

Understanding diversification

in the University of Ontario Institute of Technology (OntarioTech University) defined contribution pension plan



During a recent review of the University's pension plan, we noticed that you have not made an active investment selection since the date you joined the plan.

When you joined the University's pension plan, a target date fund was offered to you as a starter investment fund for your pension contributions. This was to provide you with time to think about your risk tolerance and to decide which investment options were suitable for your future retirement savings goals. Please take a moment and consider if the original target date fund offered to you is still the right choice for you.

What is diversification and why is it important to me?

Diversification is an important strategy to minimize risk when selecting your pension investment options. You may be familiar with the saying "**never put all your eggs in one basket**". In the context of pension investing, this means having a mix of asset classes in your pension portfolio may help you to manage risk and protect your pension portfolio from market fluctuation. When deciding how to invest your pension contributions, consider the array of asset classes available in the University's pension plan to protect your pension portfolio from any potential negative impact of investing in any one-asset class only.

For example, if you had your entire pension portfolio invested in equities/stocks and if the stock market took a downturn, then the value of your rate of return for your pension portfolio would respond accordingly.



Why diversify?

One of the keys to successful investing – holding different types of investments from different asset classes in your portfolio. We call this diversification. The University's pension plan offers the asset classes listed below from which you can select a fund to invest in:



Guaranteed Funds
Fixed Income
Canadian Equity
U.S. Equity
International equity
Global equity

Different asset classes (stocks and bonds in particular) and geographical regions perform well at different times. Since no one can predict exactly when one type of investment will outperform the others, or lose strength and begin to decline, an effective approach is to hold a diversified mix of investments.

Creating your asset mix – the percentage of cash (money market funds and GIC investments), bonds (fixed income funds) and stocks (equity funds) that you hold in your portfolio – is the first level of diversification. You also want to think about having a globally diversified portfolio. This lets you take part in growth opportunities in other regions, which can also protect your portfolio from downturns in the Canadian market.



Target date funds – the target date funds offered in your plan (e.g. BlackRock LifePath® Index 2030 Segregated Fund) are a diversified fund option as they invest in different asset classes. Each target date fund diversifies differently across some or all of the asset classes mentioned above.

It is a good idea to review your investments from time to time. You may need to update your investments along the way to stay on track to meet your retirement savings goals.

Your fund lineup

Here's a full list of the funds in your workplace plan, including the fund management fees (FMFs) as of **August 31, 2019**. The FMFs you see here don't include the applicable sales taxes that are charged to your account.

Fund type	Fund name	FMFs
Help me do it - we point you toward an easy investment and you make one decision.		
	BLACKROCK LIFEPATH® INDEX 2025 SEGREGATED FUND	0.34%
	BLACKROCK LIFEPATH® INDEX 2030 SEGREGATED FUND	0.34%
	BLACKROCK LIFEPATH® INDEX 2035 SEGREGATED FUND	0.35%
	BLACKROCK LIFEPATH® INDEX 2040 SEGREGATED FUND	0.36%
	BLACKROCK LIFEPATH® INDEX 2045 SEGREGATED FUND	0.36%
	BLACKROCK LIFEPATH® INDEX 2050 SEGREGATED FUND	0.36%
	BLACKROCK LIFEPATH® INDEX 2055 SEGREGATED FUND	0.37%
	BLACKROCK LIFEPATH® INDEX 2060 SEGREGATED FUND	0.42%
	BLACKROCK LIFEPATH® INDEX RETIREMENT SEGREGATED FUND	0.33%
Let me do it - you handle all the investing and decisions using our tools.		
Guaranteed	SUN LIFE ASSURANCE 1 YEAR GUARANTEED FUND	N/A
	SUN LIFE ASSURANCE 3 YEAR GUARANTEED FUND	N/A
	SUN LIFE ASSURANCE 5 YEAR GUARANTEED FUND	N/A
	SUN LIFE GUARANTEED DAILY INTEREST ACCOUNT (GDIA)	N/A
Bond (Fixed income)	PH&N CORE PLUS BOND SEGREGATED FUND	0.47%
Canadian equity	BEUTEL GOODMAN FUNDAMENTAL CANADIAN EQUITY SEGREGATED FUND	0.39%
	BEUTEL GOODMAN SMALL CAP SEGREGATED FUND	0.39%
	CC&L GROUP CANADIAN EQUITY SEGREGATED FUND	0.39%
	FIDELITY TRUE NORTH® SEGREGATED FUND	0.69%
U.S. equity	BLACKROCK U.S. EQUITY INDEX SEGREGATED FUND (REGISTERED)	0.14%
International equity	BLACKROCK EAFE EQUITY INDEX SEGREGATED FUND	0.25%
	MFS INTERNATIONAL EQUITY SEGREGATED FUND	0.61%
Global equity	MFS GLOBAL EQUITY SEGREGATED FUND	0.60%
	MFS RESPONSIBLE GLOBAL RESEARCH SEGREGATED FUND	0.64%



How to diversify your investments

Consider how much risk you are comfortable with and which asset classes are appropriate for you.

By completing the **Asset allocation tool**, it will give you an idea of how much risk you are willing to take, and how much of your savings to invest in each asset class.

Sign in to **mysunlife.ca**. From the **Home** page, select **my financial centre** > **Resource Centre** > **my money tools** > **Asset allocation**.



Learn about your investment options

Learn about the funds in your plan through **Morningstar®**, a leading provider of investment news and analysis. From the **Home** page, select **my financial centre** > **Accounts** > **Investment performance**.



Update your investments

From the **Home** page, select **my financial centre** > **Requests** > **Change investments**, or call us at the number below to learn more.

We're here to help



Go mobile: Check your balances and see how your funds are doing. Download the **my Sun Life mobile app** on Google Play or the Apple App Store.



Visit **mysunlife.ca** for tools, articles and video. Sign in and select **Chat live now** to get live support.



Call us at
1-866-896-6976
Monday to Friday
8 a.m. to 8 p.m. ET



Consider speaking with a financial advisor (registered as a Financial Security Advisor in Quebec) of your choice to get personalized advice about your plan.

The University can help too

You can also contact Mary Steele in the University's Human Resources Department at:

mary.steele@ontariotechu.ca
or **(905) 721-8668 ext. 2025**.