



Your Fund Selection Guide



Use this guide to help you make investment choices for the KPMG Retirement Program.

About this Fund Selection Guide

Working through this guide will help you make investment choices suited to your needs.

If you have questions about your investments...

- You can contact a Financial Education Specialist by calling **1-888-727-7766** from Monday to Friday, between 9 a.m. and 5 p.m. ET.



Determine what type of investor you are

To Do! Answer the questions below to determine whether you should build your own portfolio or select a single, ready-made fund.

	A	B
How interested are you in selecting investments for your retirement savings?	I am not interested. <input type="checkbox"/>	I am very interested. <input type="checkbox"/>
How likely are you to monitor and rebalance your investments on an annual basis?	I don't want to review my investments. <input type="checkbox"/>	I check my investments on a regular basis (at least quarterly). <input type="checkbox"/>
How would you rate your investment knowledge?	I have little to no knowledge about investing. <input type="checkbox"/>	I am confident in my investment knowledge. <input type="checkbox"/>

If you chose two or more responses from...	The best investment strategy for you is...	Turn to page...
Column A	<p>...to select a Target Date Fund.</p> <p>A Target Date Fund offers a well-balanced investment portfolio inside a single fund. Each fund is identified by its year of maturity, and as the maturity date approaches the fund gradually rebalances to become more conservative.</p> 	4
Column B	<p>...to build your own portfolio.</p> <p>Choose from the individual funds available through your program to build your own portfolio.</p> 	5



How to choose a Target Date Fund

To Do!

- Decide at what age you want to retire: _____
Calculate the year you plan to retire: _____

Use the table below to select the Target Date Fund that is best suited to you.

For example: If you plan to retire in 2033, the fund best suited to you is the MLI BlackRock LifePath Index 2035 fund.

- Specify the 4-digit fund code for the Target Date Fund you select in the *Your investment instructions* section on each **Application form**.

If you plan to retire during the period...	The Target Date fund for you is...	Fund code
Before 2021	MLI BlackRock LifePath Index 2020 Fund	2324
2021 – 2025	MLI BlackRock LifePath Index 2025 Fund	2325
2026 – 2030	MLI BlackRock LifePath Index 2030 Fund	2326
2031 – 2035	MLI BlackRock LifePath Index 2035 Fund	2327
2036 – 2040	MLI BlackRock LifePath Index 2040 Fund	2328
2041 – 2045	MLI BlackRock LifePath Index 2045 Fund	2329
2046 – 2050	MLI BlackRock LifePath Index 2050 Fund	2330
2051 or later	MLI BlackRock LifePath Index 2055 Fund	2331

If you are already retired, or are close to retirement, there is retirement fund (2321 – MLI BlackRock LifePath Index Retirement Fund) that you may be interested in.

To see the **investment management fees** and **historical rates of returns** for these funds return to www.manulife.ca/KPMG website and select the **Fund Selection** option from the left menu.

Links to detailed descriptions of each fund and applicable IMF can be found under bullet **#3 Your Investment Knowledge**.

Rates of return can be found by clicking the link found in bullet **#5 Rates of Return**.



Determine your investor style

To Do!

- Circle one answer for each question.
- Keep track of your score for each question.
- Tally the scores you record for each question to get your total.

Your age, the numbers of years remaining until you retire, and how you feel about risk will determine your investor style. Once you know your investor style, you can choose funds for your retirement savings.

- | | Your score |
|--|--------------------------|
| <p>1. What is your investment horizon – when will you need this money?</p> <ul style="list-style-type: none">a. Within 3 years (0)b. 3-5 years (3)c. 6-10 years (5)d. 11-15 years (8)e. 15 + years (10) | <input type="checkbox"/> |
| <p>2. What is your most important investment goal?</p> <ul style="list-style-type: none">a. To preserve your money (0)b. To see modest growth in your account (4)c. To see more significant growth in your account (7)d. To earn the highest return possible (10) | <input type="checkbox"/> |
| <p>3. Please indicate which statement reflects your overall view of managing risk:</p> <ul style="list-style-type: none">a. I don't like risk and I am not prepared to expose my investments to any market fluctuations in order to earn higher long-term returns. (0)b. I am prepared to experience modest short-term market fluctuations in order to generate growth of capital. (2)c. I am prepared to experience average short-term market fluctuations in order to achieve a higher long-term return. (4)d. I want to maximize my long-term returns and am comfortable with significant short-term market fluctuations. (6) | <input type="checkbox"/> |

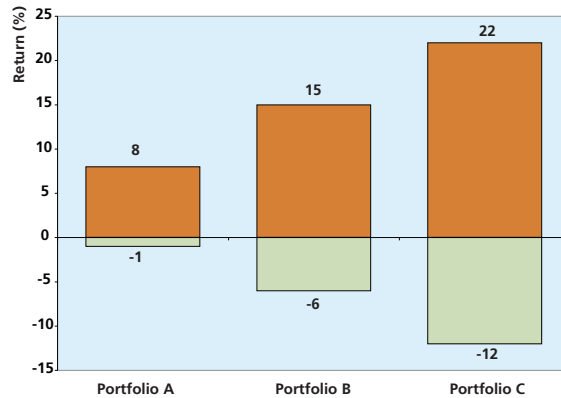
4. If you owned an investment that declined by 20% over a short period, what would you do?

- a. Sell all of the remaining investment (0)
- b. Sell a portion of the remaining investment (2)
- c. Hold the investment and sell nothing (4)
- d. Buy more of the investment (6)

5. If you could increase your chances of improving your investment returns by taking more risk, would you:

- a. Be unlikely to take more risk (0)
- b. Be willing to take a little more risk with some of your portfolio (2)
- c. Be willing to take a lot more risk with some of your portfolio (4)
- d. Be willing to take a lot more risk with your entire portfolio (6)

6. The following picture shows three model portfolios and the highest and lowest returns each is likely to earn in any given year. Which portfolio would you be most likely to hold?



- a. Portfolio A (0)
- b. Portfolio B (3)
- c. Portfolio C (6)

7. After several years of following your retirement plan, you review your progress and determine you are behind schedule and will need to modify your strategy in order to retire at your preferred age. What would you do?

- a. Keep the same investments you currently hold, but increase your contributions as much as possible. (0)
- b. Slightly increase your exposure to riskier investments and slightly increase your contributions. (3)
- c. Move your entire portfolio to riskier investments, hoping to achieve the highest long-term return. (6)

8. Which statement best applies to your approach regarding achieving your retirement income goals on time?

- a. I must achieve my financial goal by my target retirement date. (0)
- b. I would like to come close to achieving my financial goal by my target retirement date. (2)
- c. If I have not reached my financial goal by my target retirement date, I have the flexibility to delay my target retirement date. (4)
- d. I re-evaluate my financial goals and target retirement date regularly and have the flexibility to adjust them to align with the performance of my investments. (6)

Your total score:

Match your score to an investor style below.

If your score is between...	Your investor style is...	About your investor style
0 – 7	Conservative	Protecting your money is your chief concern. You may be approaching retirement, or simply prefer to take a cautious approach to investing and preserve your money.
8 – 22	Moderate	You want your money to grow, but are more concerned about protecting it. Retirement may be in your near future or you may prefer to be cautious with your investments and preserve your money.
23 – 37	Balanced	You want a balance between growth and security although you will accept some risk to have the potential for higher returns over time.
38 – 48	Growth	You want to increase your money and are somewhat comfortable riding the ups and downs of the market in exchange for the possibility of higher returns over the long term. You may have time on your side until you retire.
49 – 56	Aggressive	You want to maximize the long-term growth of your retirement savings. You understand the ups and downs of the markets and are comfortable taking a lot of risk to maximize potential returns. You have plenty of time to wait out market cycles until you retire.

My investor style is: _____



How to build your own portfolio

To Do! Find the sample portfolio that matches your investor style (on page 7).

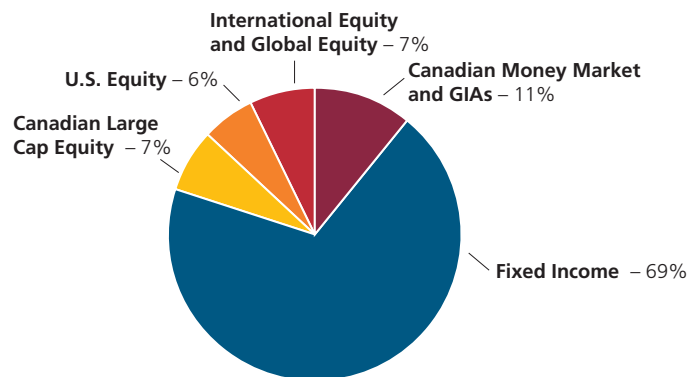
You can use the sample portfolios as a guideline to help you choose individual funds. To ensure you create a well-diversified portfolio, select at least one fund from each asset class.

Each asset class in the sample portfolio is represented by a different colour. When choosing funds, look for fund fact sheets in the same colour as the slices of each pie chart provided below.

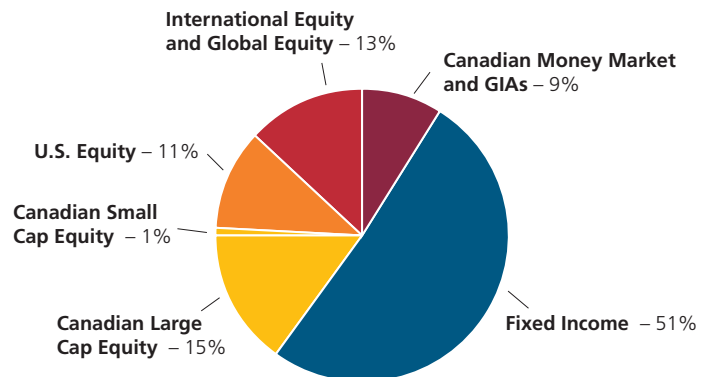
If your investor style is...

A recommended asset mix for you is...

Conservative



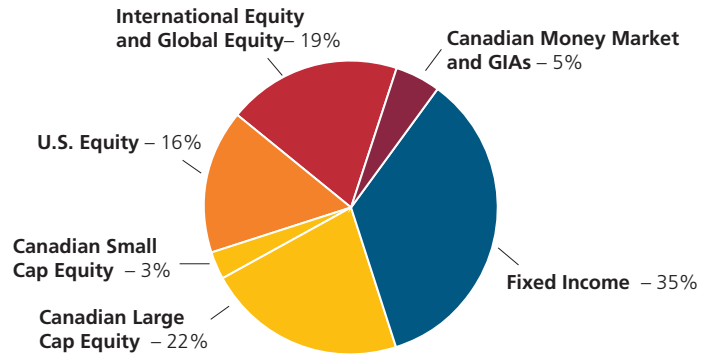
Moderate



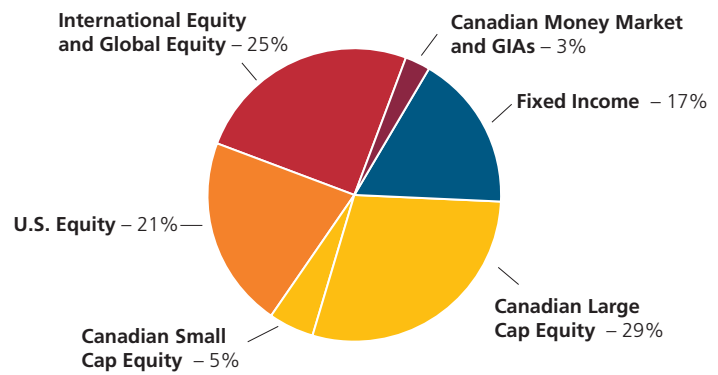
If your investor style is...

A recommended asset mix for you is...

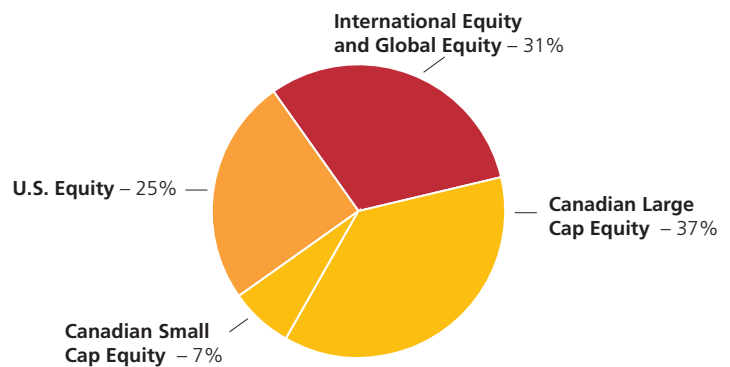
Balanced



Growth



Aggressive



Notes:

- Balanced funds are **not** included in the sample portfolios. These funds are already well-diversified and generally invest 40% in fixed income investments and 60% in equity investments. Keep this in mind when you are using the guidelines shown.
- You should consider how your savings outside of this plan are invested. Your other investments may already fulfill some parts of the sample portfolios in the above table. The guidelines provided are only suggestions.

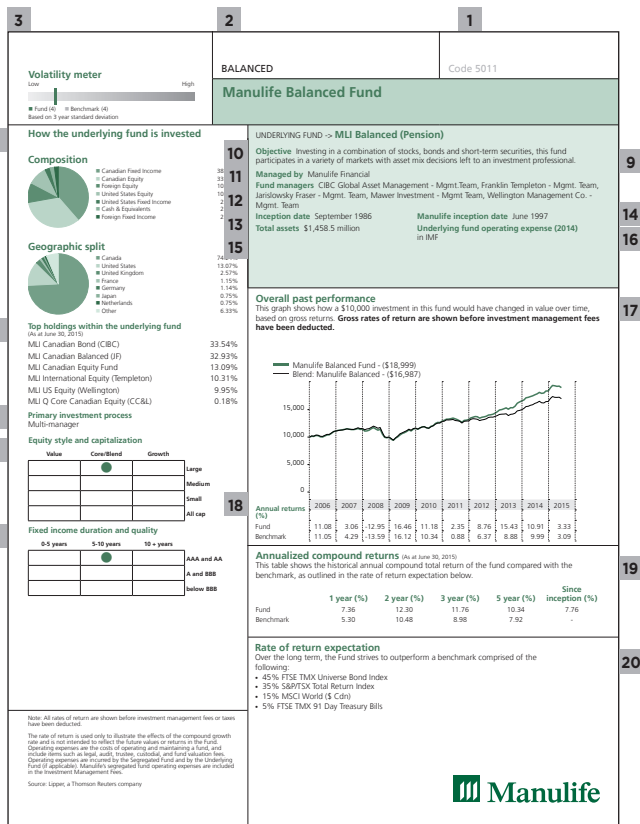
Where to find detailed fund information

A summary of the funds available through your group program – including the investment management fees and historical rates of returns for these funds – can be found by returning to www.manulife.ca/KPMG website and selecting the **Fund Selection** option from the left menu.

Links to detailed descriptions of each fund and applicable IMF can be found under bullet **#3 Your Investment Knowledge**.

Rates of return can be found by clicking the link found in bullet **#5 Rates of Return**.

How to Read Fund Descriptions



1. Fund code

Each fund is named using a unique code. Identify a specific fund using its fund code when you select or change your investments.

2. Asset class

The types of investments (such as Canadian Equity, International Equity, Fixed Income) that account for the majority of the fund's holdings. Funds are colour-coded by asset class.

3. Volatility meter

The volatility meter is a 25-point scale – ranging from low to high – that illustrates the amount that a fund's value is likely to fluctuate. Volatility is based on the standard deviation of monthly

returns over a three-year period. Funds in operation for less than three years are rated using the longest time period available. For a fund or underlying fund where return history is less than one year, no volatility rating will appear.

4. How the underlying fund is invested

The pie chart shows the types of investments in the underlying fund and the percentage of the overall portfolio they represent.

5. Top holdings

Top holdings refers to the individual investments in the underlying fund that comprise the largest percentage of the overall portfolio. This is determined using the percentage weighting of the fund's net market value.

6. Primary investment process

Fund managers use a number of approaches to determine the asset allocation of a fund and to select the individual securities it will hold. Some typical approaches:

Fundamental Bottom-up – This approach considers the investment merits of individual companies.

Quantitative – This technique applies mathematical research and statistical models to identify attractive investments.

Index – An indexed portfolio is constructed to mimic the performance of a specific market index. This approach is also known as passive investing.

Multi-manager – A multi-manager fund is directed by more than one investment manager and often combines different investment styles or asset classes.

7. Equity style and capitalization

This chart displays the primary equity investment style (such as value or growth) the fund manager uses to select securities as well as the 'market capitalization' of securities in the fund. Market capitalization is the total market value of a particular company's outstanding shares. In the context of an investment fund, this term refers to the size of the companies whose stocks are held in the fund. This term only applies to funds with equity – or stock – holdings.

8. Fixed income duration and quality

This chart shows the fund manager's target duration (short = 0-5 years, medium = 5-10 years, long = 10+ years) as well as the credit quality of securities in the fund (high = AAA or AA, medium = A or BBB, low = BB or less).

9. Underlying fund

Market-based investment options available to group plans usually invest in existing pooled or mutual funds – these are known as the underlying funds. When a contribution is made to a Manulife fund, it's used to purchase units of the corresponding underlying fund.

10. Objective

The fund's primary investment goal(s) as determined by the fund manager.

11. Managed by

The investment management firm that oversees the fund.

12. Fund managers

The lead fund manager(s) responsible for the investment decisions regarding the underlying fund.

13. Inception date

The date the underlying fund was made available for purchase.

14. Manulife inception date

The date the fund was first available for purchase by Manulife group retirement clients.

15. Total assets

The total market value of all the assets invested in the underlying fund as of the specified date.

16. Underlying fund operating expenses

Operating expenses are the costs of operating and maintaining a fund, and include items such as legal, audit, trustee, custodial, and fund valuation fees. Operating expenses are incurred by the Manulife fund and by the underlying fund (if applicable).

17. Overall past performance

This graph shows how a \$10,000 investment in the fund changed in value over a specified period, and the value of that investment at the end of the period. It also compares this value with the value of the same investment in a related, broadly-based index.

18. Annual returns

The performance of the fund over various calendar years. This represents past performance and is not indicative of future results. Unit values fluctuate with the market value of the underlying fund's assets. Gross rates of return mean the investment performance of the fund before Investment Management Fees (IMFs) and applicable taxes are deducted.

An individual who invests in the fund earns a net return after fees. IMFs vary by firm and by plan. Returns shown here represent results for the Manulife fund and/or its underlying fund.

19. Annualized compound returns

Returns for a specified period of time expressed as an annualized rate.

20. Rate of return expectation

The benchmark that the performance of the fund manager is measured against.

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