



**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](http://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](https://ssl.grsaccess.com)

Period Ending December 31, 2023				
	1 Year	3 Year	4 Year	10 Year
<b>Balanced Funds</b>				
Jarislowsky Fraser Balanced	16.1	4.9	6.0	7.0
<i>JF Balanced Benchmark</i>	<i>11.2</i>	<i>3.9</i>	<i>5.1</i>	<i>6.1</i>
Mackenzie SRI Balanced	10.1	4.9	5.4	n/a
<i>Mackenzie SRI Balanced Benchmark</i>	<i>11.8</i>	<i>3.9</i>	<i>5.3</i>	<i>6.0</i>
<b>Money Market Fund</b>				
Mackenzie Money Market	5.1	2.4	2.0	1.5
<i>FTSE Canada 91 Day T-Bill Index</i>	<i>4.7</i>	<i>2.2</i>	<i>1.9</i>	<i>1.3</i>
<b>Fixed Income Fund</b>				
MFS Canadian Fixed Income	7.3	-2.7	0.3	2.7
<i>FTSE Canada Universe Index</i>	<i>6.7</i>	<i>-2.8</i>	<i>0.0</i>	<i>2.4</i>
<b>Canadian Equity Funds</b>				
Jarislowsky Fraser Canadian Equity	19.1	9.5	8.3	8.0
Mackenzie SRI Canadian Equity	9.5	10.9	9.7	8.5
<i>S&amp;P/TSX Composite Index</i>	<i>11.8</i>	<i>9.6</i>	<i>8.6</i>	<i>7.6</i>
<b>U.S. Equity Fund</b>				
MFS American Equity	16.8	10.1	10.7	13.4
<i>S&amp;P 500 Index</i>	<i>22.9</i>	<i>11.3</i>	<i>12.5</i>	<i>14.5</i>
<b>Global Equity Fund</b>				
Mawer Global Equity	18.5	9.4	9.8	n/a
<i>MSCI ACWI Index</i>	<i>18.9</i>	<i>7.0</i>	<i>8.7</i>	<i>10.3</i>
<b>International Equity Funds</b>				
MFS International Equity	17.1	7.5	7.9	9.1
Sprucegrove International Equity	14.1	5.0	4.4	6.2
<i>MSCI EAFE Index</i>	<i>15.7</i>	<i>5.7</i>	<i>5.9</i>	<i>7.1</i>
<b>Target Date Funds</b>				
Fidelity Clearpath Income Portfolio	7.4	0.2	1.9	3.5
Fidelity Clearpath 2020 Portfolio	9.4	1.1	3.3	5.7
Fidelity Clearpath 2025 Portfolio	10.6	1.9	4.2	6.3
Fidelity Clearpath 2030 Portfolio	11.9	2.8	5.0	6.9
Fidelity Clearpath 2035 Portfolio	12.8	3.7	5.7	7.5
Fidelity Clearpath 2040 Portfolio	14.1	5.1	7.0	8.2
Fidelity Clearpath 2045 Portfolio	15.0	5.5	7.4	8.4
Fidelity ClearPath 2050 Portfolio	14.9	5.5	7.4	8.4
Fidelity ClearPath 2055 Portfolio	14.9	5.5	7.4	8.3
Fidelity ClearPath 2060 Portfolio	14.9	5.5	7.4	n/a

# Your Investment Funds

## Balanced Funds

*Jarislowky 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

*Jarislowky 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.

*Sprucegrove International Equity*— Provides a value approach to the management of equities. It emphasizes long-term investment and it focuses on the selection of individual securities using a bottom-up, research driven approach.

## 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.

# Tax Information and Retirement Plan Limits for 2024

You should be receiving your T4: Statement of Remuneration Paid from your employer shortly. If you were a member of a pension plan or a Deferred Profit-Sharing Plan (DPSP) during the 2023 tax year, in box 52 on the T4 you will see an amount for a Pension Adjustment.

## What is a Pension Adjustment?

The Pension Adjustment (PA) represents the value of the pension/DPSP benefits you earned in the previous year, and it is used to adjust your Registered Retirement Savings Plan (RRSP) contribution room.

The allowable RRSP contribution for the current year is the lower of:

- 18% of your earned income from the previous year; or
- The maximum annual contribution limit for the taxation year; plus
- Any unused RRSP contribution room for prior years; less
- The sum of contributions to a pension plan or DPSP for the prior year (also known as your PA).

The PA ensures that the total amount contributed to your company sponsored pension plan or DPSP and your RRSP does not exceed Income Tax Act limits.

Below are the retirement plan contribution limits for 2023/2024:

	Registered Retirement Savings Plan (RRSP)*	Money Purchase (DC) Registered Pension Plan	Defined Benefit (DB) Registered Pension Plan	Deferred Profit Sharing Plan (DPSP)	Tax Free Savings Account (TFSA)*
<b>2024</b>	<b>\$31,560</b>	<b>\$32,490</b>	<b>\$3,610.00</b>	<b>\$16,245</b>	<b>\$7,000</b>
2023	\$30,780	\$31,560	\$3,506.67	\$15,780	\$6,500

\* Unused contribution room can be carried forward from year to year.

## Canada Pension Plan (CPP) and Quebec Pension Plan (QPP)

Below are the CPP and QPP maximum pensionable salary and contribution rates for 2023/2024:

		2024	2023
Canada Pension Plan (CPP)	Year's Maximum Pensionable Earnings (YMPE)	<b>\$68,500</b>	\$66,600
	Contribution Rate (Employee/Employer)	<b>5.95%</b>	5.95%
	Max Contribution (Employee/Employer - each)	<b>\$3,868</b>	\$3,754
Quebec Pension Plan (QPP)	Contribution Rate (Employee/Employer)	<b>6.40%</b>	6.40%
	Max Contribution (Employee/Employer - each)	<b>\$4,348</b>	\$4,038

## Time for a Check-Up: Assessing Your Retirement Plan

As you approach retirement, it is important to review your investment strategy with respect to current market conditions. Although your current investment allocation may have been effective in the past, it is important to recognize the impact of inflation and its effect on purchasing power over the long term.

While everyone has a different level of risk tolerance and your particular asset mix should meet your specific needs, relying solely on bonds or cash equivalents in today's market environment may not provide enough financial security to support you over the long term. Allocating a portion of your portfolio to equities could offer the growth potential necessary to sustain your standard of living throughout retirement. While market fluctuations may cause short-term anxiety, history has shown that equity investments appreciate at a rate greater than inflation over the long run.

Additionally, as you near retirement, it is important to understand that your investment horizon does not end the day you stop working. With life expectancies on the rise, it is prudent to plan for a retirement that could extend well into your 80s or even 90s. This means that your investment strategy should be designed not just to provide for your immediate needs but also to support your expected lifestyle post-retirement.

Take a proactive approach to managing your investments by staying informed, reassessing your strategy as needed, and seeking professional guidance when necessary. This can help ensure that your retirement years are financially secure and fulfilling. Consulting with a financial advisor can help make sure that your investment strategy aligns with your retirement goals and risk tolerance, empowering you to navigate today's investment landscape with confidence.



# MARKET REVIEW

## Canadian Equities

- Canadian equities returned 8.1% during the fourth quarter of 2023.
- The top performing sectors were information technology and financials, generating returns of 24.0% and 12.8% respectively.
- All sectors yielded positive returns except for the energy sector, which generated a return of -1.3%.
- Decreases in energy prices due to easing inflation pressure have been a main contributor to the underperformance.
- The S&P/TSX Composite Index underperformed the S&P 500 Index and MSCI World Index over the quarter.

## 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 7.7% and 8.9% respectively for the quarter.
- Global markets, represented by the MSCI World Index (C\$), returned 8.8% for the quarter.

## Fixed Income

- Both The U.S. Federal Reserve and the Bank of Canada kept their key interest rates unchanged at 5.50% and 5.00% respectively during the quarter, the first time there have not been any rate hikes over a full quarter during this hiking cycle.
- As the markets anticipate a peak in interest rates and an increased likelihood of major central banks initiating rate cuts in 2024, both Canadian and U.S. yields dropped over the quarter.
- Inflation moderated with core inflation in Canada falling from 2.8% year-over-year in September to 2.6% in December and core inflation in the U.S. falling from 4.1% year-over-year in September to 3.9% in December.

## 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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