

my money @ work



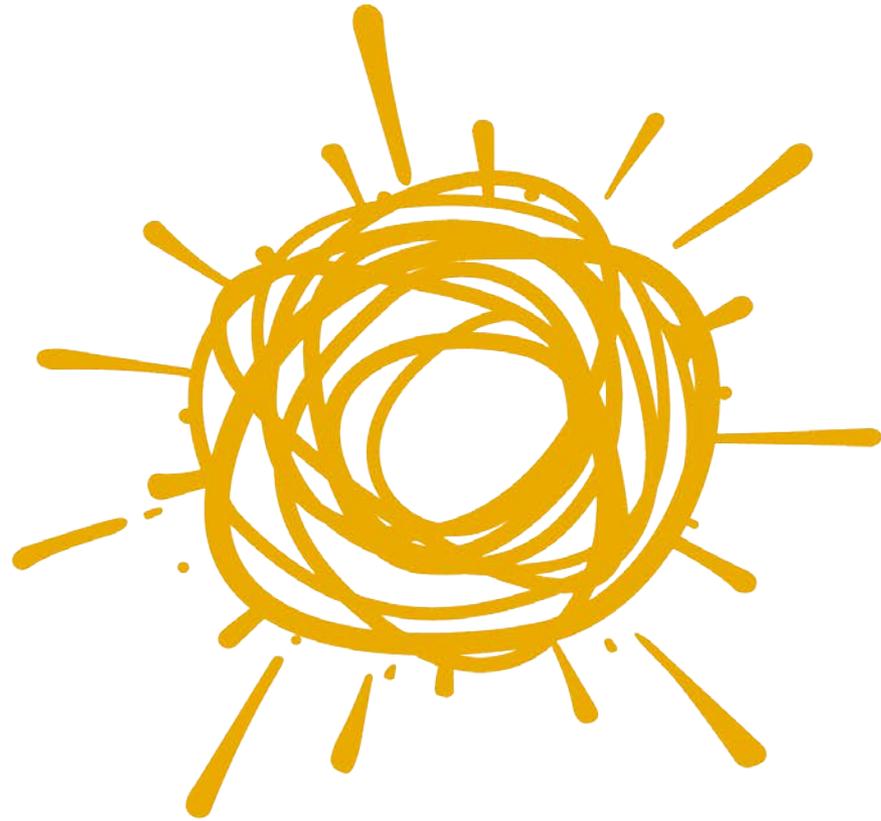
it's my time to save

## Investment Workshop

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Senior Education Consultant





Life's brighter under the sun



# Responsibilities

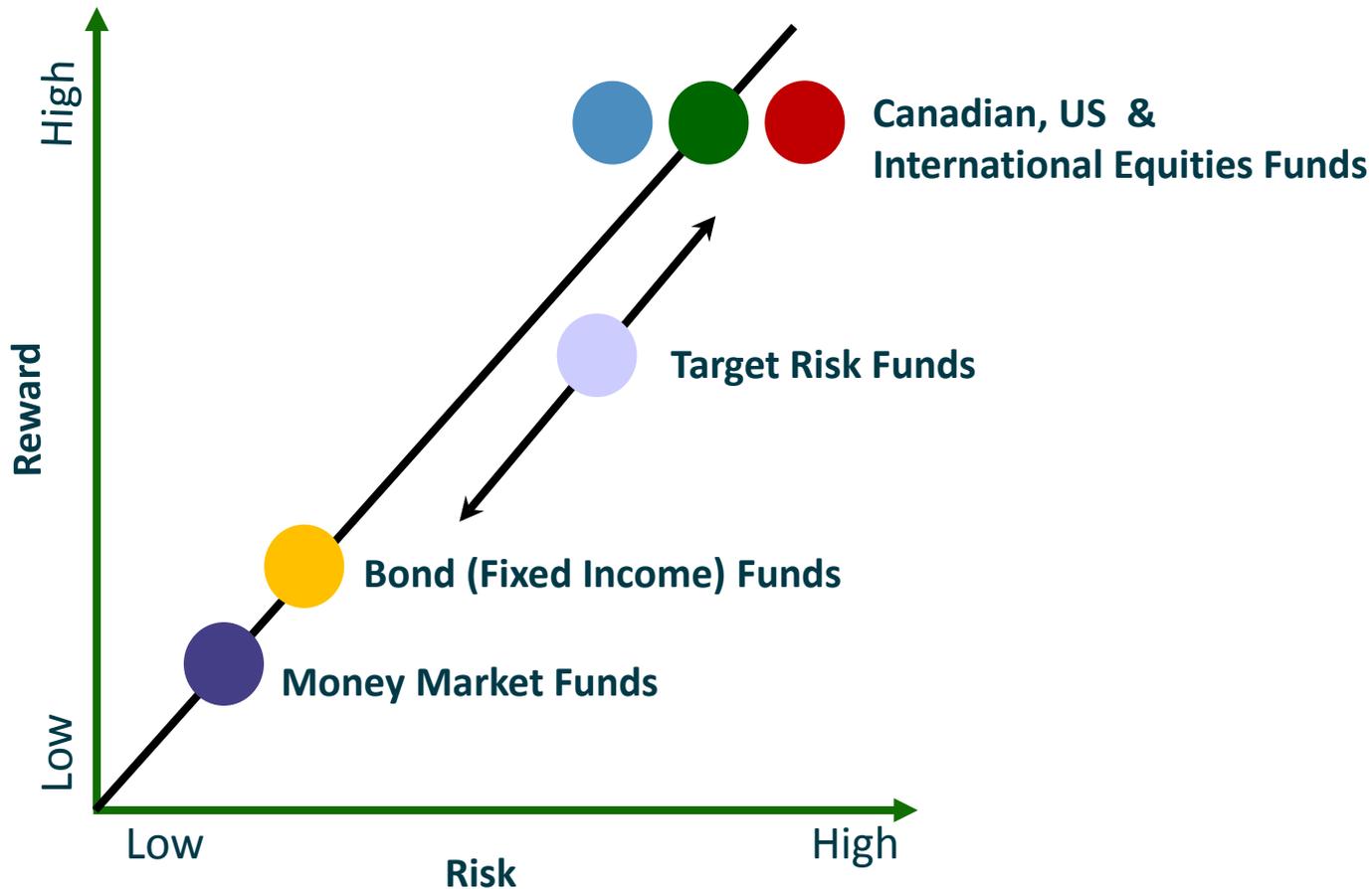
# Responsibilities

University of Saskatchewan	Sun Life Financial	Investment Managers	You/member
<p><b>Sponsor the program</b></p> <ul style="list-style-type: none"><li>• Plan design</li><li>• Selecting investment managers</li><li>• Selecting funds</li><li>• Determine asset mix for Life Cycle funds (with advice from consultant)</li><li>• Selecting the record keeper</li><li>• Monitoring the plan</li><li>• Ongoing information &amp; communication</li></ul>	<p><b>Record keeping</b></p> <ul style="list-style-type: none"><li>• Preparing statements</li><li>• Developing saving &amp; investment tools</li><li>• Provide member information sessions</li><li>• Rebalance asset mix of Life Cycle funds</li><li>• Member inquiries</li></ul>	<p><b>Funds</b></p> <ul style="list-style-type: none"><li>• Performing research</li><li>• Creating the fund</li><li>• Selecting the stocks or bonds</li><li>• Buying and selling</li></ul>	<p><b>Your Account</b></p> <ul style="list-style-type: none"><li>• Making contributions</li><li>• Understanding investments</li><li>• Choosing investments</li><li>• Monitoring savings and investments</li><li>• Filing personal information updates</li><li>• Paying fund management fees</li><li>• Paying administration fees</li></ul>



## Key investment concepts

# Understanding risk versus reward



# Built FOR me or Built BY me

## Built FOR me

### **Choose a single Target Risk Fund**

The Fund Manager creates a fund with specific asset allocation “one-stop shopping”

Match your investment risk profile to the right fund

Fund Manager rebalances the fund

Based on your risk tolerance - revisit periodically

## Built BY me

### **Build your portfolio using different investment funds**

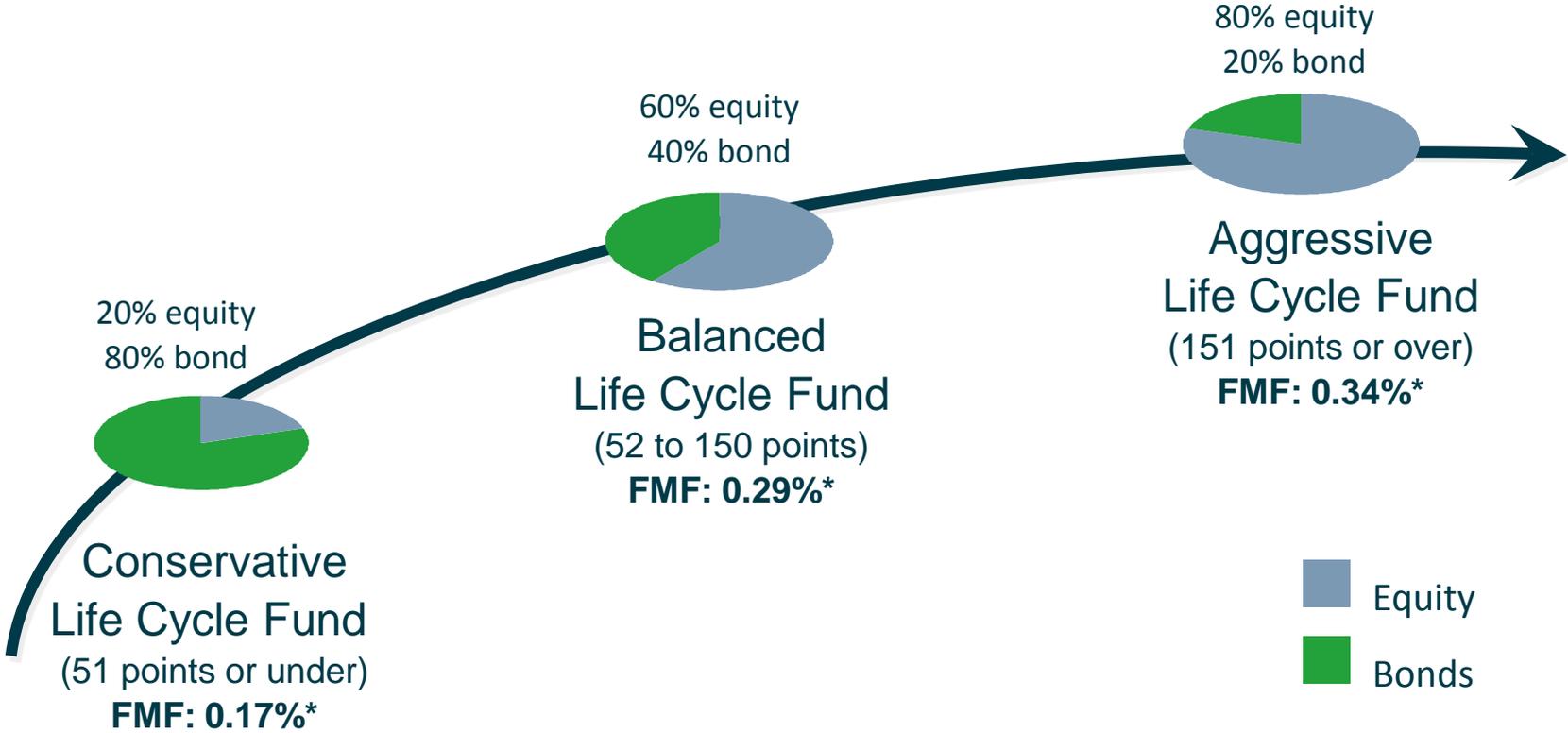
Match your investment risk profile with a suggested asset mix

Rebalance periodically to maintain your target asset allocation

Revisit your risk tolerance periodically- it can change over time

Review at least annually

# University of Sask. Life Cycle Funds – Built For me



Conservative

Aggressive

\*Fund Management Fees as at August 31, 2015.

# Built For me – Pre-built Mixes

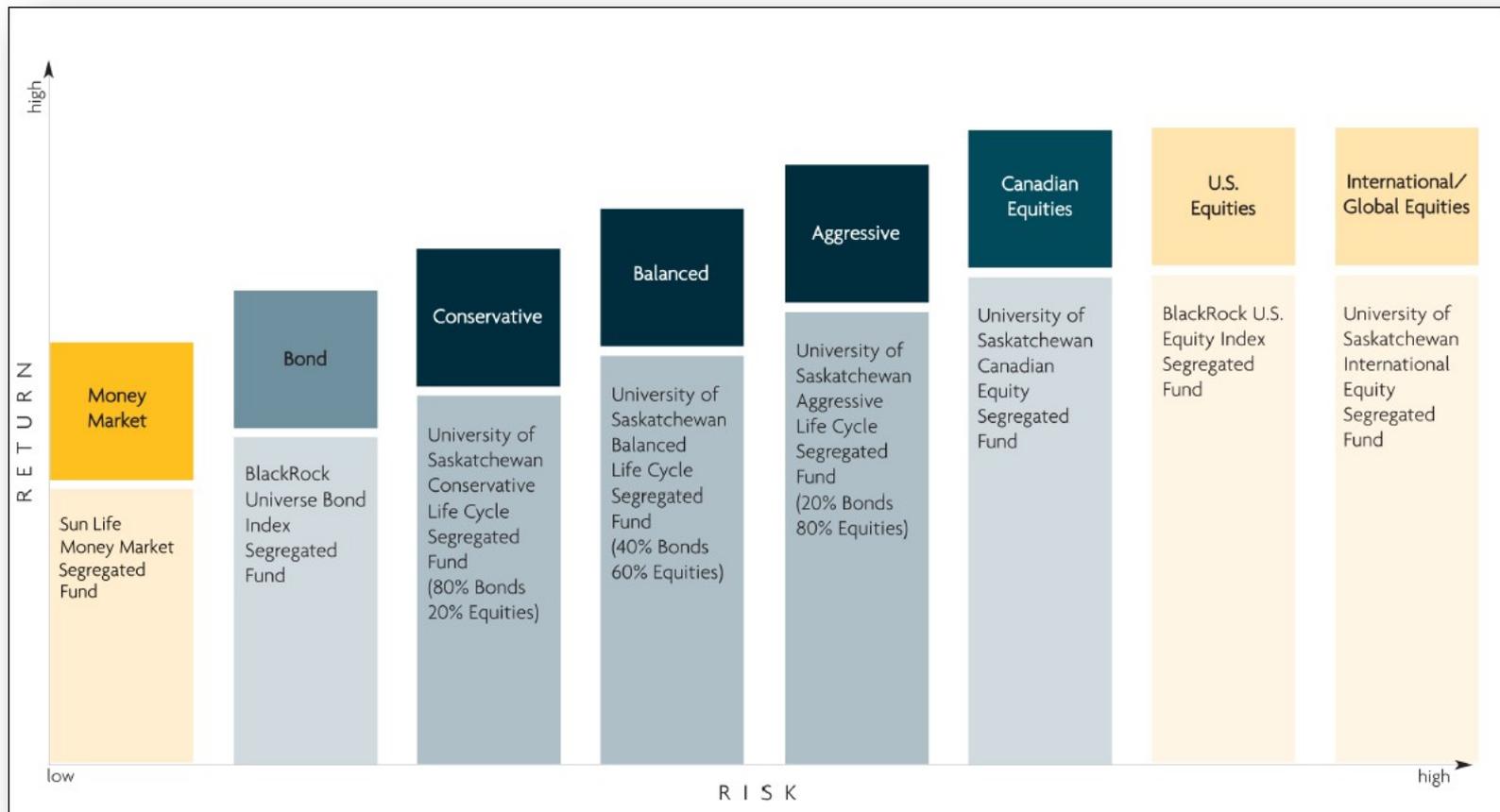
<b>Investment Funds</b>	<b>Conservative Life Cycle</b>	<b>Balanced Life Cycle</b>	<b>Aggressive Life Cycle</b>
<b>BlackRock Universe Bond Index</b>	80%	40%	20%
<b>BlackRock Active Canadian Equity</b>	3.33%	10%	13.33%
<b>Triasima Canadian All Capitalization Equity</b>	3.34%	10%	13.34%
<b>BlackRock U.S. Equity Index</b>	6.66%	20%	26.66%
<b>Mawer International Equity</b>	6.67%	20%	26.67%
<b>Asset Mix</b>	<b>80% Bonds 20% Equities</b>	<b>40% Bonds 60% Equities</b>	<b>20% Bonds 80% Equities</b>

# Built BY me – Investment options

	Asset Class	Fund	Approach	Style	FMF*
	<b>Money Market</b>	• Sun Life Financial Money Market Fund	N/A	N/A	0.16%
	<b>Fixed Income</b>	• BlackRock Universe Bond Index Fund	Passive	N/A	0.15%
	<b>Canadian Equity</b>	• University of Sask Cdn Equity Fund	Active	Value	0.42%
	<b>U.S. Equity</b>	• BlackRock US Equity Index (Reg) Fund	Passive	Blend/Core	0.15%
	<b>International Equity</b>	• University of Sask International Equity Fund	Active	Value	0.66%

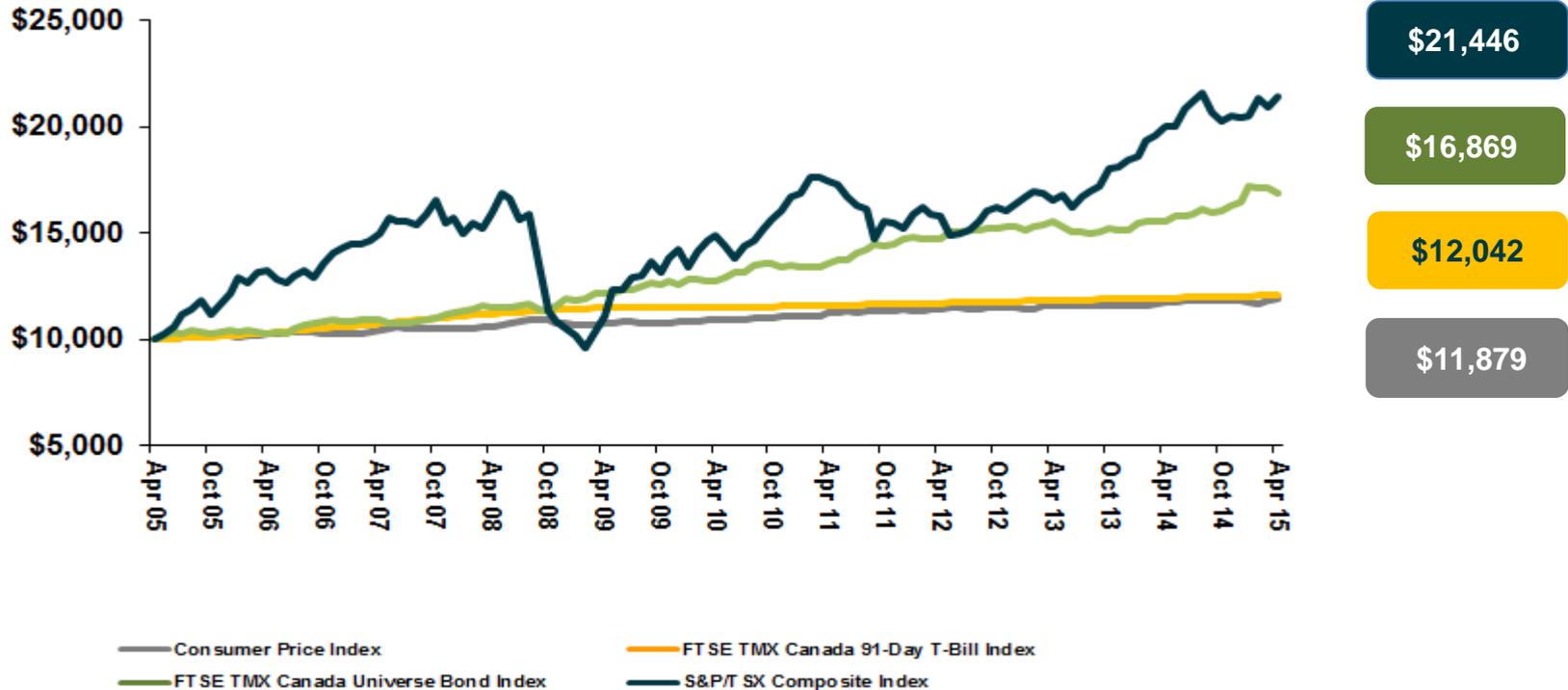
\*Fund Management Fees as at August 31, 2015

# Your Investment Options



# Diversify

## Growth of \$10,000 - ( 2005 – 2015 )



# Why diversify?

- Different investments often perform differently at any given time based on economic conditions
- Lower overall risk – with exposure to higher returns of more volatile asset classes
- Built in safety – help to avoid panic selling when markets are lower

# Management styles

## Passive/Index

Simply buys and sells assets to **match characteristics of an index**, fund performance should be similar to the index, i.e. S&P TSX

## Active

Objective is to **outperform a market index** based on research of current market conditions and company prospects (actively buys and sells securities in individual funds)

# Management styles

## Active

### Value

Focuses on stocks that a fund manager thinks are currently **undervalued in price** and will eventually have their worth recognized by the market

### Growth/Growth at a Reasonable Price (GARP)

The manager looks to select stocks for the portfolio that they think will have earnings that grow faster than the market

### Blend / Core

Fund manager focuses on benchmark relative stock weighting and may include a mix of stocks chosen for **Value** and **Growth** characteristics

# How do my fees compare?

	Average Retail Fees*	Your Plan's Average Fees**
Money Market	0.77%	0.16%
Fixed Income (Bond)	1.48%	0.15%
Canadian Equity	2.16%	0.42%
U.S. Equity	2.21%	0.15%
International Equity	2.21%	0.66%
Target risk	2.11%	0.27%

\*As at January 31, 2015, Source: BMO fund facts, TD Asset Management, Scotiabank, RBC, CIBC Investorpos

\*\*Fund Management Fees as at August 31, 2015

# Key considerations

- **Preference for a simple approach**
  - Built FOR me (Target risk –based on your score)
- **Risk Tolerance**
  - Built BY me (based on your score)
- **Diversification**
  - equities, bonds, money market
  - geographically
  - management style
- **Fund Performance & Fees**
  - Quarterly Investment Reports



# Choosing your Investments

# Investment risk profiler

## investment risk profiler

This tool will help you determine what kind of investor you are and how much risk you are comfortable with as you save.

Answer each of the following questions, keeping your objective in mind.

1. Which statement best describes your comfort level with fluctuations in the value of your investments?  
a. I'd be very upset if my investments dropped in value over any period of time. 1 point  
b. I'm willing to accept a lower, more predictable rate of return as long as fluctuations in the value of my investments are small. 10 points  
c. I'm willing to accept some fluctuations in the value of my investments as I'm seeking a higher rate of return. 20 points  
d. I want the highest rate of return possible, and understand the value of my investments can fluctuate significantly. 30 points

2. How long will you leave this money invested before you'll need a significant portion of it for your stated objective?  
a. Less than 5 years 1 point  
b. 5-10 years 10 points  
c. 10-20 years 20 points  
d. More than 20 years 30 points

3. How likely is it that you'll need access to a large portion of this money earlier than expected? (E.g. taking early retirement)  
a. Very likely 1 point  
b. Somewhat likely 10 points  
c. Unlikely 20 points  
d. I won't need access to any of the money in this plan early. 30 points

\* Early retirement is defined by pension legislation and can vary by jurisdiction.

4. Which of the following patterns of returns would you be most comfortable with? Assume an initial amount of \$5,000 invested for 10 years.  
a. Your investment grows without losses to \$8,100. However, in one of the years the value of your portfolio does not increase. 1 point  
b. Your investment grows to \$9,300 in year 10, but slightly declines in value in two of the years. 10 points  
c. Your investment grows to \$12,400, but significantly declines in value in three of the years and was worth only \$3,500 after the first year. 20 points

5. With the four results below, how would you invest \$10,000?  
a. A guaranteed return of \$500. 1 point  
b. The potential of earning \$800 but the risk of earning only \$200. 10 points  
c. The potential of earning \$1,200 but the risk of earning nothing. 20 points  
d. The potential of earning \$2,500 but the risk of losing \$1,000. 30 points

6. If your investment dropped in value by 20% in one month, how would you react?  
a. I'd cash in my investment immediately. 1 point  
b. I'd make no changes until the value recovers and then re-evaluate. 10 points  
c. I'd do nothing. Understand my investments will fluctuate from day to day, but believe they will grow over the long term. 20 points  
d. I'd invest more while the prices are low. 30 points

7. How would you describe your investing personality?  
a. I don't like risk and can only tolerate moderate losses. 1 point  
b. I'm willing to take some risk and can tolerate one year of poor returns. 10 points  
c. I can tolerate more than one year of poor returns. 20 points

8. Which of the following statements best describes your investment knowledge?  
a. I'm a novice investor. 1 point  
b. I have some knowledge. 10 points  
c. I have good working knowledge. 20 points  
d. I consider myself an investment pro. 30 points

Add up your points for your total score:

My total score is

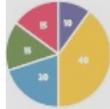
Assess your personal risk tolerance by completing

- The asset allocation tool on line

# Investment risk profiler



**A score of 35 points or less — Conservative**  
You have a need for a predictable flow of income or have a relatively short investment horizon. Your tolerance for volatility is low and your primary goal is capital preservation.



**A score of 36 to 85 points — Moderate**  
You seek a regular flow of income and stability, while generating some capital growth over time. Your tolerance for volatility is moderate and your primary goal is capital preservation with some income.



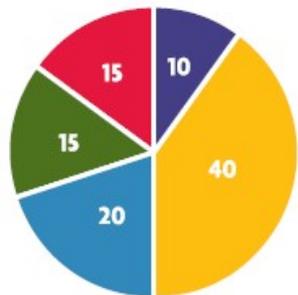
**A score of 86 to 145 points — Moderate**  
You're looking for long-term capital growth and a stream of regular income. You understand the need for relatively stable returns, but you're willing to tolerate some volatility. You understand the need to achieve capital growth with some income.



**A score of 146 to 190 points — Moderate**  
You can tolerate relatively high volatility. You realize that, over time, equities will likely outperform other investment classes. You're not comfortable having all your investments in equities. You're looking for long-term capital growth with some income.



**A score of 191 points or over — Aggressive**  
You can tolerate volatility and significant fluctuations in the value of your investment because you realize that, historically, equities perform better than other types of investments. You're looking for long-term capital growth and are less concerned with shorter-term volatility.



**A score of 36 to 85 points — Moderate**  
You seek a regular flow of income and stability, while generating some capital growth over time. Your tolerance for volatility is moderate and your primary goal is capital preservation with some income.

- Cash equivalents
- Bonds (fixed income)
- Canadian equity
- U.S. equity
- International equity

# Monitoring with Morningstar®



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## Investment performance

Print

Select a plan to review :

Defined Contribution Pension Plan (DCPP) ▼

Go to [personal rates of return](#) to find out how your investments are performing.

### Performance of funds available in your plan

Show investment performance for:

19 ▼ Nov ▼ 2012 ▼ **submit**

#### Guaranteed Fund Interest Rates (%) As Of : 19 Nov 2012

Fund	Rate
<a href="#">SLA 1Yr Guaranteed Fund</a>	1.10000
<a href="#">SLA 2Yr Guaranteed Fund</a>	1.20000
<a href="#">SLA 3Yr Guaranteed Fund</a>	1.45000
<a href="#">SLA 5Yr Guaranteed Fund</a>	1.90000

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#### Investment Fund Unit Values As Of : 19 Nov 2012

Fund	Unit Value
SLF 2015 Milestone*	14.6076
SLF 2020 Milestone*	16.0106
SLF 2025 Milestone*	16.9645
SLF 2030 Milestone*	16.7078
SLF 2035 Milestone*	16.4928
SLF 2040 Milestone*	16.1532
BLK LP Index Retirement**	12.1177
BLK LP Index 2010 Fund*	11.8419
BLK LP Index 2015 Fund*	11.8148



**PAUL DEMO**  
XYZ COMPANY RETIREMENT PLAN  
Account #: 45277000000001 - 01  
As of: 19 Nov 2012



### My fund performance

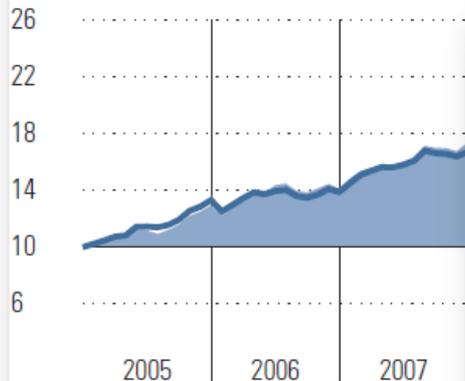
Go to [Morningstar®](#) to get top-rated investment information and analysis for both your investments and the investments available in your plan.

View the [investment profile user's guide](#) for helpful information.

# Quicktake & Investment Reports

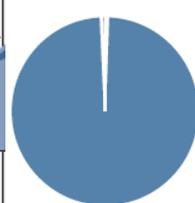
Performance as of 09-30-2014

Growth of \$10,000



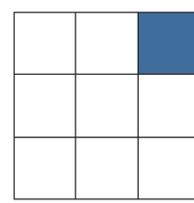
Portfolio Analysis as of 09-30-2014

Composition



Category	% Assets
Cash	0.5
Fixed Income	0.0
Canadian Equity	98.7
U.S. Equity	0.0
International Equity	0.3
Other	0.4

Equity Style



Value Blend Growth

Market Cap

Market Cap	%
Large	61.3
Medium	30.2
Small	8.5

Top Ten Holdings

Company	% Assets
Toronto-Dominion Bank	4.5
Royal Bank Of Canada	4.5
Canadian National Railway Co	2.9
Bank of Montreal	2.8
Suncor Energy Inc	2.8
Alimentation Couche-Tard Inc	2.8
Canadian Pacific Railway Ltd	2.8
Magna International Inc Class A	2.6
Canadian Natural Resources Ltd	2.0
Bank of Nova Scotia	2.0

Global Equity Sectors

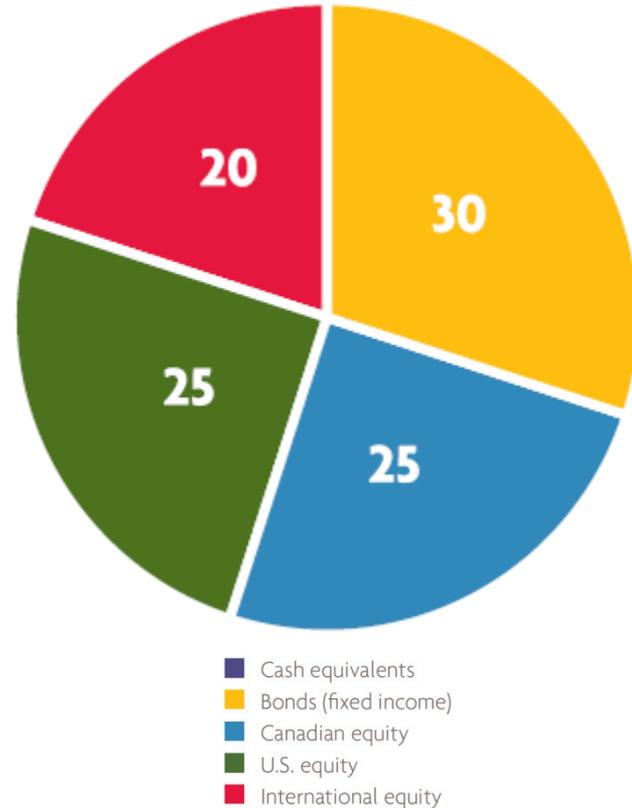
Sector	% Equity	% Bmark
Utilities	1.2	1.9
Energy	27.7	25.5
Financials	27.5	34.5
Materials	7.7	11.2
Consumer Discretionary	9.2	5.7
Consumer Staples	5.3	3.0
Telecommunications Services	3.2	4.4
Industrial	12.2	8.7
Health Care	1.9	3.2
Information Technology	4.3	1.9



# Interactive workshop

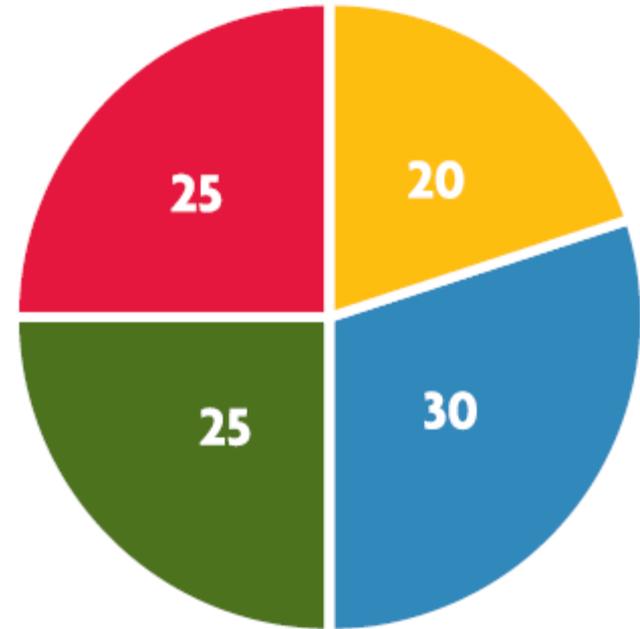
# Growth Investor Profile – 146 to 190 points

- Tom is 23 yrs old
- Paying off student loan
- Setting up first apartment
- Just entering the workforce
- Joining the company sponsored retirement program
- Understands the importance of saving, but not much to put aside
- Minimal knowledge of investing
- Observed that the investment markets have been hit hard over the last few years



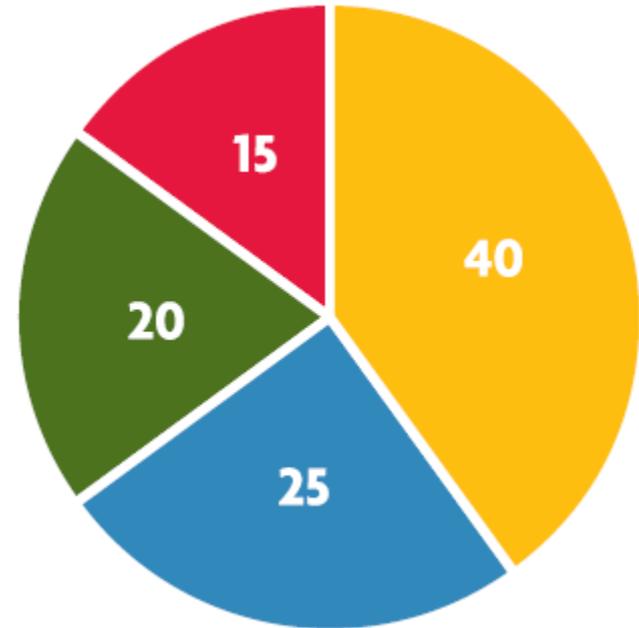
# Aggressive Investor Profile – 191 points or over

- Tom is 30 yrs old
- Buying his first home
- Engaged and saving for the wedding
- Plan to start a family
- Promotion at work, job security
- Understands investment markets experience ups and downs, but now has an increased comfort level with investing



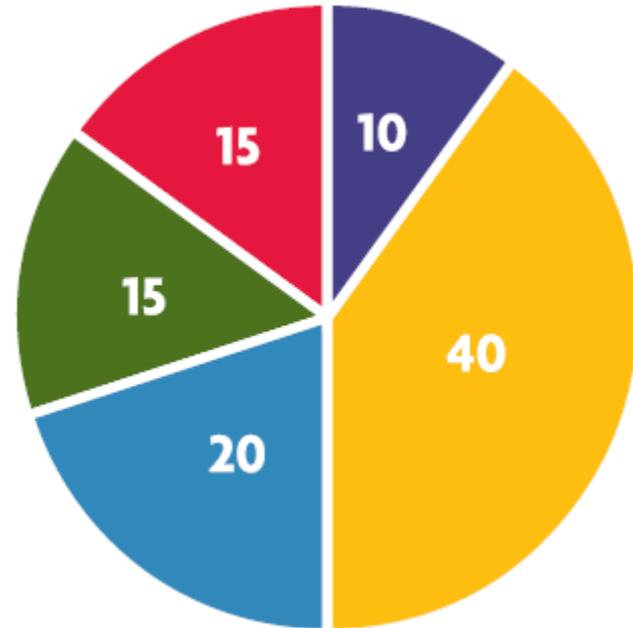
# Balanced Investor Profile – 86 to 145 points

- Tom is in his early 40's
- Personal finances stable
- Needs to start saving for children's education
- Moved companies over the past 10 yrs, now a sales consultant
- Increased his contributions to his company-sponsored plan to retire early
- 20 yrs left until retirement. Recognizes he needs to have a solid weighting in higher-risk investments to reach his retirement income objectives



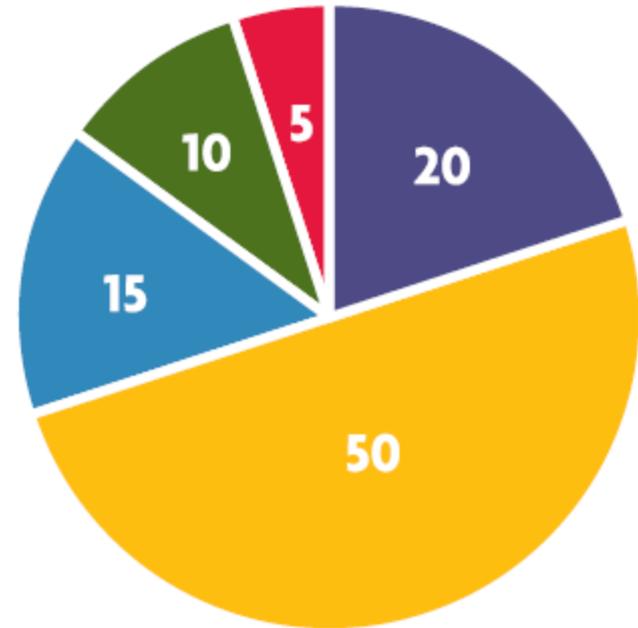
# Moderate Investor Profile – 36 to 85 points

- Tom is in his early 50's
- Recently divorced
- Children have moved out
- Recently promoted
- Thinking of retirement yrs
- Needs to protect a large portion of his portfolio but still needs some growth capital
- Divorce has caused him to increase his payroll contributions as he will have only 1 income to depend on in retirement
- Good understanding of investments



# Conservative Investor Profile – 33 points or less

- Tom is now 56 yrs old
- Successful sales management career
- Maximized his registered savings room for the past few years through his company-sponsored program
- Hoping to retire within the next 3-4 yrs
- Recognizes the need for a steady income stream in the next few years so his tolerance for market volatility is low



# Key considerations

- Complete Investment risk profiler to obtain recommended asset allocation
- Research fund information through the Sun Life Financial's member website & Morningstar to learn more about your investment options
- Based on your risk profile score and fund information (management style etc), select the funds that best suit you



**Stay connected**

# The University of Saskatchewan Group Retirement Fund

- Due to your participation in your group plan, you can join the University of Saskatchewan Group PRIF/RRIF
- Benefits:
  - **Investment fees are** substantially **lower** than retail products (like you're used to with your current group plan)
  - Same great investment options
  - Continued access to the Customer Care Centre and Plan Member Website

# Your action plan



Complete the Investment risk profiler to obtain recommended asset allocation



Research fund information through Sun Life Financial's member website & Morningstar to learn more about your investment options



Review your investment allocation on a regular basis



Update your investment direction either online or through Sun Life Financial's Customer Care Centre @**1-866-733-8612**

Monthly prizes  
to be won!



my money @ work



it's my time to save

**Thank you!**



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