



**Canadian Centre for
Christian Charities**

Supporting ministries in a complex world

retirement

PLAN REVIEW

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Access newsletters online:

Canadian Centre of Christian Charities has access to Proteus' website where you can view current, and past newsletters and performance summaries.

There is also a link to your administrator's website, which provides the latest tools and calculators to learn more about retirement planning.

www.proteusperformance.com

User ID: CCCC-Member | Password: pension

PERFORMANCE SUMMARY



INVESTMENT STRATEGY

Capital Markets are unpredictable over short time periods and a well-diversified portfolio will help protect your capital over the long-term. Successful long-term investors do not focus on poor performance in any given year – they review their strategy and make sure it is well aligned with their long-term objectives. Completing a ‘Risk Profile’ will help to determine the type of investor you are. If you are unsure of the best strategy for you, you should seek independent professional advice before making your investment decisions.



Learn more at Canada Life’s website:
ssl.grsaccess.com

Period Ending March 31, 2022				
	1 Year	3 Year	4 Year	10 Year
Balanced Funds				
Jarislowsky Fraser Balanced	2.0	6.6	6.8	8.4
<i>JF Balanced Benchmark</i>	<i>5.6</i>	<i>7.4</i>	<i>7.1</i>	<i>7.1</i>
Mackenzie SRI Balanced	7.8	6.9	6.8	n/a
<i>CCCC SRI Balanced Benchmark</i>	<i>6.1</i>	<i>7.8</i>	<i>7.6</i>	<i>6.7</i>
Money Market Fund				
MFS Canadian Money Market	0.1	0.7	1.0	0.9
<i>FTSE Canada 91-Day T-Bill Index</i>	<i>0.3</i>	<i>0.8</i>	<i>1.0</i>	<i>0.9</i>
Fixed Income Fund				
MFS Canadian Fixed Income	-4.7	0.8	2.0	2.9
<i>FTSE Canada Universe Index</i>	<i>-4.5</i>	<i>0.4</i>	<i>1.6</i>	<i>2.5</i>
Canadian Equity Funds				
Jarislowsky Fraser Canadian Equity	6.7	9.6	9.5	9.5
Mackenzie SRI Canadian Equity	24.0	14.6	12.5	10.4
<i>S&P/TSX Composite Index</i>	<i>20.2</i>	<i>14.1</i>	<i>12.6</i>	<i>9.1</i>
U.S. Equity Fund				
MFS American Equity	11.7	14.0	13.8	16.4
<i>S&P 500 Index</i>	<i>14.9</i>	<i>16.3</i>	<i>15.6</i>	<i>17.2</i>
International Equity Fund				
Sprucegrove International Equity	-3.4	2.7	1.9	7.9
<i>MSCI EAFE Index</i>	<i>1.0</i>	<i>5.9</i>	<i>4.5</i>	<i>9.2</i>
Target Date Funds				
Fidelity Clearpath Income Portfolio	-1.2	2.9	3.1	4.4
Fidelity Clearpath 2020 Portfolio	0.3	5.5	5.4	7.0
Fidelity Clearpath 2025 Portfolio	1.1	6.6	6.2	8.0
Fidelity Clearpath 2030 Portfolio	1.9	7.5	6.9	8.5
Fidelity Clearpath 2035 Portfolio	2.7	8.4	7.6	9.4
Fidelity Clearpath 2040 Portfolio	4.2	10.0	8.8	10.1
Fidelity Clearpath 2045 Portfolio	4.6	10.3	8.9	10.2
Fidelity ClearPath 2050 Portfolio	4.6	10.3	9.0	n/a
Fidelity ClearPath 2055 Portfolio	4.6	10.3	9.0	n/a
Fidelity ClearPath 2060 Portfolio	4.6	10.4	9.0	n/a

Your Investment Funds

Balanced Funds

Jarislowsky Fraser Balanced — Seeks to provide a balance of current income and long-term capital appreciation by investing primarily in a mix of Canadian and foreign fixed income and equity securities.

Mackenzie SRI Balanced — Provides a balanced return of capital growth and current income by investing primarily in equity and fixed income securities. The Fund invests in publicly traded Canadian and foreign companies that conduct their business operations in a socially responsible manner and show strong growth prospects; with some exposure to foreign companies that meet these criteria.

Money Market Fund

MFS Canadian Money Market — Aims to provide investors with a real rate of return. It's expected that virtually all returns will be derived from income. The Fund is suitable for clients with a low risk tolerance who have a very short investment time horizon.

Fixed Income Fund

MFS Canadian Fixed Income — Seeks to obtain interest income by investing primarily in Canadian fixed income securities.

Canadian Equity Funds

Jarislowsky Fraser Canadian Equity — Seeks to obtain long-term capital gains by investing primarily in Canadian equities.

Mackenzie SRI Canadian Equity — Provides long-term capital growth with moderate income. The Fund invests primarily in the shares of publicly traded Canadian companies that conduct their business operations in a socially responsible manner and show strong growth prospects; with some exposure to foreign companies that meet these criteria.

U.S. Equity Fund

MFS American Equity — Seeks to achieve capital appreciation investing primarily in large cap U.S. equities.

International Equity Fund

Sprucegrove International Equity— Creates a portfolio of 80 to 100 international stocks that overall have characteristics superior to a well known International Equity Index.

Target Date Funds

Fidelity ClearPath® Retirement Portfolios — A family of lifecycle funds actively managed and regularly rebalanced to provide investors with optimal risk and return for their investment time horizon. The portfolios seek to maximize growth opportunities early on to provide high total investment return, and gradually become more conservative with advancing age.

High Inflation and Rising Interest Rates

Inflation and interest rates are two hot topics of conversation right now. Inflation is at a 30 year high in Canada and the U.S., and interest rates are increasing to try to suppress it. From a consumer's perspective, the concern with higher inflation is the rising cost of goods and services. From an investor's perspective, the concern with higher inflation is ensuring your portfolio is adequately positioned to protect its 'real' value.

You may be looking at your statements this quarter and wondering why your fixed income returns are negative. In an inflationary environment like today, interest rates tend to rise, which decreases bond returns. Unfortunately, when rates go up the value of existing investments with lower rates will drop as their value must compete with higher return options. In 2022 so far, interest rates have increased across the entire yield curve and, as a result, fixed income markets have performed poorly. In the first quarter of 2022, the standard Canadian investment grade bond market declined by 7%.

Rising rates, however, also mean that new bond investments will yield a higher return over the life of the investment. The cost of paying for debt will rise, along with the returns you see for both new bonds issued and Guaranteed Investment Certificates (GICs). Higher rates for savings can be seen as a positive step forward for investors and is a sign the economy is getting stronger.

As we are still seeing a higher-than-average level of inflation, it's important to note that retirement plan members earlier in their careers tend to have a natural hedge against inflation as wages tend to increase over time and employment income acts as a steady cash flow stream. Members at a later stage in their careers, especially those expecting to retire soon, may not have that steady employment income stream for much longer and are naturally more risk-averse in their investments, as their goal shifts towards capital preservation. For this reason, it is important that members of all ages periodically revisit their portfolio and speak to a qualified financial advisor to ensure their allocation fits their time horizon, risk tolerance and return objectives.

It's important to understand your comfort level with volatility and continually confirm your investment mix is right for you and for the years of investing ahead of you. Remember to focus on the long-term and do not make rash investment decisions based on near-term concerns.

Investment Governance: Know What You Have

Reviewing your investment mix periodically to understand what's in your portfolio is an important step in personal governance.

If you are invested in target date funds, asset allocation funds and/or balanced funds, these are often presented as “set it and forget it” fund options, as they include a mix of Canadian equity, foreign equity and bonds. Many people choose these options and don't end up looking at their asset mix for years, however, it's important to have a basic understanding of their composition to ensure you are comfortable with the equity exposure in your portfolio.

Balanced funds typically have a 60%/40% weight of equity and bonds. Asset allocation funds also have a set mix of equity and bond investments but the level of equity for conservative asset allocation funds can be as low as one quarter of the fund and aggressive asset allocation funds can be almost entirely invested in equity. Understanding the level of equity for each fund will enable you to determine if the choices you initially selected are still appropriate for your retirement objectives.

Target date funds also contain Canadian equities, foreign equities and bonds, but unlike balanced and asset allocation funds the level of equity declines over the life of the fund. A fund that has a maturity date of 2060 may have more than 90 per cent in equities while one dated 2030 might just have 35 per cent in equity. Understanding how target date funds operate in terms of equity levels is important to periodically ensure you are comfortable with the level of market risk you have assumed.

You can determine the equity level of your funds by reviewing the quarterly fund fact pages online. Likewise, you can call your program's record-keeper and have them help you find that information online. Once you know what you have, you can evaluate whether it is appropriate for your long-term savings objectives.



MARKET REVIEW

Canadian Equities

- Canadian Equities increased by 3.8% during the first quarter of 2022.
- The top performing sectors were the energy, materials, and communication services sectors.
- Canadian equities outperformed all other major equity indexes.
- Within the S&P/TSX Composite Index, the consumer discretionary, health care, information technology, and real estate sectors generated negative returns.

Foreign Equities

- World markets, represented by the MSCI World Index (C\$), and the U.S. market, represented by the S&P 500 Index (C\$), were down 6.1% and 5.7% respectively for the quarter.
- The MSCI EAFE Index (C\$) was down by 6.8%.

Fixed Income

- The U.S. Federal Reserve decided to raise its key interest rate from 0.25% to 0.50% during the quarter and anticipates that increases in the interest rate target range will be ongoing.

- Similarly, the Bank of Canada decided to increase its key interest rate from 0.25% to 0.50%.
- Over the quarter, indicators of economic activity and employment measures have continued to strengthen.
- Similar to previous quarters, elevated levels of inflation related to the pandemic persists, along with higher energy prices and broader price pressures caused by the invasion in Ukraine by Russia.
- The U.S. Federal Reserve is expected to begin reducing its holdings of Treasury securities as well as agency and agency mortgage-backed securities in future meetings.
- The Bank of Canada also cites added price pressures to oil and other commodities caused by the invasion crisis in Ukraine.
- The Governing Council expects interest rates will need to rise further to keep inflation expectations well-anchored and achieve the 2% inflation target.

A note about the performance summary:

Returns are shown before fees unless indicated. Past performance of a fund is not necessarily indicative of future performance.

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