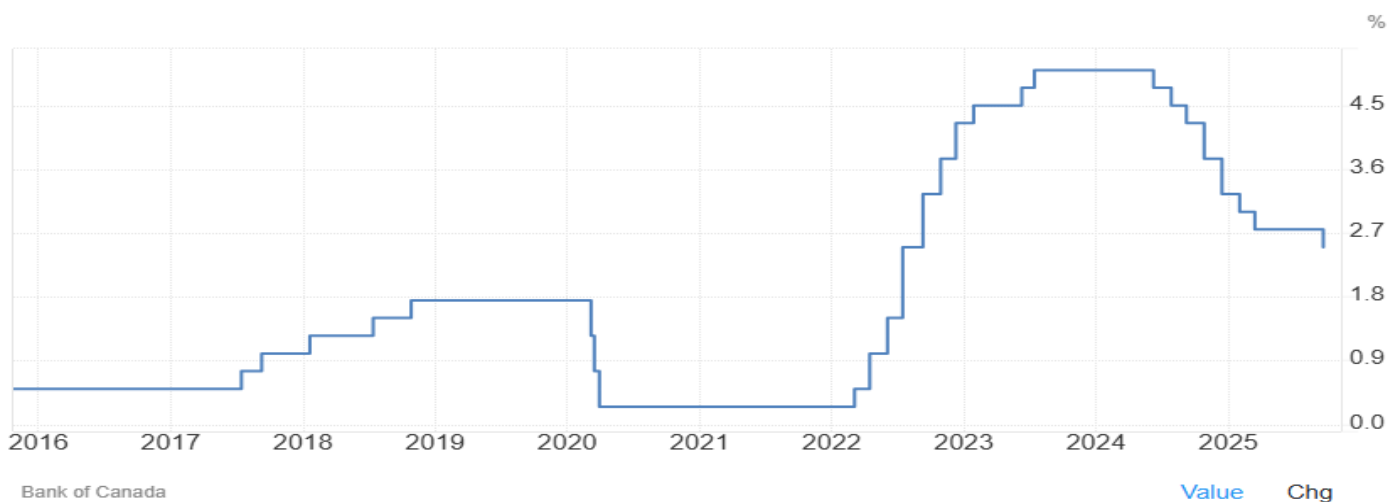


How interest rates affect bond funds

In this newsletter, we regularly discuss anticipated changes in financial markets and their potential impact on investors. One aspect of economic markets that we continually monitor is interest rates, as they can have a significant effect on the returns of bond funds in your portfolios.

What's happening with interest rates?

The Bank of Canada lowered its policy interest rate by 0.25% to 2.50% on September 17th of this year. This is the first cut since March. The Bank of Canada made the latest rate reduction on October 29th, reducing rates by 0.25%. The new rate is 2.25%. No further reductions are expected this year.



Lower interest rates will bring better bond returns

There is an inverse relationship between interest rates and bond returns. As interest rates come down, bond returns will come up. For the most recent 3 month period, Canadian Bonds have had a return of 1.51% and a one year return of 2.93% at September 30, 2025.

Positioning for retiring members

As always, we suggest that members review their portfolio on a periodic basis to ensure it is well-positioned to withstand market conditions and volatility.

We urge members who are closer to retirement to review on a more frequent basis, with the assistance of one of our licensed investment representatives.

To discuss your retirement portfolio and investment strategy, contact Reuter Benefits by phone at 1-800-666-0142 or by email at retire@reuterbenefits.com.