



# Plan your future



Here is some more information to help you save for the future. You can't plan for everything in life, but you can certainly plan for a more secure financial future.



**BATIRENTE**

# Welcome to Bâtirente

## A group retirement system designed to help you plan for a more secure financial future

Retirement planning may sound complicated, but it doesn't have to be. We're here to answer your questions, explain your options, and help you set some goals so that you can enjoy a retirement tailored to your needs.

Look for these symbols



Helpful information



Important instructions

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# How much should you save?

That depends on how you want to live in retirement. Different lifestyles will require different incomes. Experts say that in order to maintain the same lifestyle, you'll need to have 70% of your final salary when you retire. Before you can even determine how much you'll need in retirement, think about what you want to do when you retire. What will make you happy? Your basic values will probably remain the same, but your priorities may change over time.

Here's a sample of different retirement lifestyles and the amount of income you'll need to get there.

## Which one is most like you?



### HELEN

#### ARTIST

Targeted retirement annual income: \$30,000  
Required savings: \$300,000<sup>1</sup>

Helen has a demanding job and she dreams of a much more relaxed tempo for her retirement. She doesn't need to spend a lot of money to be happy. She likes to take long walks and take part in activities at her community centre. She also wants to enjoy artistic hobbies, which she has no time for at this stage of her life.



### ALBERT

#### HANDYMAN

Targeted retirement annual income: \$40,000  
Required savings: \$400,000<sup>1</sup>

Albert is an excellent handyman. His favourite hobby is wood-working and he likes building cabinets and furniture. He often helps his friends with their home improvement projects. When he retires, Albert wants to sell his house in the city and move to his cottage to indulge in his favourite activities.

<sup>1</sup> Based on a single life annuity guaranteed for 10 years, and assuming CPP/QPP and OAS benefits. Assumes an interest rate of 2.5% and pension amounts are indexed with inflation at 2%. Assumes a retirement in 2016 at age 65.



## KAREN AND NICK

### FAMILY-FOCUSED

Targeted retirement annual income: \$50,000  
 Required savings: \$550,000<sup>1</sup>

Both Karen and Nick come from large families. When they retire, they plan to spend more time with their children and grandchildren. They have always been very careful with money and by the time they retire, all their debts will be paid off (including their mortgage) and they won't have many expenses. They love to volunteer, spoil their grandchildren and have their friends and family over for meals.



## MANUEL AND SOPHIE

### EASY LIVING

Targeted retirement annual income: \$60,000  
 Required savings: \$800,000<sup>1</sup>

Manuel and his wife Sophie are passionate about outdoor activities. They've always been interested in health and fitness. Every winter, they travel to warmer climates for a few weeks. They love traveling and exploring new places and cultures. They don't intend to stop when they retire.



## STEPHEN

### URBAN LIFE

Targeted retirement annual income: \$70,000  
 Required savings: \$1,000,000<sup>2</sup>

Stephen has always enjoyed the city life because it offers him everything. He has a gym membership and goes to concerts, plays and other cultural events. In his free time, he goes out to eat with his friends. In the winter, he escapes the cold by taking at least one trip to somewhere warm and sunny once a year.

## Retirement goals may change

Your priorities may change as you get older. What's important to you at 35 may be very different when you're 60. It's a good idea to go back and reassess your retirement lifestyle every few years just to make sure you're still on track.

<sup>1</sup> Assumes a 60% joint and last survivor annuity guaranteed for 10 years, and assuming CPP/QPP and OAS benefits. Assumes an interest rate of 2.5% and pension amounts are indexed with inflation at 2%. Assumes a retirement in 2016 at age 65.

<sup>2</sup> Based on a single life annuity guaranteed for 10 years, and assuming CPP/QPP and OAS benefits. Assumes an interest rate of 2.5% and pension amounts are indexed with inflation at 2%. Assumes a retirement in 2016 at age 65.

# Where will the money come from?

There are many sources of retirement income:

- 1 Canada Pension Plan (CPP) or Quebec Pension Plan (QPP) for Quebec residents
- 2 Old Age Security (OAS)
- 3 Your personal savings and your group retirement savings plan

## Government plans only replace

## Between 20% and 40% of your average annual income

Today, most of us would find it challenging to live solely on CPP/QPP and OAS benefits. What's more, not everyone is eligible to receive the same amounts. For more details on eligibility, visit the Service Canada website at [servicecanada.gc.ca](http://servicecanada.gc.ca) or Retraite Québec website at [retraitequebec.gouv.qc.ca](http://retraitequebec.gouv.qc.ca).

Don't rely on the government plans alone to provide you with enough income in retirement. To maintain your standard of living, the rule of thumb is that you'll need **approximately 70% of your average gross annual income** from your last three years of work.



**i** Retiring early may be possible. Just make sure you explore all your options and save in line with your goals.

# When do you want to retire?

## Timing is everything

If you want to retire early, you'll need to plan accordingly.

Let's assume that Jasmine and Brian both earn \$50,000 before retirement. They each want to have an annual income of \$35,000 (i.e., 70% of their pre-retirement income).

Jasmine wants to retire at age 60 and Brian at age 65. To make up their \$35,000 retirement income, look at the images on the right to see where the money will come from.

## Something to think about

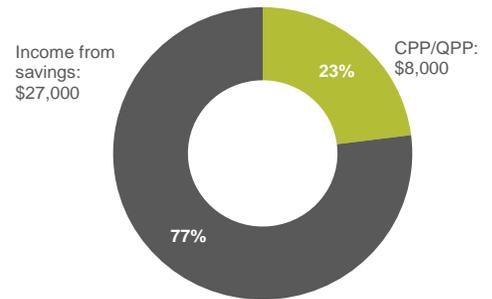
If you retire at age 65, you'll be eligible for 100% of your entitlement to your CPP or QPP. If you retire at 60, you can start receiving your CPP/QPP benefits, but your pension amount will be reduced every month before age 65. This reduction is permanent and your amounts will not increase when you reach age 65.

The OAS benefit is a monthly payment for most Canadians aged 65 and over. The date you're eligible to start receiving it depends on the year you were born. If you're eligible, you'll receive the OAS benefit even if you're still working or have never worked.



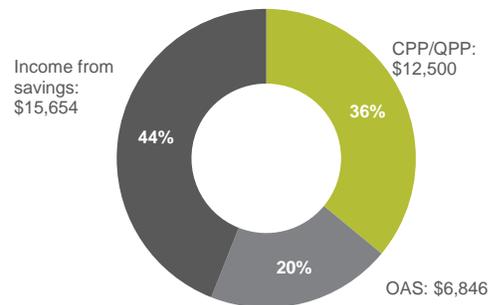
### JASMINE

Retiring at age 60  
Retirement income: **\$35,000**



### BRIAN

Retiring at age 65  
Retirement income: **\$35,000**



<sup>1</sup>Reflects a reduction of 0.6% per month because she is receiving her benefit before age 65.

Graphs are based on 2016 CPP/QPP and OAS benefits.



Regular and consistent contributions, plus the benefit of time will help you reach your retirement goals.

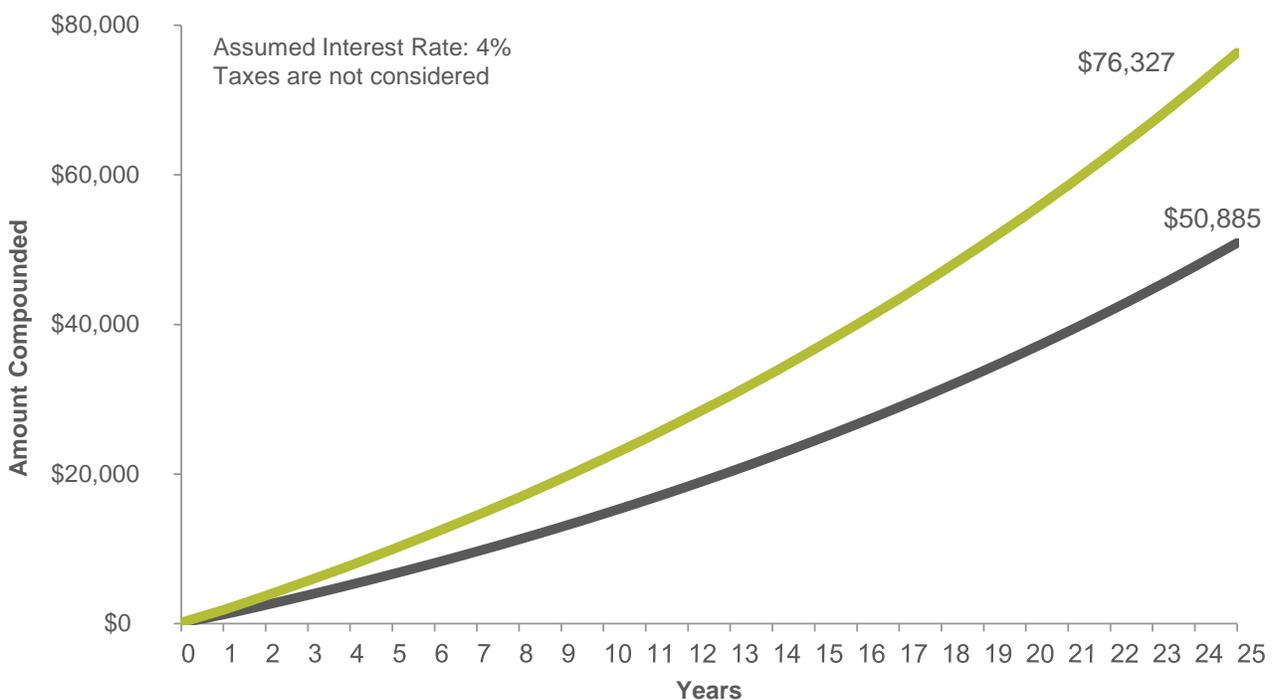
## How long should you save?

The growth of your money depends on two things: the income it generates and the length of time it is invested. Revenue generated by your plan's retirement savings are continually added to your savings and generate new revenues. This is called compound interest. Time is your friend because the longer your money is invested, the greater the effects of compounding. A good strategy is therefore to increase your monthly contribution, even by a small amount, to take advantage of the compound interest.

See how saving \$50 more a month for 25 years can make a big difference on your retirement savings.



**Monthly savings of \$100 and \$150 over 25 years**





For more information on the online tools and services to help you keep track of your savings, read the *Track your plan online* brochure.

## How much should you contribute?

Payroll deductions make it easy for you to contribute to your plan. They also help you get into the habit of saving. Once you know how much to save for the retirement lifestyle you want, the next step is to calculate how much to contribute every paycheck to reach that goal. It might sound complicated, but there's a handy tool to help you do that.



*On Target Retirement*® is an easy-to-use retirement planning goal tracker available on the *My account* secure section. You can use it on your computer or tablet. All you need to do is confirm your salary and your contribution amount and On Target Retirement will do all the calculations for you. It's a simple and useful tool that:

- ▶ Helps you determine your financial goals
- ▶ Makes it easy to see how your contributions can add up over time
- ▶ Allows you to make adjustments as your life changes
- ▶ Lets you try different scenarios to immediately see how that will affect your ability to reach your goal
- ▶ Will tell you how much more you need to contribute to meet your retirement goal if your current savings aren't enough
- ▶ Gives you a clear picture of how much money might come from government plans, your group retirement plan or your other savings and if applicable, any benefits you might receive from a defined benefit plan

Your results will automatically appear on your statement and homepage every time you log on to the *My account* secure section. That way, you'll always know whether you're on track to reach your goal.



Visit the *My account* secure section for information about the funds in your plan. Monthly fund sheets provide information on the nature, performance and objective of each fund and fund manager.

# What are your investment options?

Deciding where to invest is one of the most important steps in planning for retirement. When choosing your investments, don't put all your eggs in one basket. Diversify your investments and consider risk versus reward (or return).

Answer three simple questions to determine which choice is best for you:

1. Do you have the time necessary to understand your investment options, as well as monitor those options?
2. Do you have a good understanding of investment principles, asset classes and associated risks?
3. Would you like to create an investment strategy that is specific to your needs?

If you answered «no» to at least one of the three questions, the lifecycle path may be your best choice for a simple, hassle-free approach.

Here are some of the various investment options that could be available in your group retirement savings plan:

## 1 Trajectory, a lifecycle path

This is your simplest option. Your portfolio will match your age and investment horizon at all times. This strategy was designed by experts to provide you with optimal long-term returns based on the number of years to your retirement. Trajectory: peace of mind that pays!

### How does it work?

In the table below, find the Trajectory path that matches your profile and check this option in the Your investment instructions section on your enrolment form. You'll be assigned a starter portfolio based on your age. Your portfolio composition will change automatically over time and will become increasingly conservative as you approach retirement.

Your investor profile	Trajectory lifecycle path
Secure or moderate	Trajectory Secure Path
Balanced	Trajectory Balanced Path
Growth or aggressive	Trajectory Growth Path

### What are the Trajectory investment options?

Over time, Trajectory combines two out of the five Bâtirente Diversified Funds. These are excellent vehicles for long-term retirement capital investment. As shown in the table on the next page, they are distributed over a variety of securities from all over the world and belong to many different asset categories to ensure good diversification.

## 2 Bâtirente diversified funds

There is a Bâtirente Diversified Fund for every investor profile. However, your investor profile is going to change over time. This means that if you choose a diversified fund as your investment option, you'll need to make sure to fill out the **Investor profile** questionnaire at least once every two years to see if the selected fund still suits you.

INVESTOR PROFILE	FUND NO.	MATCHING DIVERSIFIED FUND	OBJECTIVE
SECURE	525	INCOME FUND	This fund seeks to provide income by emphasizing short-term capital security. <b>Management style:</b> Active <b>Markets:</b> North America Europe Pacific Rim Emerging
MODERATE	526	PATRIMONIAL FUND	This fund seeks to strike a balance between capital appreciation and income by emphasizing short-term capital security. <b>Management style:</b> Active <b>Markets:</b> North America Europe Pacific Rim Emerging
BALANCED	527	PROVIDENT FUND	This fund seeks to strike a balance between capital appreciation and income by emphasizing medium-term capital growth. <b>Management style:</b> Active <b>Markets:</b> North America Europe Pacific Rim Emerging
GROWTH	528	INTREPID FUND	This fund seeks to strike a balance between capital appreciation and income by emphasizing long-term capital growth. <b>Management style:</b> Active <b>Markets:</b> North America Europe Pacific Rim Emerging
AGGRESSIVE	529	ENERGETIC FUND	This fund seeks to maximize long-term capital growth. <b>Management style:</b> Active <b>Markets:</b> North America Europe Pacific Rim Emerging



■ Bond  
■ Equity  
■ Real estate and commodities

### 3 Combination of funds

You can create your own combination of Bâtirente Funds if you have the skills required to do so or if you get help from a personal advisor to build and monitor your portfolio.

FIXED INCOME SECURITIES		
FUND NO.	NAME	OBJECTIVE
530	MONEY MARKET	This fund aims to maximize interest income while providing significant capital security and a high level of liquidity. It uses active management of Canadian money market securities.
531	TREASURY MULTI	Emphasizing capital security with limited risk and a high level of liquidity, this fund aims to generate interest income as well as capital appreciation over short- and medium-term horizons, through active management of short-term bond securities and money market securities.
532	BOND MULTI	Emphasizing capital security, this fund aims to generate interest income as well as capital appreciation over medium- and long-term horizons, through active management of mostly Canadian fixed-income securities of diverse maturities.

EQUITY		
FUND NO.	NAME	OBJECTIVE
533	CANADIAN EQUITY MULTI	This fund seeks capital appreciation over medium- and long-term horizons through active management of portfolios composed of securities of Canadian public companies and, if needed, short-term fixed-income securities. The various portfolio management approaches include bottom-up and top-down company analysis, fundamental analysis and trend analysis.
534	GLOBAL EQUITY MULTI	This fund seeks capital appreciation over medium- and long-term horizons through active management of a portfolio composed of securities of public companies from the US, Europe, the Far East, Australia and emerging countries and, if needed, short-term fixed-income securities.
535	GLOBAL SMALL CAP EQUITY MULTI	This fund seeks capital appreciation over medium- and long-term horizons through active management of portfolios composed of securities of low capitalization global public companies and, if needed, short-term fixed-income securities.

REDEEMABLE GUARANTEED FUNDS		
FUND NO.	NAME	OBJECTIVE
156	5-YEAR GUARANTEED FUND	Issued by Desjardins Insurance, <sup>*</sup> these funds earn a set interest rate and guarantee that you'll receive the interest plus the money you invested at the end of the specified period.
158	3-YEAR GUARANTEED FUND	
160	1-YEAR GUARANTEED FUND	

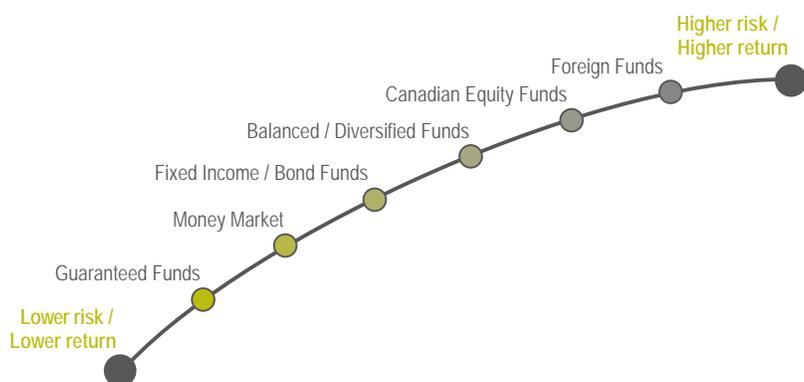
<sup>\*</sup>Desjardins Insurance refers to Desjardins Financial Security Life Assurance Company

# What is risk versus return?

It's plain and simple—if you want investments with a higher return potential, then you need to be aware that they will also have a higher risk potential. On the other hand, if you want investments with a lower risk potential, then you can expect a lower return potential.

Unless you're investing in GICs, your investments will fluctuate over time. Historically, equities have outperformed fixed income. Although you have the potential of gaining more growth from equities than fixed income, equities tend to have a higher potential for risk. That's why the further you are from retirement, the more equities you should have in your portfolio since you'll have the time to ride out the ups and downs of the market. Fixed income is more conservative and tends to provide more steady returns. You should have more fixed income and fewer equities in your portfolio as you get closer to retirement so you can preserve the capital you've already accumulated and not get caught if the equity market is down.

Here's a chart that shows the relationship between risk and return.



Note: Specialty funds are not shown on this chart since their risk and return can vary depending on their fund composition and strategies.

Everyone has a different tolerance for risk. Your lifestyle, financial situation and where you live all contribute to your investment preferences. Risk tolerance changes over time. Different life events such as having children or buying a house may affect your investor profile. Consider the length of time you have to let your savings accumulate before you need them. The more time you have to smooth out the ups and downs of the market, the more risk you may be willing to take. The best strategy is to invest according to your investor profile and to re-evaluate your investor profile every couple of years or as your life situation changes.

Making regular and consistent investments is one way of dealing with a fluctuating market. Dollar-cost averaging is a strategy in which you are contributing a fixed amount on a regular basis. These contributions get invested regardless of what the unit price is. Sometimes unit prices will be higher so you buy fewer units. Sometimes they will be lower so you buy a greater number of units.

Your group retirement plan offers a variety of investments so you can choose an offering that corresponds to your specific investor profile.



To complete your investor profile online, log on to the *My account* secure section. Click on *Your account > Investor profile*.

## Your investor profile

Your investment strategy is specific to you and should reflect your retirement goals, personal situation, and risk tolerance. The quiz below will help you determine what kind of investor you are. Check the answer that best suits you.

If you complete the investor profile online, your results will appear on your online profile and in your statement. You'll also get a reminder when it's time to redo the questionnaire to find out whether your investor profile has changed.

QUESTIONS	POINTS
<b>1. You expect to retire in:</b>	
5 years or less	0
6 to 10 years	5
11 to 15 years	11
16 to 20 years	15
21 years or more	19
<b>2. How would you describe your financial situation today? Consider your age, bank accounts, current expenses, amount of principal paid off on your mortgage loan, ability to pay off your debts (credit cards, loans, etc.), emergency funds, existing retirement assets, etc.</b>	
Unstable (a lot of debt and very little savings)	0
Somewhat unstable (a fair amount of debt and not much savings)	2
Pretty good (some debt, but some savings too)	6
Good (very little or no debt, and a fair amount of savings)	11
<b>3. Your current annual family income before taxes, including pensions:</b>	
Under \$30,000	2
Between \$30,000 and \$45,000	4
Between \$45,001 and \$60,000	6
Between \$60,001 and \$75,000	8
Over \$75,000	10
<b>4. How often would you like to review information about the performance of the funds you invest in:</b>	
Every day	0
Every month	2
Every six months	6
Once a year	9

QUESTIONS	POINTS
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<b>5.</b>	<b>How many months of net family income do you currently have set aside for unforeseen events or emergencies?</b>	
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	Less than one month	0
	Between one and three months	2
	Between three and six months	6
	More than six months	11

<b>6.</b>	<b>How would you react if you noticed fluctuations in your investments?</b>	
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	You would sell off the ones that have gone down in value and buy more of those that have gone up in value	0
	You would increase the percentage of those that have gone down in value and sell off the ones that have gone up in value because you believe that sooner or later the situation will change	2
	You would watch how your investments perform over a few months and change your portfolio's asset mix if necessary	7
	You would keep your investments as they are without worrying because you're investing for the long-term	15

<b>7.</b>	<b>A relative suggests putting the money you planned to save this year into a high-risk investment. The investment has a 50/50 chance of either tripling in value or losing everything within two years. What would you do?</b>	
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	You would say "no" right away	0
	You would consider it very carefully before making your decision	2
	You would consider it briefly before making your decision	5
	You would say "yes" right away	7

<b>8.</b>	<b>How would you describe your level of investment knowledge?</b>	
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	Poor	I don't know anything about investments	0
	Limited	I understand a bit about the basics but I don't know how to apply that to my own financial situation	2
	Moderate	I understand the basic principles and periodically I look at how my investments are doing	6
	Good	I have a thorough understanding of the various investment categories and risk levels, and I like to follow the financial markets and the economy	9

<b>9.</b>	<b>If the markets go through a turbulent period, how much of a temporary drop (e.g., one year) in the value of your investments could you tolerate?</b>	
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	None	0
	Up to 10%	2
	Between 10% and 20%	8
	More than 20%	15

<b>10.</b>	<b>Over time, investment returns may fluctuate. If you had \$10,000 to invest, how much fluctuation would you be comfortable with after one year?</b>	
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	A:		0
	B:		4
	C:		9
	D:		14

<b>CALCULATE YOUR TOTAL:</b>
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# Your investor profile

<b>SECURE</b> 0 to 20 points	<b>You have a low risk tolerance to market fluctuations.</b> You are comfortable investing primarily in fixed income investments with little exposure to equity investments.
<b>MODERATE</b> 21 to 40 points	<b>You have a low to moderate risk tolerance to market fluctuations.</b> You are comfortable investing in fixed income investments with a slight exposure to equity investments.
<b>BALANCED</b> 41 to 60 points	<b>You have a moderate risk tolerance to market fluctuations.</b> You are comfortable investing in a balanced combination of equity and fixed income investments.
<b>GROWTH</b> 61 to 80 points	<b>You have a relatively high risk tolerance to market fluctuations.</b> You are comfortable investing in equity investments with some exposure to fixed income investments.
<b>AGGRESSIVE</b> Over 80 points	<b>You have a high risk tolerance to market fluctuations.</b> You are comfortable investing in equity investments with a slight exposure to fixed income investments.

# Congratulations!

By contributing to your group retirement plan, you've taken a very important step in preparing for your financial future. When you're saving for something that may seem to be so far away, it's hard to see the benefits of contributing now. But over time your savings will grow and you'll be glad you took the initiative to plan ahead. Many people only think about their personal finances at tax season. Now with your group retirement plan and the tools available, you'll be able to set a goal and plan your future according to your needs!

## Here are some other things to keep in mind

- ▶ If you haven't already done so, make sure that you register to the *My account* secure section to access your account and planning tools.
- ▶ To figure out how much you need to save, use the *On Target Retirement* tool in the *My account* secure section. It will help you set a goal and stay on track. For more information on other tools and services, see the *Track your plan online* brochure.
- ▶ As your life situation changes, so may your risk tolerance. Update your *investor profile* at least every two years. If you completed it online, the system will automatically remind you when it's time to update your investor profile again.
- ▶ Consider meeting with a qualified financial advisor who can help you with your overall financial goals.
- ▶ If you leave your current employer, you'll receive a package outlining all your options. This will help you make the best decisions regarding your group retirement savings.
- ▶ As you get closer to retirement, call the *Member Services Centre* to learn more about the payout options you might have in retirement for the savings you have accumulated.



# Glossary

No matter how plain and simple you want to make it, when it comes to retirement planning, some things just need a bit more explanation. Here is a glossary of terms to help you.

**A ANNUITY**  
A contract sold by a life insurance company to you, the annuitant, that guarantees a series of fixed or variable payments at retirement (or at another future time) in exchange for a lump sum.

## ASSETS

Anything an individual or corporation owns.

## ASSET ALLOCATION

The distribution of your assets among various investment alternatives offered under your group retirement savings program (guaranteed, balanced, equity, fixed income, and specialty funds) in order to diversify and reduce risk.

## ASSET CLASS

A category of investment such as stocks, bonds or cash.

**B BALANCED FUND**  
A fund that generally includes a range of asset classes which typically combines stocks and bonds in varying proportions. This fund usually has the effect of “balancing” growth and income.

## BANK RATE

The minimum rate to which the Bank of Canada extends short-term advances to chartered banks.

## BEAR MARKET

A market where the value of securities is following a downward trend.

## BENEFICIARY

A person (an individual, institution, estate, etc.) which receives or may become eligible to receive assets under a will, insurance policy, retirement account, annuity or other contract.

## BOND

A debt instrument issued by a government or a corporation for a set period with the purpose of raising capital by borrowing; the issuer agrees to pay back your money at the end of a pre-set term along with interest.

## BOND FUND

A fund that invests in bonds, with the objective of providing stable income with low capital risk.

## BOOK VALUE

The value for which a security is purchased (also called acquisition value).

## BULL MARKET

A market where the value of securities is following an upward trend.

**C CANADA PENSION PLAN (CPP)**  
A contributory, earnings-related social insurance program, available in all provinces except Quebec, that ensures a measure of protection to a contributor and their family against the loss of income due to retirement, disability and death.

## CAPITAL

Money available for investment.

## CAPITAL GAIN

Profit resulting from the sale of an investment.

## CAPITAL LOSS

Loss resulting from the sale of an investment.

## COMPOUNDING

The process whereby the value of an investment increases over time due to compound interest.

## COMPOUND INTEREST

Interest which is calculated not only on the initial principal amount, but also on the increased value of the investment due to accumulated interest.

## CONSUMER PRICE INDEX (CPI)

An index that measures the change in the cost of a fixed basket of consumer goods and services and is an indicator of inflation.

**D DEFERRED PROFIT SHARING PLAN (DPSP)**  
A plan through which a plan sponsor pays a share of the company's profits to employees.

## DEFINED BENEFIT PENSION PLAN (DB PLAN)

A pension plan that guarantees a specified pension income when plan members retire. It's often based on a combination of the member's salary and years of service.

## DEFINED CONTRIBUTION PENSION PLAN (DC PLAN)

A pension plan in which contributions are known and deposited into an individual account for each member and the benefit at retirement is unknown.

## DIVERSIFICATION

A strategy that helps reduce the risk associated with investing. When you diversify, you are spreading your assets over a range of investment options to reduce your exposure to risk.

## DIVIDEND

A portion of a corporation's profits distributed in cash or shares to its shareholders.

### **DOLLAR-COST AVERAGING**

An investment strategy in which investments are purchased in fixed dollar amounts at regular intervals, regardless of what direction the market is moving.

### **E EARNED INCOME**

Wages or salary received for services performed as an employee. Earned income is used as a basis to calculate the RRSP maximum contribution limit.

### **EMERGING MARKET**

A financial market of a developing country with low to middle per capita income.

### **EQUITY**

Ownership in a company through the purchase of shares.

### **EQUITY FUND**

A fund that invests in stocks, with the objective of capital growth.

### **ESTATE**

All of the property, entitlements and obligations at the time of a person's death.

### **F FIXED INCOME FUND**

A fund that invests in fixed income securities such as money market securities, bonds and mortgages, with the objective of providing stable income with minimal capital risk.

### **FOREIGN INVESTMENTS**

Investments in securities issued by non-Canadian companies.

### **FIDUCIARY (TRUSTEE)**

An individual or corporation holding assets for another party, usually with the legal authority and duty to make decisions regarding financial matters on behalf of the other party.

### **FREQUENT TRADING**

Excessively transferring and trading investments. This may damage the overall fund performance.

### **G GOVERNANCE**

The structure and processes under which a retirement plan is administered and monitored to ensure that fiduciary and other obligations with respect to the retirement plan are fulfilled.

### **GROSS RATE OF RETURN**

The rate of return of a portfolio before deducting investment management fees.

### **GUARANTEED DEPOSITS**

Also known as Guaranteed Investment Certificates (GICs) or term deposits. These are deposits that guarantee 100% of your capital.

### **H HISTORICAL VOLATILITY**

The degree to which a value increased or decreased over time.

### **I INCOME SPLITTING**

The transferring of money to a family member who is in a lower tax bracket, which decreases the overall tax burden of the family unit.

### **INDEX**

A passively managed fund whose goal is to mirror the performance of a specific index as closely as possible.

### **INDEX FUND**

A passively managed fund whose goal is to mirror the performance of a specific index as closely as possible.

### **INFLATION**

The general rise in prices of goods and services in an economy. Inflation is measured by the Consumer Price Index (CPI).

### **INTEREST**

A fee paid on borrowed assets. It is paid by a borrower to a lender for the use of their money.

### **INVESTMENT MANAGEMENT FEES**

The amount charged to a fund to cover the expenses incurred for its management and for all or part of the plan administration costs.

### **L LIFE INCOME FUND (LIF)**

A type of Registered Retirement Income Fund (RRIF), under which the owner must withdraw each year an amount subject to minimum and maximum percentages prescribed by the Income Tax Act and pension legislation.

### **LIQUIDITY**

The ability of an asset to be converted into cash quickly without adversely affecting its price.

### **LOCKED-IN FUNDS**

Money originating from a pension plan which cannot be cashed out and must be used at retirement to provide a lifetime retirement income.

### **LOCKED-IN RRSP**

A type of Registered Retirement Savings Plan (RRSP) subject to pension legislation, which must be used to purchase an annuity or be transferred to a Life Income Fund (LIF).

### **LOCKED-IN RETIREMENT ACCOUNT (LIRA)**

An account into which pension savings are transferred and that can't be withdrawn until retirement.

### **LOCKED-IN**

When pension savings cannot be withdrawn until retirement.

### **M MARKET VALUE**

The value of a security on the market assuming the investment is being sold on a particular date.

### **MATURITY**

When a loan, bond or debt becomes due for payment.

### **MONEY MARKET FUND**

A fund that invests primarily in treasury bills and other low risk short-term securities.

### **MORTGAGE**

A loan to finance the purchase of real estate, with specified payment periods and interest rates.

### **N NET ASSET VALUE**

The total market value of all the assets of a fund minus its liabilities; to calculate the value per share, the net asset value is divided by the number of shares held by investors.

### **NON-REGISTERED SAVINGS PLAN (NRSP)**

A non-registered savings plan is a plan under which contributions made by members are not tax deductible. Any withdrawals made from such a plan are not taxable.

**Q OLD AGE SECURITY (OAS)**  
A federal government pension paid monthly to Canadians age 65 and over, who have lived in Canada for at least ten years.

**P PARTICIPANT**  
An individual who participates in a retirement savings plan set up by an employer or an association.

**PENSION ADJUSTMENT**  
The value of the benefits you earn under your plan sponsor's registered pension plans and/or deferred profit sharing plan (DPSP). This value is used to calculate the amount of allowable contributions under an RRSP.

**PERSONALIZED RATE OF RETURN (PRR)**  
The specific performance of your investments over a selected period of time.

**PLAN SPONSOR**  
An employer or association that sets up a retirement savings plan.

**POOLED FUND**  
Investment fund in which retirement plan contributions are invested in order to build retirement capital.

**PORTABILITY**  
The legislated right to transfer vested and locked-in benefits to another registered retirement plan when a member leaves the plan sponsor's service.

**PORTFOLIO**  
The collection of all the securities owned by an individual, an institutional investor or a pooled fund.

**Q QUARTILE**  
A measure used to compare the return of a fund against a universe of similar funds.

**QUARTILE RANKING**  
The quartile is expressed in the form of a ranking and divides the universe into four equal parts.

**QUEBEC PENSION PLAN (OPP)**  
A contributory, earnings-related government program in Quebec that ensures a measure of protection to a contributor and their family against the loss of income due to retirement, disability and death.

**R RATE OF RETURN**  
The ratio of money gained or lost on an investment relative to the amount of money invested.

**REGISTERED PENSION PLAN (RPP)**  
An arrangement by an employer or a union to provide pensions to retired employees in the form of periodic payments.

**REGISTERED RETIREMENT INCOME FUND (RRIF)**  
A retirement fund in which assets accumulated in an RRSP may be converted to provide retirement income.

**REGISTERED RETIREMENT SAVINGS PLAN (RRSP)**  
An account that provides tax benefits for saving for retirement. The RRSP contributions are tax deductible and the taxes are deferred until the money is withdrawn.

**RETURN**  
Return is the income or profit your investment made for you.

**RISK**  
The probability of the actual return being less than the expected return.

**RISK TOLERANCE**  
The ability to withstand volatility in the value of an investment, which may vary based on your investment horizon, knowledge and objectives.

**S SHARE**  
A certificate representing one unit of ownership in a stock.

**SPECIALTY FUNDS**  
A mutual fund that invests primarily in securities of an industry, sector, region or type.

**SPOUSAL RRSP**  
A registered retirement savings plan (RRSP) when one spouse makes the contributions but the other spouse owns the plan; the contributing spouse receives a deduction from their taxable income.

**STOCK**  
An ownership interest in a corporation.

**STOCK MARKET INDEX**  
A tool that measures the performance of the securities market based on the performance of a group of investments that it represents.

**T TAX-FREE SAVINGS ACCOUNT (PLAN) (TFSA)**  
An account that provides tax benefits for saving in Canada where investment income, including capital gains, are not taxed, even when withdrawn.

**TREASURY BILL (T-BILL)**  
A short-term debt instrument issued by the government in large denominations and sold at a discount.

**TRUSTEE**  
Please see definition for "fiduciary."

**U UNIT VALUE**  
The total market value of an investment fund divided by the number of units outstanding.

**V VESTING**  
The right of an employee to plan sponsor's contributions made to the plan, upon termination of employment.

**VOLATILITY**  
The rate at which the price of a security increases or decreases.

**Y YIELD**  
The annual rate of return on an investment.

# About Bâtirente

Bâtirente is a group retirement system created in 1987 at the initiative of the CSN. It allows 23,000 workers, grouped in 300 labour unions, to benefit from pension plans tailored to their needs by pooling their savings.

A pioneer in responsible investing in Quebec, Bâtirente believes that actively managing its investee companies' environmental, social and governance (ESG) risks helps ensure long-term economic and social development, as well as sound capitalization of the pension plan, which are both required for sustainable financial performance.

Questions? Contact the Member Services Centre:

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