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Selecting Your Investments

Last month we discussed the types of investments available to you in your group plan. With multiple segregated fund investment options available, members may be unsure how to select the investments to suit their personal situation.

We recommend that you start by identifying your risk tolerance through completion of the Investor Style Questionnaire. Simply answer the questions and then total the points response for each. The points total will correspond to one of the risk level categories ranging from a Conservative to a more Aggressive Investor Profile.

The next step is to select the investments to match the Investor Profile. There are three investment approaches available to you:

1) Asset Allocation Funds

Asset Allocation Funds are created with a mix of potential for growth and protection of capital to match each of the Investor Styles. Each Asset Allocation Fund consists of several underlying funds diversified by fund manager, asset class and investment style.

Asset Allocation Funds simplify the investment decision as you do not need to select the individual funds yourselves because the portfolios are customized for you by Investment Managers. These funds are re-balanced periodically to maintain the target mix of assets, namely of Equity, Bond, and Cash holdings.

These funds are diversified, simplistic and can be matched to each individual's tolerance for risk. As a result, Asset Allocation funds are selected by the majority of plan members.

2) Self-Directed Portfolios

This hands-on approach requires you to select individual funds to match your Investor Style. You become responsible for ensuring that you are creating your own diversified portfolio. You are also responsible for maintaining your desired asset mix.

3) Default Investment Option

Some plan members may not have selected an investment option at the time of plan enrolment. While the default investment option is usually a conservative investment, it is recommended that you become actively involved in your investment selection to ensure the mix is right for you.

To obtain an Investor Style Questionnaire or discuss your investment approach, you may contact our office toll-free at 1-800-666-0142 or via email at retire@reuterbenefits.com.