



**Canadian Centre for  
Christian Charities**

*Supporting ministries in a complex world*

# retirement

**PLAN REVIEW**

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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](http://www.proteusperformance.com)**

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# 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](https://ssl.grsaccess.com)

Period Ending June 30, 2023				
	1 Year	3 Year	4 Year	10 Year
<b>Balanced Funds</b>				
Jarislowsky Fraser Balanced	16.5	6.6	5.6	7.5
<i>JF Balanced Benchmark</i>	<i>10.2</i>	<i>5.1</i>	<i>4.8</i>	<i>6.4</i>
Mackenzie SRI Balanced	9.7	5.8	4.9	n/a
<i>Mackenzie SRI Balanced Benchmark</i>	<i>10.0</i>	<i>4.9</i>	<i>4.9</i>	<i>6.2</i>
<b>Money Market Fund</b>				
Mackenzie Money Market	4.1	1.6	1.6	1.3
<i>FTSE Canada 91 Day T-Bill Index</i>	<i>3.7</i>	<i>1.4</i>	<i>1.5</i>	<i>1.1</i>
<b>Fixed Income Fund</b>				
MFS Canadian Fixed Income	3.4	-3.5	-0.8	2.3
<i>FTSE Canada Universe Index</i>	<i>3.1</i>	<i>-3.7</i>	<i>-1.0</i>	<i>2.1</i>
<b>Canadian Equity Funds</b>				
Jarislowsky Fraser Canadian Equity	21.5	13.6	8.2	8.9
Mackenzie SRI Canadian Equity	8.3	13.8	9.5	9.7
<i>S&amp;P/TSX Composite Index</i>	<i>10.4</i>	<i>12.4</i>	<i>8.6</i>	<i>8.4</i>
<b>U.S. Equity Fund</b>				
MFS American Equity	17.9	12.0	11.1	14.5
<i>S&amp;P 500 Index</i>	<i>22.7</i>	<i>13.5</i>	<i>13.1</i>	<i>15.4</i>
<b>Global Equity Fund</b>				
Mawer Global Equity	20.5	10.5	n/a	n/a
<i>MSCI ACWI Index</i>	<i>19.5</i>	<i>9.9</i>	<i>9.0</i>	<i>11.2</i>
<b>International Equity Funds</b>				
MFS International Equity	25.7	10.5	8.6	10.4
<i>MSCI EAFE Index</i>	<i>22.5</i>	<i>8.4</i>	<i>6.1</i>	<i>8.3</i>
<b>Target Date Funds</b>				
Fidelity Clearpath Income Portfolio	4.3	0.8	1.4	3.7
Fidelity Clearpath 2020 Portfolio	7.7	2.9	3.3	6.1
Fidelity Clearpath 2025 Portfolio	9.4	4.0	4.2	6.9
Fidelity Clearpath 2030 Portfolio	10.9	5.3	5.1	7.5
Fidelity Clearpath 2035 Portfolio	11.9	6.4	5.9	8.3
Fidelity Clearpath 2040 Portfolio	14.3	8.5	7.3	9.0
Fidelity Clearpath 2045 Portfolio	15.5	8.9	7.7	9.2
Fidelity ClearPath 2050 Portfolio	15.5	8.9	7.7	9.2
Fidelity ClearPath 2055 Portfolio	15.5	8.9	7.7	9.2
Fidelity ClearPath 2060 Portfolio	15.4	8.9	7.7	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**

*Mackenzie Canadian Money Market* — Provides interest income by investing primarily in Canadian fixed-income securities, including Canadian government securities and corporate income producing securities maturing within one year. This Fund invests primarily in government securities and high quality corporate money market instruments maturing within one year.

## **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.

## **Global Equity Fund**

*Mawer Global Equity*— Provides long-term capital growth by investing primarily in equities worldwide. The Fund invests in both large and small capitalization companies that offer the best global opportunities. It may also invest in T-bills and short term investments no greater than 3 years to maturity.

## **International Equity Funds**

*MFS International Equity*— Provides long term capital gains by investing primarily in non-North American equities. The Fund seeks to outperform the MSCI EAFE Index over full market cycles.

## **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.

# Stocks and Bonds 102 – Benefits of Diversification and Fund Management

This article builds on the principles of stock and bond investing introduced in last quarter's newsletter by discussing the benefits of diversification, and utilization of managed funds.

One of the primary advantages of investing in both bond and equity funds is risk reduction. Individual bonds or stocks can be subject to volatility and market fluctuations. When investing in a fund, the risk associated with any single bond or stock is spread across the entire portfolio. This diversification can help stabilize your overall investment and lower the impact of market fluctuations.

Another advantage of investing in stock or bond funds is management by experienced professionals. Fund managers conduct extensive research and analysis to select assets that align with the fund's investment objectives. Expertise can be particularly valuable for investors who may not have the time or knowledge to individually manage an investment portfolio.

Bond and equity funds come in various types and investment styles, each with distinct goals and risk targets. As everyone has a slightly different risk tolerance, investors can choose funds that align with their financial objectives, risk level, and time horizon. Whether you seek stable income, long-term growth, or a balance of both, there are funds available that suit your needs.

While bonds are generally considered safer

investments than equities, they typically offer lower potential returns. Equity funds, have the potential to deliver higher long-term returns, though they come with higher volatility. By investing in a combination of both bond and equity funds, investors can achieve a balanced approach that targets growth while still maintaining a targeted level of stability.

In conclusion, bond and equity funds can be used together to diversify your portfolio, manage risks, and achieve your financial goals. Whether you're a seasoned investor or just starting, funds offer a convenient and efficient way to participate in the markets and access a diverse range of investment options. As with any investment, it's crucial to conduct thorough research and understand the risks associated with each fund before committing your money. We recommend consulting with a qualified financial advisor who can help you create a tailored investment strategy that aligns with your unique circumstances and goals.

# Ready to Retire

## Strategies for a Secure Financial Future

Retirement marks a significant milestone in life's journey. As the work chapter comes to a close, a new chapter begins – one where financial security becomes of utmost importance. From building a well-rounded portfolio to harnessing government benefits and effective tax management, below are some key considerations to make the most of your retirement years.

### Building a Diversified Portfolio

A diversified retirement portfolio is your financial safety net. To mitigate risk and optimize returns, spread your investments across a variety of asset classes, such as stocks, bonds, real estate, and even alternative investments. Diversification helps protect your assets from market fluctuations, ensuring that no single event has an outsized impact on your retirement income.

### Creating a Retirement Budget

A well-crafted budget is also crucial for a successful retirement. By identifying your essential expenses – from housing and healthcare to groceries and transportation – you can estimate the income needed to maintain your desired lifestyle. Keep in mind that retirement budgets often also include spending for travel, hobbies, and other leisure activities.

### Crafting a Thoughtful Withdrawal Plan

Determining how and when to tap into your retirement savings is a pivotal decision. One common strategy is the "4% rule," which suggests withdrawing 4% of your portfolio annually to provide a stream of income. However, personal circumstances and market conditions may warrant adjustments to this "rule". Regularly reassess your

withdrawal plan to ensure it aligns with your needs.

### Leveraging Government Benefits to Your Advantage

Canada offers a range of government benefits that can bolster your retirement income. These include the Canada Pension Plan (CPP), Old Age Security (OAS), and Guaranteed Income Supplement (GIS). Understanding eligibility criteria, and optimal claiming strategies can significantly enhance your financial stability during retirement.

### Effective Tax Management

Tax efficiency is another powerful tool for preserving your retirement income. Strategically managing your withdrawals from different types of accounts – such as registered accounts (RRSPs/RRIFs) and non-registered accounts – can help minimize your tax liability. Consider timing your withdrawals to optimize tax brackets and explore income-splitting opportunities with your spouse.

In conclusion, retirement income strategies are the compass guiding you toward a successful and stress-free retirement. By adopting a holistic approach that encompasses portfolio diversification, budgeting, withdrawal planning, government benefit optimization, and tax management, you're setting the stage for financial security and the freedom to savour your retirement years. Remember that seeking advice from financial professionals and staying informed will empower you to make the best decisions for your unique retirement goals.



# MARKET REVIEW

## Canadian Equities

- Canadian equities rose 1.1% during the second quarter of 2023.
- The top performing sectors were information technology and consumer discretionary, both generating returns above 6.0%.
- The worst performing sector was materials, generating a -6.9% quarterly return.
- The S&P/TSX Composite Index underperformed the S&P 500, MSCI ACWI, and MSCI World.

## Foreign Equities

- International markets, represented by the MSCI EAFE Index (C\$), and the U.S. market, represented by the S&P 500 Index (C\$), returned 0.9% and 6.3% respectively for the quarter.
- Global markets, represented by the MSCI World Index (C\$), returned 4.6%.

## Fixed Income

- The U.S. Federal Reserve raised its key interest rate from 5.0% to 5.25% during the quarter,

pausing rate hikes during its June committee meeting.

- The Bank of Canada paused rate hikes during its April meeting but hiked its key interest rate from 4.5% to 4.75% during the June meeting.
- Inflation readings in both the U.S. and Canada moderated, but the bond markets appear to be pricing in at least one more policy rate hike for both central banks by the end of this year. Although the downward trend in inflation readings is encouraging, core inflation remains far off from central banks' 2% targets.
- The Canada 10 Year Bond yield rose from 2.90% in Q1 to 3.27% in Q2. Additionally, the Canada 2 Year Bond yield rose from 3.74% in Q1 to 4.59% in Q2. The yield curve measured by the 10-year minus 2-year yields continues to be inverted, demonstrating that the market is expecting a decline in interest rates in the medium to long term.

## 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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