

It's time for your investment review

Do you know how your retirement savings are invested? Before busy fall schedules begin, now would be a good time to review your investment portfolio and ask yourself some important questions. Do you understand your tolerance for risk? Does your risk tolerance match your investments and timeline to retirement?

Start by using an investor style questionnaire to determine your comfort level with risk. That tolerance level may change throughout your investing life, so reviewing your style from time to time is recommended.

Your member statement and online account will give you information about your current assets. The type of fund(s) that you have chosen should reflect your investor style and will fall under 2 basic categories: market-based investments (known as segregated funds), and, Guaranteed Interest Accounts (GIAs).

Market-based funds are similar to mutual funds as they invest in a diversified basket of securities. Investment managers select the securities and create a diversified investment fund. When you contribute, you purchase units of the fund with the goal of realizing an increase in the unit value over time. The unit's value is determined by the performance of the holdings in the fund and the risk level depends on the type of fund and its holdings. For example:



Bond/fixed income funds: provide a lower return with lower volatility but are lower risk than balanced funds.

Balanced funds: contain both stocks and bonds to provide investors with potential for growth from the stock portion and downside protection from market volatility through the bond portion. This type of fund can realize greater short-term volatility than bond funds.

Equity funds: have greater potential for gains and losses than other types of funds as they are solely invested in stocks. Canadian funds are less risky than foreign funds due to currency exchange and political risks associated with foreign markets.

Asset allocation funds: are created by professional managers to match an investor's risk tolerance and/or timeline to retirement and provide a diversified, customized investment solution so that you do not need to build a portfolio yourself.

Guaranteed Investments (GIAs) guarantee that the amount you invest plus the stated rate of interest will be the value at the maturity date. GIAs are lower risk and may be suitable for those very close to retirement or with a very low risk tolerance, but may not keep pace with inflation so over the long-term your retirement savings, while guaranteed, do not have the potential for higher returns.

Next Steps

We recommend that you review your investments to ensure they match your investor style. To receive an investor style questionnaire, or for an investment review you may contact Reuter Benefits at 1-800-666-0142 or via email at retire@reuterbenefits.com.