

When tackling market uncertainties, diversification is your best defence

Diversification is a risk management technique that mixes a wide variety of investments within a portfolio. On average, a diversified portfolio yields higher returns and poses a lower risk than any individual investment in your portfolio.

In recent times, the market has presented investors with conflicting realities. At one end, you have the continued optimism of the stock markets, at the other you have global headwinds that threaten political and economic instability.

Volatility is very much part of investing. The best way to ride market uncertainty is to diversify your portfolio and spread the risk.

Two investment best practices to help you stay on course

1. Build a diversified portfolio: Diversification is a great way to reduce volatility and boost long-term returns. A diversified portfolio includes equity funds for growth potential and fixed income funds (such as Retirement Security Fund and bonds) for stability.

The right mix will depend on your goals, time horizon and risk tolerance. Our Investor Profile Questionnaire (available on your personal web account) is designed to help outline your investment personality and objectives.

2. Rebalance with discipline: To keep your retirement portfolio on track and help minimize risk, it's vital to rebalance your investment mix at least annually. That's because market performance, both up and down, can cause your portfolio to drift from its target.

Historically, patience has rewarded long-term investors. The key to future gains lies not in chasing past performance, not in making rash decisions, but investing globally. Regular rebalancing can help get your asset allocation back on track.

How to make changes to your portfolio?

You may make changes up to four times each calendar year without transaction costs. They can be made on our secure website.

NOTE: If you're invested in a Balanced Fund, Asset Allocation Funds or Target Date Funds, rebalancing is automatically done for you by the fund manager on a quarterly basis.



Where to find information on available investment options?

Your plan booklet, available on your personal web account, contains information on investment options and the current Investment Management Fees. You can also find fact sheets with historical performance information for each of your current investments.

We recommend you seek financial advice if you need assistance with your investment selection.

If you have any questions, please call the toll free CUMIS member line, 1-855-889-5096 between 8 a.m. and 8 p.m. (EST) on business days.

3 quick tips to help you reach your savings and retirement goals:

1. Maximize your employer-matching contributions.
2. Increase your contributions. Over time, little increases can help make a big difference to your savings account.
3. Take advantage of generally lower investment management fees under your group plan.

CUMIS Retirement Security Fund offers consistent investment income with low volatility

What is it?

The Retirement Security Fund (RSF) is a well-diversified portfolio of high-quality Canadian government and corporate bonds, as well as commercial mortgages in Canadian dollars.

How does it work?

The objective of the fund is to provide investors, who have a low risk tolerance, a consistent level of income over time, while ensuring low volatility. The RSF is structured as a yield pass-through vehicle, which means the investment income flows directly through to you – the investor. It is valued monthly and income is allocated accordingly.

What makes it unique?

This fund offers a guarantee on your contributions and credited monthly interest (less any withdrawals) if held until retirement, termination of employment, or death.

This fund is subject to a potential market value adjustment (MVA) if you transfer any or all of it to another fund or withdraw your assets, or if your company plan is wound up or transferred.

Your deposits within the RSF enjoy the same level of insurance protection offered by major financial institutions in Canada. For more detail, please go to the Assuris website at assuris.ca.

How can I learn more about this fund?

Please review the quarterly RSF Fund Fact Sheet available under your personal web account.

Review your savings plan: money market funds

Low interest rates over the last few years have been affecting the performance of Canadian money market funds, making the returns very low or, in some cases, negative after investment management fees and operating expenses are deducted.

If you're invested in or thinking of investing in money market funds as a short-term option, there's no need to be concerned. However, some investors hold money market funds for too long and delay their investment decisions.

Take some time to review your profile, risk tolerance and investment horizon. Complete the Investor Profile Questionnaire found on your personal web account to help you determine your investment profile. This tool is just for your personal use; you don't need to return the results to CUMIS or your employer. Whenever your financial or personal situation changes, it's important to complete this questionnaire and re-examine your investment goals.

Investment Objectives



RRSP contribution deadline

A reminder that RRSP contributions for the 2017 tax year must be received by **Thurs. March 1, 2018**. Take advantage of the opportunity to top-up your RRSP contributions and help reduce your 2017 income tax.

Confirm your available RRSP contribution room one of three ways:

- Check your Notice of Assessment from last year.
- Call the Canada Revenue Agency's Tax Information Phone Service (TIPS) automated line at 1-800-267-6999.
- Register for "My Account" on Canada Revenue Agency website cra-arc.gc.ca/loginservices.

Do we have your email address?

When you add your email address to your personal web account, we know that we can reach you quickly for important account-related questions. Rest assured, we'll only use your address if we need to ask you for an immediate response about your account. We won't use or share your email address for any marketing or advertising purposes.

The next time you sign in to your personal web account, if your email address isn't listed, make sure you add the most up-to-date address, and check that your other personal information is accurate.

At CUMIS Retirement Services, we welcome your feedback and are happy to answer any questions you may have.

Please call or write us at:

Toll-free: 1-855-889-5096 (8 a.m. to 8 p.m. EST)

Fax: 1-416-865-1301

P.O. Box 5065, 151 North Service Road, Burlington, ON L7R 4C2

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