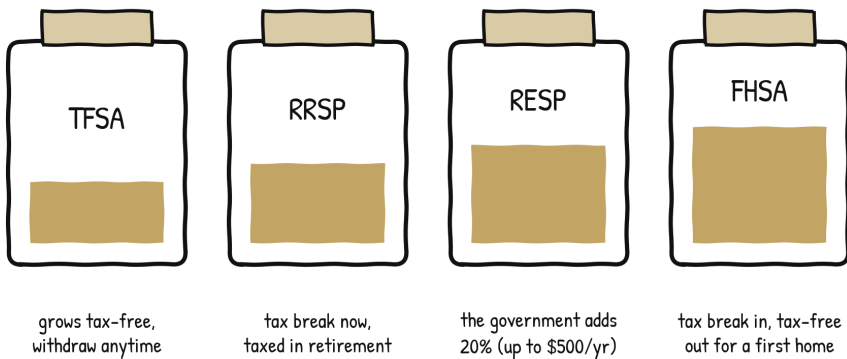
4. Use it

A first home, a business, your kids' school, your retirement income. Using it in the right order, and from the right account, decides how much tax you keep.

CHAPTER 5

Which jar does your money go in first?

Canada gives you four tax-sheltered jars. Same money, different rules. Picking the right jar first can be worth more than picking the right investment.



- **RESP:** for a child's education. The government adds 20% on the first \$2,500 a year, up to \$500 a year and \$7,200 per child. It's one of the most generous savings incentives in Canada.
- **FHSA:** for a first home. Up to \$8,000 a year (\$40,000 total). You get a tax deduction going in, and it's tax-free coming out for the home.
- **TFSA:** grows tax-free and you can take it out any time. The 2026 limit is \$7,000, and unused room carries forward.
- **RRSP:** a tax deduction now, taxed when you take it out in retirement. Usually strongest when your income today is higher than it will be later.

The account matters less than the order.

THANK YOU FOR READING

Your future self says thanks.

Time, patience and the right order do most of the work. I look forward to working with you, helping you put your money to work and watching it grow into the time, choices and peace of mind you want.

Conversation creates clarity.

Clarity creates confidence.

Confidence produces results.

Franklyn Marshall

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