

It's time for your investment review

Do you know how your retirement savings are invested? Now is a good time to review your investment portfolio and ask yourself some important questions. Do you understand the investments you hold? Are they appropriate given your tolerance for risk and/or timeline to retirement?

Start by determining the investments you hold, which are identified on your member statement and online account. There are two types of investments: 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. When you contribute, you purchase units of the fund. 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 lower returns, volatility and risk than balanced funds. During periods of rising interest rates, the majority of these funds fall in value.
- **Balanced funds:** medium risk investments that hold 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.
- **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 Interest Accounts (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.

Next Steps

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