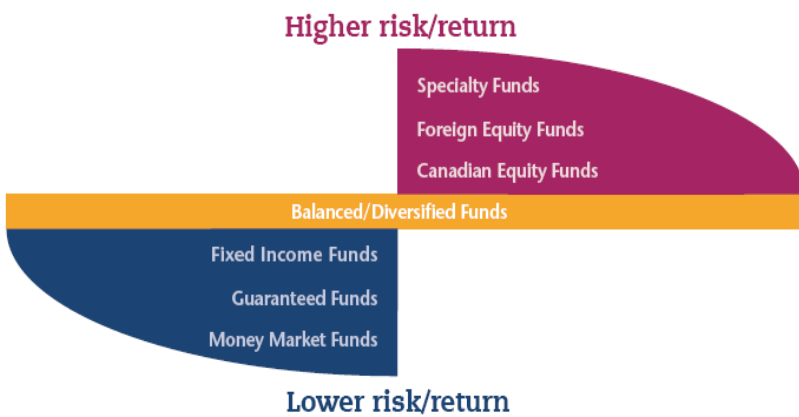


## The Risk in Your Funds

The funds available to you in the CBM Pension Plan offer a wide range of expected risk profiles. A ‘risk profile’ is another way of saying “how much can the value of this investment go up or down?”

The graphic below shows that Specialty Funds (i.e. a Gold Fund) and equity funds have higher expected risk (risk meaning their value will go up and down to a much higher degree) and higher expected long term returns. Conversely, Fixed Income (i.e. bonds), GIC’s and Money Market have a lower expected risk and lower expected long term returns.



The Money Market fund is made up largely of government treasury bills. These investments are typically backed by the government (therefore very secure – but not guaranteed) and offer a very low expected rate of return. While the return is expected to be low, it is not expected to be negative.

The other CBM funds - Conservative, Moderate Balanced Aggressive are made up of a combinations of equities (i.e. stocks), bonds, real estate, mortgages, GICs and cash. See the table below for the typical mix for each of the funds. Equities are the riskiest meaning they historically have the largest range between their highest values and the lowest values. Fixed Income (i.e. bonds, mortgages, real estate) can and do go up and down in value, however not typically as much (not as high, not as low) as equities do.

By combining equities and fixed income into a fund, the investment manager works to control the expected range of highs and lows for the fund. The more equities in the fund, the wider the range in expected returns for the entire fund. When you look at the table below, you see the Aggressive fund has the highest equity weighting. If you invest in this fund, you should expect to have the highest returns (of the four CBM funds) when stock markets are going up and the lowest returns when stock markets (like in 2008) are going down.

This table shows the target weights for each component part of the four CBM funds. The actual weights may be slightly higher or lower as determined by the investment manager.

|                 | Conservative Fund | Moderate Fund | Balanced Fund | Aggressive Fund |
|-----------------|-------------------|---------------|---------------|-----------------|
| Canadian Equity | 15%               | 25%           | 40%           | 50%             |
| Foreign Equity  | 10%               | 20%           | 20%           | 30%             |
| Bonds           | 45%               | 30%           | 25%           | 10%             |
| Real Estate     | 10%               | 10%           | 10%           | 10%             |
| Mortgages       | 20%               | 15%           | 5%            | 0%              |
| GIC's           | 0%                | 0%            | 0%            | 0%              |
| Short term/Cash | 0%                | 0%            | 0%            | 0%              |

## Are You About to Retire?

### What retirement income stream will best meet your needs?

There are three areas of choice for you to consider regarding your Canadian Baptist pension account.

#### Choice #1 – CBM Life Income Fund/Retirement Income Fund (LIF/RIF)

CBM and Sun Life offer you a seamless transition from saving for retirement to generating retirement income through the CBM LIF/RIF option. If you receive your lifetime retirement income through the CBM LIF/RIF, you remain invested in the same CBM funds, maintain the same low investment management fees, and have access to free advice regarding your CBM Plan. When you purchase a LIF/RIF, you draw a monthly income while continuing to invest and grow your account.

#### Choice #2 – Lifetime Annuity

You can purchase an annuity. An annuity guarantees you will receive the same amount of monthly income for the rest of your life. If you have a spouse, Sun Life includes various joint and survivor options for you to consider.

#### Choice #3 – Transfer

You may choose to transfer your funds from your Canadian Baptist Pension Plan account at Sun Life Financial to a Locked-In Retirement Account (LIRA) with Sun Life Financial, or to another financial institution.

**For All Inquiries Pertaining to Retirement:** Contact the Sun Life Client Solutions Centre at 1-866-224-3906 and key in ‘option 1’ when prompted. Advise Sun Life of your intention to retire at least 2 months before your anticipated retirement date.