Canadian Centre for Christian Charities

Supporting ministries in a complex world

retirement

PLAN REVIEW

Q2 2025

Contents

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.

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Period Ending June 30, 2025				
	1 Year	**3 Year**	**4 Year**	**10 Year**
Balanced Funds				
Jarislowsky Fraser Balanced	15.2	14.0	6.9	7.4
JF Balanced Benchmark	*14.7*	*12.0*	*6.4*	*6.7*
Mackenzie SRI Balanced	15.8	11.7	7.3	6.9
Mackenzie SRI Balanced Benchmark	*14.6*	*12.0*	*6.4*	*6.7*
Money Market Fund				
Mackenzie Money Market	3.9	4.4	3.4	2.0
FTSE Canada 91 Day T-Bill Index	*3.8*	*4.2*	*3.2*	*1.8*
Fixed Income Fund				
MFS Canadian Fixed Income	6.7	4.8	0.4	2.2
FTSE Canada Universe Index	*6.1*	*4.3*	*0.1*	*1.9*
Canadian Equity Funds				
Jarislowsky Fraser Canadian Equity	25.8	18.8	10.3	9.8
Mackenzie SRI Canadian Equity	23.7	14.7	12.0	10.1
S&P/TSX Composite Index	*26.4*	*16.1*	*10.7*	*9.6*
U.S. Equity Fund				
MFS American Equity	10.3	18.1	11.4	13.1
S&P 500 Index	*14.8*	*22.0*	*14.0*	*14.7*
Global Equity Fund				
Mawer Global Equity	0.4	11.2	6.5	n/a
MSCI ACWI Index	*15.8*	*19.6*	*10.7*	*11.0*
International Equity Fund				
MFS International Equity	16.6	18.4	10.4	9.6
MSCI EAFE Index	*18.0*	*18.8*	*9.6*	*8.0*
Target Date Funds				
Fidelity ClearPath Income Portfolio	8.6	6.8	2.7	3.6
Fidelity ClearPath 2020 Portfolio	10.4	9.2	3.6	5.6
Fidelity ClearPath 2025 Portfolio	11.7	10.8	4.6	6.3
Fidelity ClearPath 2030 Portfolio	12.9	12.2	5.5	7.0
Fidelity ClearPath 2035 Portfolio	14.0	13.3	6.3	7.8
Fidelity ClearPath 2040 Portfolio	15.3	15.2	7.5	8.7
Fidelity ClearPath 2045 Portfolio	16.9	16.7	8.5	9.1
Fidelity ClearPath 2050 Portfolio	16.9	16.7	8.5	9.1
Fidelity ClearPath 2055 Portfolio	16.9	16.7	8.5	9.1
Fidelity ClearPath 2060 Portfolio	16.9	16.7	8.5	n/a
Fidelity ClearPath 2065 Portfolio	16.8	n/a	n/a	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 Fund

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.

Habits of People Who Build Wealth Consistently

As a member of a retirement plan, you already have one of the best tools for long-term financial success. But how do the most consistent wealth builders turn good tools into lasting results? Here are the key habits they share and how you can apply them to your retirement journey:

1. **They Pay Themselves First** - Before spending on anything else, successful wealth builders contribute regularly to their savings and retirement accounts.

   Tip: If your plan offers matching contributions, aim to contribute at least enough to get the full match; it's essentially free money.

2. **They Invest with a Long-Term Mindset** - Consistent wealth builders don't chase trends or panic during downturns. They focus on long-term growth, not short-term noise.

   Tip: Stick with your investment strategy during market fluctuations. As the saying goes, time in the market beats timing the market. Rebalancing periodically keeps your portfolio aligned with your goals.

3. **They Stay Educated and Ask Questions** - Wealth builders take time to understand how money works. They stay informed, ask questions, and seek advice when needed.

   Tip: Use the financial literacy tools and resources available through your recordkeeper. Attend webinars, read plan newsletters, or speak with a plan advisor. A little knowledge can go a long way.

4. **They Set Goals and Monitor Progress** - They define what wealth means to them - financial freedom, early retirement, or legacy planning - and track their progress regularly.

   Tip: Use your retirement calculator or member portal to model different scenarios. Knowing where you stand can motivate you to stay on course or adjust as needed.

The secret to building wealth isn't about making perfect decisions, it's about making consistently good ones. With the structure and support of your retirement plan, you're already on the right path. Add in a few of these habits, and your financial future becomes not just possible, but powerful.

Avoiding Late-Stage Retirement Pitfalls

As you approach retirement, late-stage retirement planning is not just about having enough saved but it's about using your savings wisely, protecting it, and setting yourself up for long-term stability. Here are key pitfalls to avoid and smart strategies to help you retire with confidence:

1. **Underestimating Longevity Risk** - Many retirees underestimate how long they will live and therefore how long their retirement income needs to last. With advances in healthcare, it's increasingly common to spend 25-30 years in retirement.

   Tip: Plan for at least 30 years of retirement income. Consider income products like annuities that stretch your savings while offering some level of income security.

2. **Poor Withdrawal Strategy** - Withdrawing too much too soon can quickly deplete your savings. Relying on a flat percentage or guessing can backfire in volatile markets.

   Tip: Consider working with a financial advisor to develop a flexible withdrawal strategy which can be adjusted based on market performance, inflation, and personal needs.

3. **Ignoring Inflation's Impact** - Over time, inflation erodes purchasing power. Even at a modest 2% annual inflation rate can catch up with you over time.

   Tip: Consider maintaining some exposure to growth assets like equities or inflation-protected securities in retirement to help offset rising costs.

4. **Not Factoring Healthcare Costs** - Healthcare often becomes one of the largest expenses in retirement, especially beyond age 75. Failing to budget for these costs can strain your finances.

   Tip: Investigate government programs, private insurance options, and out-of-pocket costs early. Consider setting aside a separate fund or using your plan assets strategically to cover health-related expenses.

5. **Not Having a Contingency Plan** - Life is unpredictable. Unexpected expenses, market downturns, or changes in personal health or family circumstances can derail even well-laid-out plans.

   Tip: Build flexibility into your plan. Keep an emergency fund and review your budget annually. Consider setting up the power of attorney and updating your will regularly to protect your assets and loved ones.

Your retirement savings plan gives you a strong foundation as well as tools to begin. By combining it with thoughtful planning and adequate savings for your retirement needs on your end, you can turn your savings into a sustainable and fulfilling retirement.

MARKET REVIEW

Q2 2025

Economic trends are still having a big impact on how markets are doing in 2025. The Bank of Canada has already cut interest rates twice this year, lowering the rate to 2.75% from a high of 5% last year, as inflation continues to cool and the Canadian economy shows signs of improvement. On the other hand, the U.S. Federal Reserve hasn't lowered rates yet this year, even though many expected them to. People are still watching closely, as the general view is that the Fed will cut rates twice by 0.25% each before the year ends.

Outside of interest rates, global markets are still dealing with trade uncertainty. That includes renewed tariff talks between the U.S. and its trading partners, and wider concerns about global politics and supply chains. All of this is making the economic outlook for the rest of the year less certain.

Canadian stocks have had a strong 2025 so far, doing much better than U.S. markets — up 9.4% more year-to-date. The Financials and Materials sectors are leading the way. Canadian banks are performing well, especially in their wealth management and investment businesses. On top of that, higher prices for commodities like gold, copper, and aluminum have helped boost the resource-heavy materials sector. These trends are helping Canadian investors feel more confident about their portfolios.

In the U.S., stocks made a big comeback in the second quarter, mostly thanks to tech companies. But overall, the U.S. market has only gained 0.8% so far this year. Consumer Discretionary and Health Care stocks haven't done as well. People are spending less on non-essentials, with high interest rates and global uncertainty making shoppers more cautious. Meanwhile, health care companies are dealing with higher costs, tighter profit margins, and uncertainty over drug pricing reforms.

International markets are doing even better, up 13.8% year-to-date. That's due to solid earnings from companies, especially in Europe and Asia, along with stronger economic data from the Eurozone. Investor confidence has also grown as inflation eases and the European Central Bank signals more support for growth through its policies.

A note about the performance summary:

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