



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

Period Ending June 30, 2021				
	1 Year	3 Year	4 Year	10 Year
<b>Balanced Funds</b>				
Jarislowsky Fraser Balanced	18.1	9.0	8.2	9.0
<i>JF Balanced Benchmark</i>	15.2	8.2	7.7	7.3
Mackenzie SRI Balanced	13.5	6.9	6.9	n/a
<i>CCCC SRI Balanced Benchmark</i>	14.9	8.7	8.0	n/a
<b>Money Market Fund</b>				
MFS Canadian Money Market	0.2	1.1	1.1	1.0
<i>FTSE Canada 91-Day T-Bill Index</i>	0.1	1.1	1.1	0.9
<b>Fixed Income Fund</b>				
MFS Canadian Fixed Income	-1.6	4.6	3.7	4.2
<i>FTSE Canada Universe Index</i>	-2.4	4.2	3.3	3.9
<b>Canadian Equity Funds</b>				
Jarislowsky Fraser Canadian Equity	36.8	10.6	10.0	9.1
Mackenzie SRI Canadian Equity	30.2	9.7	9.9	8.5
<i>S&amp;P/TSX Composite Index</i>	33.9	10.8	10.7	7.4
<b>U.S. Equity Fund</b>				
MFS American Equity	27.7	15.9	15.4	16.9
<i>S&amp;P 500 Index</i>	28.0	16.3	16.2	17.7
<b>International Equity Fund</b>				
Sprucegrove International Equity	32.9	4.6	6.4	8.5
<i>MSCI EAFE Index</i>	20.8	6.6	7.1	9.1
<b>Target Date Funds</b>				
Fidelity Clearpath Income Portfolio	7.3	5.0	4.5	5.1
Fidelity Clearpath 2020 Portfolio	14.2	7.8	7.4	7.7
Fidelity Clearpath 2025 Portfolio	17.1	8.7	8.2	8.5
Fidelity Clearpath 2030 Portfolio	20.0	9.4	8.9	8.9
Fidelity Clearpath 2035 Portfolio	22.9	10.1	9.7	9.6
Fidelity Clearpath 2040 Portfolio	28.0	11.3	10.7	10.2
Fidelity Clearpath 2045 Portfolio	28.5	11.4	10.9	10.3
Fidelity ClearPath 2050 Portfolio	28.5	11.5	10.9	n/a
Fidelity ClearPath 2055 Portfolio	28.5	11.5	10.9	n/a
Fidelity ClearPath 2060 Portfolio	28.4	11.4	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

*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.

# Saving Big vs. Saving Small

Often you will hear people talk about creating a budget for themselves and one of the first things they attempt to cut out is going to their favourite coffee shop in the morning before work. The math behind this suggestion checks out; if you make your own coffee, you can save \$3-4 a day. Take it one step further and make your own your lunch each day and you can save \$10-15 a day. These savings add up.

At face value this may seem easy, but if you enjoy a cup of coffee (or a latte) a day and your preference is to get it from your favourite coffee shop, you might be able to do it for the first couple weeks or months, but you will more than likely be back. The one morning you are in a rush out the door, might be the last morning you attempt to make your morning cup of joe at home. It's much easier and convenient to *buy* coffee and most people aren't sufficiently motivated to make their own to save a couple dollars.

Instead of looking at saving small, where can you save big with minimal effort? **Take a few minutes to review your retirement savings plan *right now*.** How much are you contributing to your company's retirement plan and/or your TFSA? Are you taking full advantage of your company's matching formula? Do you have room in your budget to

contribute more? If so – do it. And drink your “expensive” coffee without guilt because you know you have your savings set up already!

Another way you can save big is thinking about your recurring monthly expenses. Have you considered renegotiating any contracts you have, like your cell phone, TV or internet bill? If you aren't under a contract, it doesn't hurt to try and renegotiate (they won't *increase* your bill), and it can easily save you more than \$50 a month. In one twenty-minute phone call, you can save \$50 each and every month for as long as the contract lasts.

Those are some easy examples of how taking a small amount of time right now can set you up for automatic savings throughout the year. There are a ton of these examples everywhere once you look at where you're spending money and whether there are steps you can take to lower it.

## The Price of Early Withdrawal

Everyone encounters situations and circumstances in their life that may require them to withdraw funds early. For some, retirement may seem so far away that it's difficult to imagine the impact early withdrawals from your registered savings plan may have on your retirement savings. However, knowing the full cost of withdrawals can help ensure you make the right decision.

### **What am I missing out on by making an early withdrawal?**

By making an early withdrawal you are missing out on the opportunity for that money to continue to grow over time. For example, if you withdraw \$5,000 today you are giving up the opportunity for that money to grow to over \$34,000 in 25 years (based on an annual rate of return of 8%) as a result of the effects of compounding.

### **Are there any tax implications?**

If you withdraw funds from a registered savings account they are fully taxable and must be reported as income on your income tax return. Locked-in assets from a pension plan cannot be withdrawn before retirement in most cases. When you need funds, your tax sheltered plans, such as a company sponsored plan or RRSPs, should be the last option.

Instead of making a withdrawal from a registered plan you would be better off withdrawing from non-registered investments. With non-registered investments, you've already paid the taxes on the deposits made to the account. You will likely have already paid tax on an ongoing basis for any interest or dividends you have earned along with any realized capital gains.

Alternatively, if you incur a capital loss you may apply this loss to reduce your capital gain for the current year. If you don't have any capital gains for the current year you may apply your capital loss back three years or carry it forward to future years.

If you must make an early withdrawal, you should revisit your retirement plan and make the necessary adjustments (including a special contribution in the future) to compensate for this decrease in retirement savings.



# MARKET REVIEW

## Canadian Equities

- Canadian Equities increased by 8.5% during the second quarter of 2021.
- The top performing sectors in the quarter were the information technology, energy, real estate, and communication services sectors.
- Canadian equities outperformed U.S. equities, international equities, global equities, and emerging markets during the quarter.
- All sectors within the S&P/TSX Composite Index except for the health care sector generated positive returns during the quarter.

## 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 up 6.3% and 6.9% respectively for the quarter.
- The MSCI EAFE Index (C\$) rose by 3.8%.

## Fixed Income

- The U.S. Federal Reserve maintained its key interest rate at a range of 0-0.25% during the quarter while signaling they expect to raise interest rates in 2023 rather than 2024.
- Similarly, the Bank of Canada decided to hold its key interest rate at 0.25% until its inflation objective is sustainably achieved.
- The U.S. Federal Reserve continues to classify the recent inflation run-ups as “transitory”, amid hotter than expected inflation data, as Fed officials expect PCE inflation to average 3.4% in the final three months of 2021.
- The U.S. Federal Reserve has committed to maintaining an accommodative stance on monetary policy with monthly bond purchases expected to continue. In addition, the Bank of Canada continues to commit to its quantitative easing program at a target pace of \$3 billion per week, down from \$4 billion per week in Q1 2021.

## 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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