your way,
plain and simple®

GROUP RETIREMENT SAVINGS

Enrolment guide, your way

Desjardins Insurance
LIFE • HEALTH • RETIREMENT

Cooperating in building the future

Your group number: ______________________

Your participant number: _________________

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Welcome to your way, plain and simple!

a program designed to help you plan for a more secure financial future

Retirement planning may sound complicated, but it doesn't have to be. We're here to answer your questions, explain your options, and encourage you to set a goal so that you can achieve **your retirement, your way**.

Steps to enrol

1

Complete your *Enrolment Form*

- Enter all your personal information
- Designate your beneficiary(ies)
- Indicate how much you would like to contribute
- Sign and date the form

2

Complete the *Investor Profile* questionnaire → **Read *Your investments, your way*** → **Choose your investment options**

3

Complete your *Investment Instructions Form*

- Enter all your personal information
- Indicate your investment option(s)
- Sign and date the form

4

Forward the *Enrolment Form* and the *Investment Instructions Form* to the person designated by your plan sponsor

It is recommended that you keep a copy of these forms for your files.

Need help? Check out these videos on the participant services website at www.dfs.ca/participant.

- Why participate
- Where to invest
- Grow your retirement
- Staying on target
- Retirement (payout products)

When should you think about retirement?

When you're young, who wants to think about retirement? It seems so far away, and your idea of retirement today will likely be very different from where life will eventually take you.

It's never too late, or too early to have a retirement dream. Take a moment to think about where you would like to be 10, 20, or 30 years from now when it's time for you to retire. What would you like to do? Where would you like to live? What kind of lifestyle would you like to have?

Your career, family, the economy, and your own personal goals and interests will all affect when and how you can retire.

As you go through different stages of life, things will change. You can't plan for everything, but you can plan to have a more secure financial future.

You're already on your way

Your plan sponsor has partnered with us to offer a group retirement savings plan designed to help you achieve your retirement goals. You have all the tools and information you need to help you make informed decisions, so take advantage of this great opportunity and start saving for your retirement.

Before you enrol in your plan, you should first decide:

- how much to save
- where to invest.

And no matter where the road takes you, with your group retirement savings program you'll be well on **your way, plain and simple.**

How much
should you save?

That depends on how you want to live in retirement. Different lifestyles will require different incomes. Experts say that in order to maintain your current lifestyle, you need to have 70% of your final salary when you retire. This estimate may be higher or lower depending on your lifestyle. What matters is that you have saved enough to provide for a comfortable retirement. Think about what you want to do when you retire. What would make you happy? Your basic values will probably remain the same, but your priorities may change over time.

Here are a few examples of different retirement lifestyles and the amount of income required to get there.

Which one is most like you?

Joanne

Close to home

Retirement income: $30,000

Personal savings required: $250,000*

Joanne wants a lifestyle that's far less complicated than in her working years. She's had enough of traveling and is content to settle down to a much slower pace.

Joanne doesn't need to spend a lot of money to be happy. She enjoys going for long walks, activities at the community centre, and wants to pursue some of the artistic hobbies she didn't have time for when she was working.

* Based on a single life only annuity guaranteed 10 years, and assuming CPP/QPP and OAS benefits. Assumes an interest rate of 4% and pension amounts are indexed with inflation at 2%. Assumes a retirement in 2013 at age 65.

Sam

Handyman

Retirement income: $40,000

Personal savings required: $350,000*

Sam is quite the handyman. His favourite hobby is wood-working and he likes to build cabinets and furniture. He also enjoys working on home improvement projects. When he retires, he wants to sell his house in the city and move to his cottage.

With his wood-working skills, he would like to start his own business when he retires.

* Based on a single life only annuity guaranteed 10 years, and assuming CPP/QPP and OAS benefits. Assumes an interest rate of 4% and pension amounts are indexed with inflation at 2%. Assumes a retirement in 2013 at age 65.

Nick and Karen

Family focus

Retirement income:	**$50,000**
Personal savings required:	$475,000*

Nick and Karen both come from large families. When they retire, they plan to spend more time with their children and grandchildren.

They have always been very careful with money and by the time they retire, all of their debt will be paid off (including their mortgage) and they won't have very many expenses.

They're happy doing some volunteer work and taking the occasional car trip to see friends and family.

* Assumes a joint life 60% survivor annuity guaranteed 10 years, and CPP/QPP and OAS benefits. Assumes an interest rate of 4% and pension amounts are indexed with inflation at 2%. Assumes a retirement in 2013 at age 65.

Michael and Sophie

Easy living

Retirement income:	**$60,000**
Personal savings required:	$675,000*

Michael and Sophie enjoy the outdoors. They have always been interested in health and fitness. Every year they like to spend a few weeks in a warmer climate.

They love to travel and see different sites and cultures, and they don't intend to stop when they retire.

* Assumes a joint life 60% survivor annuity guaranteed 10 years, and CPP/QPP and OAS benefits. Assumes an interest rate of 4% and pension amounts are indexed with inflation at 2%. Assumes a retirement in 2013 at age 65.

Stephen

Urban life

Retirement income:	**$70,000**
Personal savings required:	$850,000*

Stephen has always enjoyed living in the city with all the things it has to offer. He has a health club membership and he attends concerts, theatre and other cultural events.

Leisure time is spent dining out with friends and at least once a year, he escapes the winter cold by taking a trip somewhere warm and sunny.

* Based on a single life only annuity guaranteed 10 years, and assuming CPP/QPP and OAS benefits. Assumes an interest rate of 4% and pension amounts are indexed with inflation at 2%. Assumes a retirement in 2013 at age 65.

Is this you?

Half of working-age Canadians do not know how much they need to save to maintain their standard of living in retirement.

Source: Statistics Canada, Retirement-Related Highlights 2009.

Now that you've thought about the retirement lifestyle you want, you're ready to decide how much you'll need to save.

Look again – your retirement goals may change

Your priorities may change with time. What's important to you at 35 may be very different at 60. Re-evaluate your retirement lifestyle every few years just to make sure you're still on target.

Where
will the money come from?

There are a number of sources of retirement income:

- Canada Pension Plan (CPP) or Quebec Pension Plan (QPP) for residents of Quebec
- Old Age Security (OAS)
- Your personal savings
- Your group retirement savings plan

Government plans only replace between 20% and 40% of your average annual income.

Today, most of us would find it challenging to live solely on CPP/QPP and OAS. What's more, not everyone is eligible to receive the same amounts. For more details on eligibility, you can visit the Revenue Canada website **www.servicecanada.gc.ca** or the Régie des rentes du Québec website **www.rrq.gouv.qc.ca**.

Don't rely on the government to provide you with enough income in retirement. To maintain your standard of living, the rule of thumb is that you'll need approximately 70% of your average gross annual income from the last three years of work.

66% of plan participants intend to have a transition period before full retirement; 28% want to stop working altogether, and 6% plan to never stop working.

Source: Desjardins Insurance survey conducted by SOM, 2012.

You may turn your hobby into a job after retiring. It's a great way to supplement your income. Or you may work part time and cut back on the number of work days.

It's all about **your retirement, your way!**

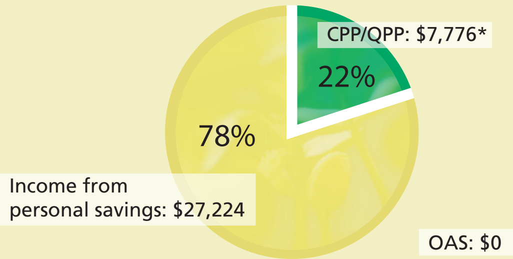
When do you want to retire?
Timing is everything.

If you want to retire early, you need to plan accordingly.

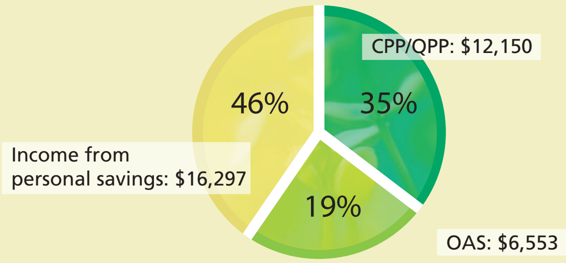
Let's assume that Brian and Jasmine both earn $50,000 before retirement. They each want to have an annual retirement income of $35,000 (which represents 70% of their pre-retirement income).

Jasmine wants to retire at age 60. Brian wants to retire at age 65. To make up their $35,000 retirement income, here's where the money will come from.

Retiring at age 60
Retirement income: $35,000



Retiring at age 65
Retirement income: $35,000



Something to think about

If you retire at age 65, you'll be eligible for 100% of your entitlement to your CPP or QPP. If you retire at 60, you can start receiving your CPP/QPP retirement pension, but then your pension amount will be reduced every month before age 65. This reduction is permanent and your amounts will not increase when you reach age 65.

The OAS benefit is a monthly payment for most Canadians aged 65 and over (the date you are eligible to begin receiving it depends upon the year you were born). If you are eligible, you may receive the OAS benefit even if you are still working or have never worked.

Note that between the years 2023 and 2029, the age of eligibility for OAS pension will gradually increase from 65 to 67.

Graphs are based on 2013 CPP/QPP and OAS benefits.

* Based on a reduction factor of 7.2% per year that retirement precedes age 65.

Retiring early may be possible, just make sure you explore all your options and save in line with your goals.

Why participate
in your group plan?

Some people find that the discipline of saving is one of the hardest things to do. Contributing to your group retirement plan makes it easy to save. In addition to convenient payroll deductions, here are some other good reasons to participate in your group plan:

- **Immediate tax savings** – contributions made to your registered account are tax deferred.
- **Plan sponsor contributions** – depending on the features of your plan, your plan sponsor may also contribute to your plan. It could mean a significant increase in your savings!
- **Range of investments options** – you have access to a variety of investment options that have been carefully selected by experts.
- **Lower investment management fees (IMFs)** – take advantage of group buying power and benefit from lower investment management fees.
- **No transaction fees** – no front-end or back-end load or deferred sales charges.
- **Home Buyers' Plan / Lifelong Learning Plan** – depending on the plan available under your group retirement savings program, you can take advantage of your savings today by using a portion to purchase a home or further your education.

"For me, if the money is in my pocket, I know I will spend it. Now it's easy for me to save. My contributions are taken right out of my paycheque. My motto is: if you don't have it, you can't spend it!"

Alex, age 35

60% of Canadians feel that they are not financially prepared for retirement.

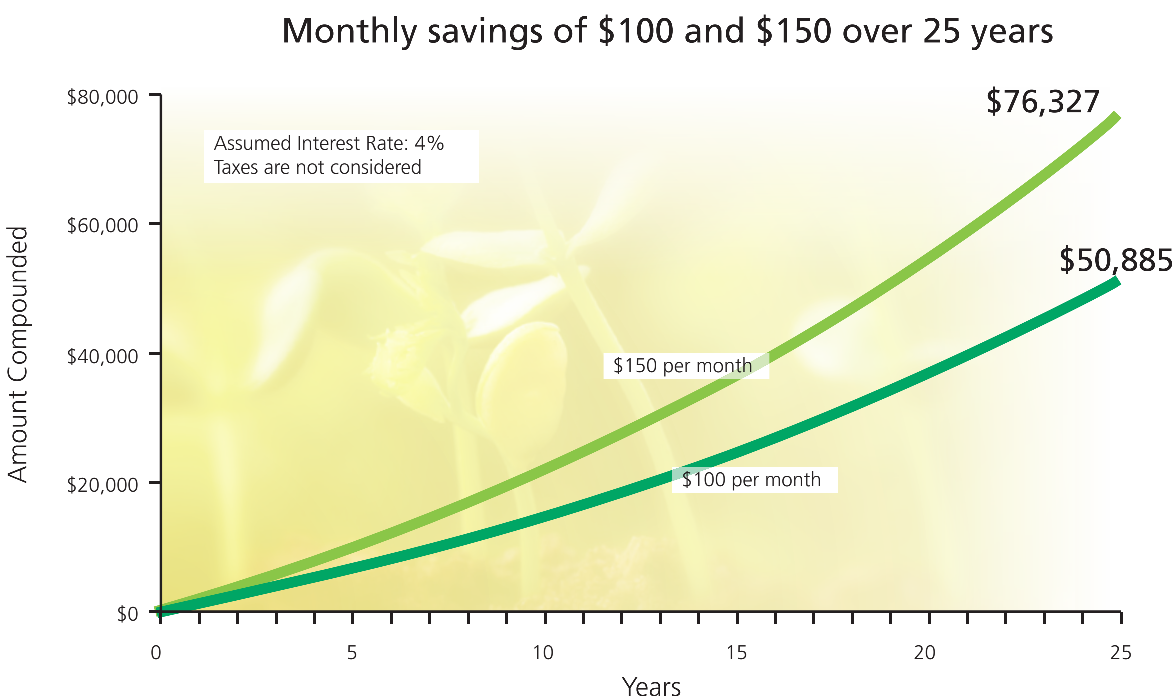
Source: 2012 *Benefits Canada* CAP (Capital Accumulation Plan) member survey

If you're in that 60%, take advantage of all the benefits that your retirement plan has to offer!

It's difficult to predict what will happen to the economy, but if you have a plan and stick to it, you'll come out ahead in the long run.

One of the major benefits of having a savings plan is compounding. Your money has the potential to grow based on the earnings it generates. Time is on your side since the longer you save the better off you'll be in the end. A good tactic is to increase your monthly contributions, even by a small amount. Small things add up over time with the power of compounding!

Just look at how saving $100 or $150 a month for 25 years can add up over time.



Regular and consistent contributions, plus the benefit of time, will help you build a solid retirement capital.

Now that you've thought about what kind of retirement lifestyle you want, and you've seen how your group retirement savings plan can help, the next step is to look at where to invest.

Where should you invest?

Deciding where to invest is one of the most important steps on the road to retirement planning. When choosing your investments, always remember:

- Don't put all your eggs in one basket – diversify your investments
- Consider the risk versus reward (or return).

Diversifying your investments is the key to minimizing your risk. By spreading your assets over different types of investment funds, you help smooth out fluctuations in the market. But how do you know what type of investment is right for you? It's not always easy to determine, so here's some information to help you understand the world of investments.

These are the various investment options that could be available in your group retirement savings program:

1. **Guaranteed funds** – earn a set rate of interest and give you a guarantee to receive the interest plus the money you invested at the end of the specified period.

2. **Market related funds** – invest in a variety of securities with different risk levels, depending on the specific investment objectives. The capital and the investment return are not guaranteed.

Some key market related fund categories are:

Fixed Income funds – invest in securities that provide dividends, or interest income. This includes money market securities, mortgages and bonds. Fixed income funds are usually less risky than equity funds, although they also usually provide lower returns on the long term.

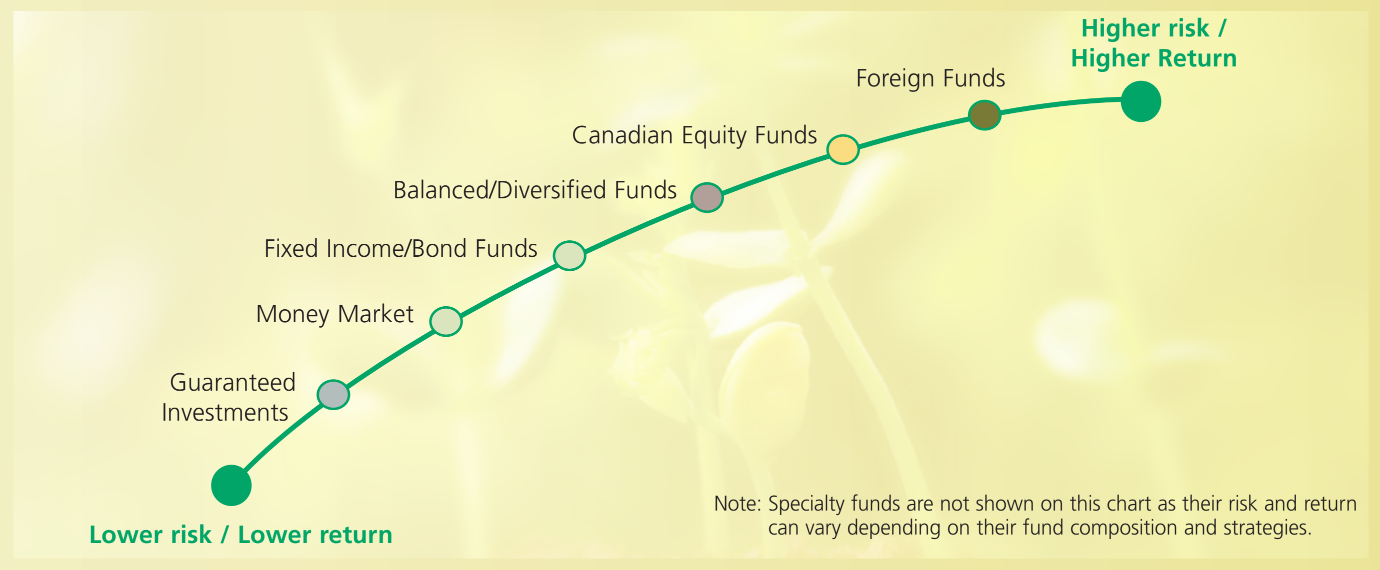
Equity funds – are mainly made up of common shares and can be categorized according to company size (small, mid or large capitalisation), the investment style of the holdings (value, growth, growth at a reasonable price or core) in the portfolio, and geography (securities in which the fund invests can be from one country, or from many countries) or industrial sector (natural resources, technology, pharmaceutical, etc.).

Balanced funds, also known as diversified funds – consist of a combination of money market securities, bonds and equities. The weighting of each component depends on market conditions and on the objective of the fund. The asset mix can go from conservative (high proportion of bonds and money market securities) to aggressive (high proportion of equities).

Visit the participant services website for information about the funds available under your plan. Monthly fund sheets provide information on the nature, performance, and objective of each fund and fund manager.

Risk versus return

It's plain and simple – if you invest in something that has a higher potential to fluctuate with the ups and downs of the market, you want something that also has a greater potential for growth. Here's a chart that shows the relationship between risk and return.



Everyone has a different tolerance for risk. Your lifestyle, financial situation, and where you live all contribute to your investment preferences. Risk tolerance changes over time. Different life events, such as having children or buying a house, may affect your investor profile. Someone in their twenties will probably not feel the same about investing as they would in their fifties.

The best strategy is to invest according to your investor profile and to re-evaluate your investor profile every couple of years or as your life situation changes.

Your group retirement savings program offers a wide variety of investment funds from which to choose an offering that corresponds to your specific investor profile. Consult **Your investment funds, your way** information sheet that's included with this guide to see the funds available under your plan.

Consider the length of time you have to allow your group retirement savings to accumulate before you need them. The more time you have to smooth out the ups and downs of the market, the more risk you may be willing to take.

What type of investor are you?

Complete the **investor profile questionnaire** to see how comfortable you are with risk. Find out if you are a conservative, moderate or aggressive investor (or somewhere in between).

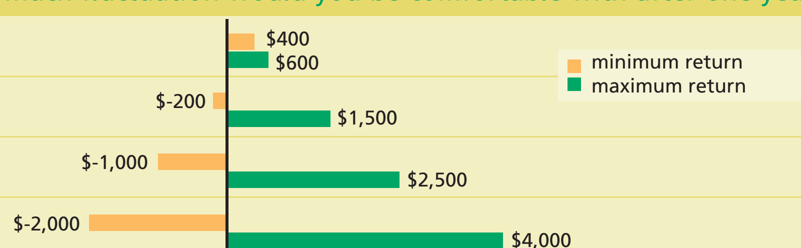
Your investor profile

Your investment strategy is specific to you and should reflect your retirement dreams, your personal situation, and your risk tolerance. The following questionnaire will help you find out what kind of investor you are. Check the answer that you're most comfortable with.

QUESTION	✓	POINTS
1) You expect to retire in:		
5 years or less		0
6 to 10 years		5
11 to 15 years		11
16 to 20 years		15
21 years or more		19
2) How would you describe your financial situation today? Consider your age, bank accounts, current expenses, amount of principal paid off on your mortgage loan, ability to pay off your debts (credit cards, loans, etc.), emergency funds, existing retirement assets, etc.		
Unstable (a lot of debt and very little savings)		0
Somewhat unstable (a fair amount of debt and not much savings)		2
Pretty good (some debt, but some savings too)		6
Good (very little or no debt, and a fair amount of savings)		11
3) Your current annual family income before taxes, including pensions:		
Under $30,000		2
Between $30,000 and $45,000		4
Between $45,001 and $60,000		6
Between $60,001 and $75,000		8
Over $75,000		10
4) How often would you like to review information about the performance of the funds you invest in?		
Every day		0
Every month		2
Every six months		6
Once a year		9
5) How many months of net family income do you currently have set aside for unforeseen events or emergencies?		
Less than one month		0
Between one and three months		2
Between three and six months		6
More than six months		11

When you finish completing this questionnaire, turn to page 14 to see your investor profile.

QUESTION	✓	POINTS
6) How would you react if you noticed fluctuations in your investments? You would:		
Sell off the ones that have gone down in value and buy more of those that have gone up in value		0
Increase the percentage of those that have gone down in value and sell off the ones that have gone up in value because you believe that sooner or later the situation will change		2
Watch how your investments perform over a few months and change your portfolio's asset mix if necessary		7
Keep your investments as they are without worrying because you invest for the long-term		15
7) A relative suggests putting the money you planned to save this year into a high-risk investment. The investment has a 50/50 chance of either tripling in value or losing everything within two years. What would you do?		
You would say "no" right away		0
You would consider it very carefully before making your decision		2
You would consider it briefly before making your decision		5
You would say "yes" right away		7
8) How would you describe your level of investment knowledge?		
Poor — I don't know anything about investments		0
Limited — I understand a bit about the basics but I don't know how to apply that to my own financial situation		2
Moderate — I understand the basic principles and periodically I look at how my investments are doing		6
Good — I have a thorough understanding of the various investment categories and risk levels, and I like to follow the financial markets and the economy		9
9) If the markets go through a turbulent period, how much of a temporary drop (e.g., one year) in the value of your investments could you tolerate?		
None		0
Up to 10%		2
Between 10% and 20%		8
More than 20%		15
10) Over time, investment returns may fluctuate. If you had $10,000 to invest, how much fluctuation would you be comfortable with after one year?		
A:		0
B:		4
C:		9
D:		14
CALCULATE YOUR TOTAL:		



Investor profiles

Secure 0 to 20 points	You have a low risk tolerance to market fluctuations. You are comfortable investing primarily in fixed income investments with little exposure to equity investments.
Moderate 21 to 40 points	You have a low to moderate risk tolerance to market fluctuations. You are comfortable investing in fixed income investments with a slight exposure to equity investments.
Balanced 41 to 60 points	You have a moderate risk tolerance to market fluctuations. You are comfortable investing in a balanced combination of equity and fixed income investments.
Growth 61 to 80 points	You have a relatively high risk tolerance to market fluctuations. You are comfortable investing equity investments with some exposure to fixed income investments.
Aggressive 81 points and over	You have a high risk tolerance to market fluctuations. You are comfortable investing equity investments with a low exposure to fixed income investments.

As your life situation changes, so may your tolerance for risk. Complete the questionnaire every couple of years to make sure that the investment choices you made are still right for you.

Now that you know your investor profile, you can complete your Investment Instructions Form.

To reach your retirement goal you need to have a clear picture of where you're going.

Once you've thought about what kind of retirement lifestyle you want and considered how you feel about risk versus return, you're ready to enrol in your plan.

Enrolling in your plan is just the beginning.

Make sure you review your plan on a regular basis. Read the next section to see how you can stay on target.

How do you stay on track?

Saving for retirement is a bit like taking a road trip. When you know your final destination, you can estimate how much money you'll need for the trip. If there are some unexpected roadblocks, it's easier to navigate around them because you had a plan.

It's the same with retirement planning. Once you know where you're going and how to get there, your whole perspective changes. You become emotionally invested in saving for the retirement you want. All you need is a little encouragement along the way.

We have the tools to support you every step of the way – from the moment you enrol in the plan to when you're ready to retire. Here's how to stay on track.

Participant services website

From reviewing your plan details to making transactions, the website is a one-stop resource for all your retirement planning.

- Go to www.dfs.ca/participant.
- First time users click "Register now". You'll need your group number and participant number to create your user ID and password.
- Use these handy shortcuts to quickly find what you're looking for.

On Target Retirement

Are you saving enough? On Target Retirement helps you see if you're on track and what you need to do if you're not.

- First time users need to register for the tool. Answer three questions: your annual income, target retirement age and your contributions to the retirement plan. On Target Retirement does the rest.
- It's flexible. Try different scenarios to see how increasing your contributions or changing your retirement age will affect your goal.
- The **Message centre** provides you with customized practical suggestions on how to stay on track.

Based on our studies, we know that On Target Retirement users are more likely to reach their retirement goal.

Your financial statement

Your statement gives you a detailed picture of where you are now and where you're going. You'll see all your account information, including its current value, personal rates of return, your investor profile, and investment options. All the information you entered into On Target Retirement also appears on the statement. A newsletter is included as part of the statement and offers some helpful tips on saving for retirement.

Choose an electronic statement instead of paper:

- It's convenient – you can easily view your statement and your statement history online.
- It's flexible and dynamic – you can order a statement for any time period.
- It's green – you cut down on paper waste and help the environment.

Yourwaymobile.ca

Use your mobile device to check your account information anywhere, anytime.

"Your mobile account" gives you secure access to the mobile version of your participant services website (use the same login). You can view your account information such as asset allocation, rates of return, and transactions.

The "Calculator" (no login necessary) will help you better understand your spending habits. Simply answer a brief questionnaire.

Customer Contact Centre

If you need more guidance, call us at **1-800-968-3587** Monday through Friday 8 a.m. to 8 p.m. EST.

Quick tips

How do you stay on track?
Set a goal and use all the available tools to get there.

Where can you find On Target Retirement and its handy tips?
On the participant services website and your statement.

Where can you view your account info?
On the participant services website, yourwaymobile, and your statement.

Where can you make changes to your account?
On the participant services website. You can also fill out paper forms or call us, but it's faster online.

Where can you find retirement planning assistance?
On the participant services website. You can also call us or seek the services of a professional financial planner.

What's the first thing you do after you get your enrolment certificate?
Go to the participant services website at www.dfs.ca/participant and register for On Target Retirement.

Only 45% of participants who specify the age they wish to retire feel they will have enough money.

Source: Desjardins Insurance survey conducted by SOM, 2012.

That's less than half! Boost your retirement planning confidence by using the tools and services provided.

Your rights
and responsibilities

As a member of a group retirement plan, you have certain rights and responsibilities as outlined by the Joint Forum of Financial Market Regulators*

Your plan sponsor's responsibilities

- Provide you with investment information and decision making tools
- Provide ongoing communications
- Offer sufficiently diversified investment options that meet your needs
- Allow a reasonable amount of flexibility to transfer funds from one investment option to another

Your responsibilities

- Make use of the information and decision-making tools provided by us and your plan sponsor
- Make decisions on your investment choices and contribution amounts
- Provide accurate and up-to-date information to us and your plan sponsor
- Consider getting investment advice from an appropriately qualified individual

* Guidelines for Capital Accumulation Plans.

So go ahead…

Think about your retirement.

Picture yourself doing what you want.

And join your group retirement savings plan – you're in control of your retirement.

It's your way,
plain and simple!

Glossary

No matter how plain and simple you want to make it, when it comes to retirement planning, some things just need a bit more explanation. Here is a glossary of terms to help you.

a

Annuity
A contract sold by a life insurance company to you, the annuitant, that guarantees a series of fixed or variable payments at retirement (or at another future time) in exchange for a lump sum.

Assets
Anything an individual or corporation owns or is owed (such as cash, accounts receivable, inventory etc.)

Asset Allocation
The distribution of your assets among various investment alternatives offered under your group retirement savings program (guaranteed, balanced, equity, fixed income, and specialty funds) in order to diversify and reduce risk.

Asset Class
A category of investment such as stocks, bonds, real estate or cash.

b

Balanced Fund
A fund that generally includes a range of asset classes which typically combines stocks and bonds in varying proportions. This fund usually has the effect of "balancing" growth and income.

Bank Rate
The minimum rate to which the Bank of Canada extends short term advances to chartered banks.

Bear Market
A market where the value of securities is following a downward trend.

Beneficiary
A person (an individual, institution, estate, etc.) which receives or may become eligible to receive assets under a will, insurance policy, retirement account, annuity or other contract.

Bond
A debt instrument issued by a government or a corporation for a set period with the purpose of raising capital by borrowing; the issuer agrees to pay back your money at the end of a pre-set term along with interest.

Bond Fund
A fund that invests in bonds, with the objective of providing stable income with low capital risk.

Book Value
The value for which a security is purchased (also called acquisition value.)

Bull Market
A market where the value of securities is following an upward trend.

c

Canada Pension Plan (CPP)
A contributory, earnings-related social insurance program, available in all provinces except Quebec, that ensures a measure of protection to a contributor and their family against the loss of income due to retirement, disability and death.

Capital
Money available for investment.

Capital Gain
Profit resulting from the sale of an investment.

Capital Loss
Loss resulting from the sale of an investment.

Compounding
The process whereby the value of an investment increases over time due to compound interest.

Compound Interest
Interest which is calculated not only on the initial principal amount, but also on the increased value of the investment due to accumulated interest.

Consumer Price Index (CPI)
An index that measures the change in the cost of a fixed basket of consumer goods and services and is an indicator of inflation.

d

Deferred Profit Sharing Plan (DPSP)
A plan through which a plan sponsor pays a share of the company's profits to employees.

Defined Benefit Pension Plan (DB Plan)
A pension plan that guarantees a specified pension income when plan members retire. It's often based on a combination of the member's salary and years of service.

Defined Contribution Pension Plan (DC Plan)
A pension plan in which contributions are known and deposited into an individual account for each member and the benefit at retirement is unknown.

Diversification
A strategy that helps reduce the risk associated with investing. When you diversify, you are spreading your assets over a range of investment options to reduce your exposure to risk (the loss of one investment can be offset by the gain of another one).

Dividend
A portion of a corporation's profits distributed in cash or in shares to its shareholders.

Dollar-Cost Averaging
An investment strategy in which investments are purchased in fixed dollar amounts at regular intervals, regardless of what direction the market is moving, thereby averaging the cost per interval.

e

Earned Income
Wages or salary received for services performed as an employee. Earned income is used as a basis to calculate RRSP maximum contribution limit.

Emerging Market
A financial market of a developing country with low to middle per capita income.

Equity
Ownership in a company through the purchase of shares.

Equity Fund
A fund that invests in stocks, with the objective of capital growth.

Estate
All of the property, entitlements and obligations at the time of a person's death.

f

Fixed Income Fund
A fund that invests in fixed income investments such as money market securities, bonds and mortgages, with the objective of providing stable income with minimal capital risk.

Foreign Investments
Investments in securities issued by non-Canadian companies.

Fiduciary (trustee)
An individual or corporation holding assets for another party, usually with the legal authority and duty to make decisions regarding financial matters on behalf of the other party.

Frequent Trading
Excessively transferring and trading investments. This may damage the overall fund performance.

g

Governance
The structure and processes under which a retirement plan is administered and monitored to ensure that fiduciary and other obligations with respect to the retirement plan are fulfilled.

Gross Rate of Return
The rate of return of a portfolio before deducting investment management fees.

Guaranteed Deposits
Also known as Guaranteed Investment Certificates (GICs) or term deposits. These are deposits that guarantee 100% of your capital.

h

Historical Volatility
The degree or level of up and down movement in a value over time.

i

Income Splitting
The transferring of money to a family member who is in a lower tax bracket, which decreases the overall tax burden of the family unit.

Index
A tool designed to measure price changes of an overall market, such as the stock market or the bond market. For example, the S&P/TSX index tracks the performance of a large basket of Canadian stocks.

Index Fund
A passively managed fund that tries to mirror the performance of a specific index attempting to match its performance.

Inflation
The general rise in prices of goods and services in an economy. Inflation is measured by the Consumer Price Index (CPI).

Interest
Interest is a fee paid on borrowed assets. It is paid by a borrower to a lender for the use of his money.

Investment Management Fees
The amount charged to a fund to cover the expenses incurred for its management and for all or part of the plan administration costs.

l

Life Income Fund (LIF)
A type of Registered Retirement Income Fund (RRIF), under which the owner must withdraw each year an amount subject to minimum and maximum percentages prescribed by the Income Tax Act and pension legislation.

Liquidity
The ability of an asset to be converted into cash quickly without adversely affecting its price.

Locked-in Funds
Money originating from a pension plan which cannot be cashed-out and must be used at retirement to provide a lifetime retirement income.

Locked-in RRSP
A type of Registered Retirement Savings Plan (RRSP) subject to pension legislation, which must be used to purchase an annuity or be transferred to a Life Income Fund (LIF).

Locked-In Retirement Account (LIRA)
An account into which pension savings are transferred and that can’t be withdrawn until retirement.

Locked-In
When pension savings cannot be withdrawn until retirement.

m

Market Value
The value of a security on the market assuming the investment is being sold on a particular date.

Maturity
When a loan, bond or debt becomes due for payment.

Money Market Fund
A fund that invests primarily in treasury bills and other low risk short-term securities.

Mortgages
A loan to finance the purchase of real estate, with specified payment periods and interest rates.

n

Net Asset Value
The total market value of all the assets of a fund less its liabilities; to calculate the value per share, the net asset value is divided by the number of shares held by investors.

Non Registered Savings Plan (NRSP)
A non-registered savings plan is a plan under which contributions made by members are not tax deductible. Any withdrawals made from such a plan are not taxable.

o

Old Age Security (OAS)
A federal government pension paid monthly to Canadians age 65 and over, who have lived in Canada for at least ten years.

p

Participant
An individual who participates in a retirement savings plan set-up by an employer or an association.

Pension Adjustment
The value of the benefits you earn under your plan sponsor's registered pension plans and/or Deferred Profit Sharing Plan (DPSP). This value is used to calculate the amount of allowable contributions under RRSP.

Personalized Rate of Return (PRR)
The specific performance of your investments over a selected period of time.

Plan Sponsor
An employer or association that sets up a retirement savings plan.

Pooled Fund
Investment fund in which retirement plan contributions are invested in order to build retirement capital.

Portability
The legislated right to transfer vested and locked-in benefits to another registered retirement plan when a member leaves the plan sponsor's service.

Portfolio
The collection of all the securities owned by an individual, an institutional investor or a pooled fund.

q

Quartile
A measure used to compare the return of a fund against a universe of similar funds.

Quartile Ranking
The quartile is expressed in the form of a ranking and divides the universe into four equal parts.

Quebec Pension Plan (QPP)
A contributory, earnings-related government program in Quebec that ensures a measure of protection to a contributor and their family against the loss of income due to retirement, disability and death.

r

Rate of Return
The ratio of money gained or lost (whether realized or unrealized) on an investment relative to the amount of money invested.

Registered Pension Plan (RPP)
An arrangement by an employer or a union to provide pensions to retired employees in the form of periodic payments.

Registered Retirement Income Fund (RRIF)
A retirement fund in which assets accumulated in an RRSP may be converted to provide retirement income.

Registered Retirement Savings Plan (RRSP)
An account that provides tax benefits for saving for retirement. The RRSP contributions are tax deductible and the taxes are deferred until the money is withdrawn.

Return
Return is the income or profit your investment made for you.

Risk
The probability of actual return being less than the expected return.

Risk Tolerance
The ability to withstand volatility in the value of an investment, which may vary based on your investment horizon, knowledge and objectives.

s

Share
A certificate representing one unit of ownership in a stock.

Specialty Funds
A fund that invests primarily in equity securities of a particular industry or geographic region.

Spousal RRSP
A Registered Retirement Savings Plan (RRSP) when one spouse makes the contributions but the other spouse owns the plan; the contributing spouse receives a deduction from his or her taxable income.

Stock
An ownership interest in a corporation.

Stock Market Index
A tool that measures the performance of the securities market based on the performance of a group of investments that it represents.

t

Tax Free Savings Account (Plan) (TFSA)
An account that provides tax benefits for saving in Canada where investment income, including capital gains, are not taxed, even when withdrawn.

Treasury Bill (T-Bill)
A short-term debt instrument issued by the government in large denominations and sold at a discount.

Trustee
Please see definition for “fiduciary”.

u

Unit Value
The total market value of an investment fund divided by the number of units outstanding.

v

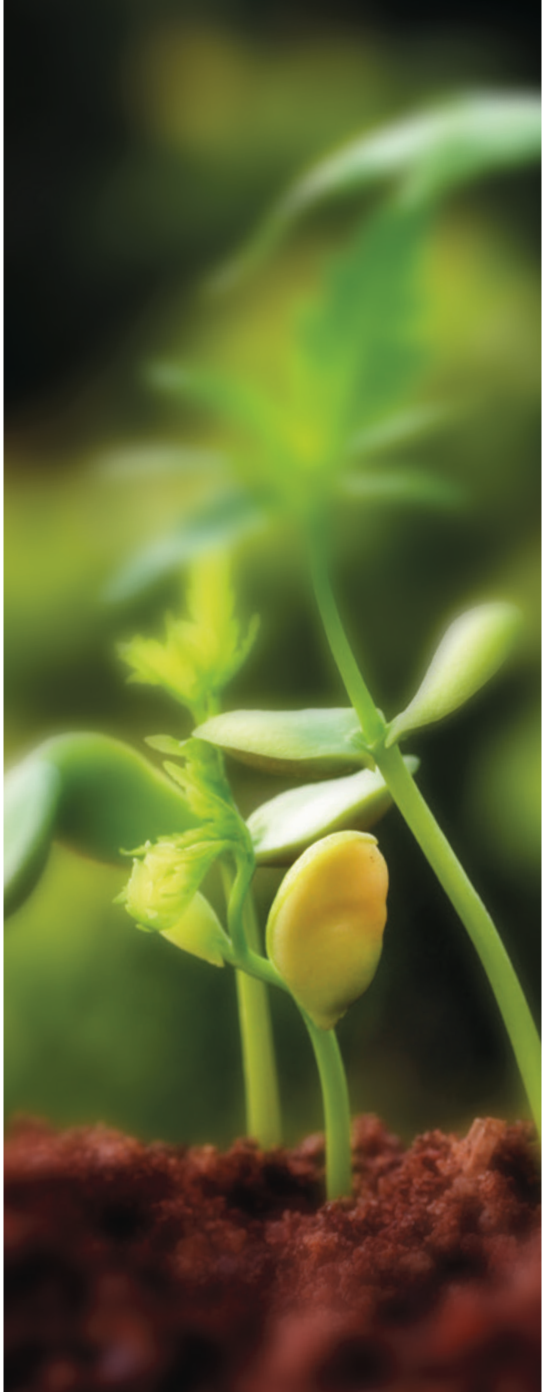
Vesting
The right of an employee to plan sponsor’s contributions made to the plan, upon termination of employment.

Volatility
The rate at which the price of a security moves up and down.

y

Yield
The annual rate of return on an investment.

GROUP RETIREMENT SAVINGS



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