

# Monitoring Your Personal Plan

Congratulations. You have now created a personalized investment mix by picking the asset classes and funds that are right for you. Now it's time to switch into monitoring mode. You have many tools available to assist you in monitoring your investments. Through the web, on your statements and by calling our contact centre are three ways to keep on top on your plan. Each of these options is outlined in your participant kit.

It's important that you review your investment strategy at least once per year to ensure your goals are on track.

Investments may not work as planned (or may work better than planned) and your personal circumstances may change altering your tolerance for risk.

## Investment Changes Over Time

You took time to ensure you had the right percentages in the right funds, but as markets change, so will your percentages. As the percentages change in each fund, they may no longer match the risk profile that you were striving for. You then have to "re-balance," or bring your target fund mix back in line with your original objectives. For instance, let's say you had a target fund mix that was 30% Canadian Equities, 20% in Foreign Equities and 50% Bonds. A year later, you found that the mix had changed because Canadian Equities and Foreign Equities had performed better than Bonds. Your fund mix is now 40% Canadian Equities, 25% Foreign Equities and 35% Bonds. You will want to bring this fund mix back in line with your target mix.

To do this, you sell (make an inter-fund trade) 10% of your Canadian Equities, 5% of your Foreign Equities and buy 15% Bonds. This process of "selling high and buying low" will generally bring your mix back to the target levels (for asset allocation and balanced funds, this is automatically done for you, although some balanced funds may allow a certain target mix "drift" based on forecasts for the various asset classes).

## Personal Circumstances

As you get closer to time when your savings will be turned into a retirement income stream, your willingness to accept higher risk, and the potential for short-term loss, may change. You may want to look at more conservative investments. Take the time to review the Investor Profile Questionnaire you completed to check if your tolerance for risk has changed. If so, you can follow the same "sell high and buy low" strategy to rebalance your fund mix.

## Remember Your Long-term Perspective

Financial markets are unpredictable in the short term and may rise and fall on very short notice. Look at all the reasons why a fund makes sense for you. Generally, over time most well-managed investment funds will rise in value.