

Announcement to Alliance Retiral Fund Investors from the Christian & Missionary Alliance in Canada June 2022

The Christian & Missionary Alliance in Canada regularly reviews the investments and structure of the Alliance Retiral Fund (ARF), and industry trends within the Canadian Pension Universe. We have been pleased to provide members with effective investment options for those electing to invest in an asset mix based on the direction of the Investment Advisory Committee (default members) and for those electing to invest using a personally chosen asset mix (active members).

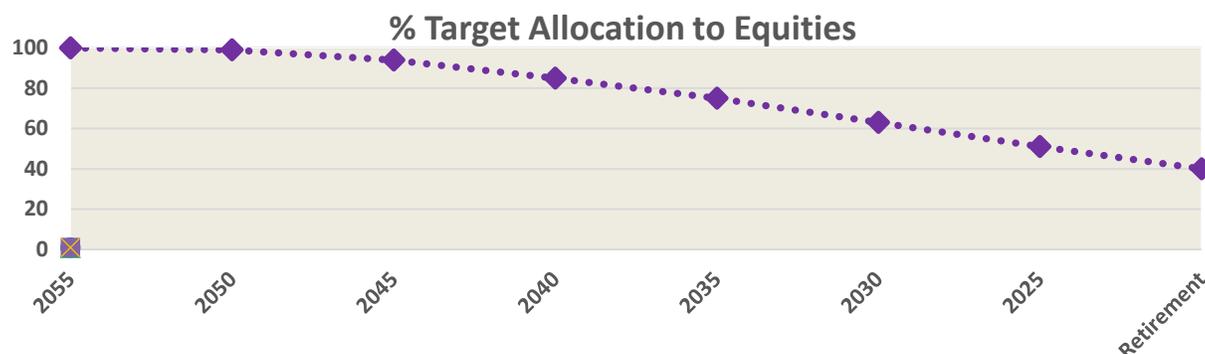
An emerging trend in recent years, has been the adoption of “age based” or Target Date Funds (TDFs). TDFs are suites of investment funds created in 5-year age bands that become more conservative over time, as investors age. They now represent the most popular default direction for Group Retirement Plans throughout North America. With the support of our consultants, Reuter Benefits, the C&MA has decided to implement a Target Date approach as the default investment for our pension plan members, **effective August 2, 2022.**

What does this change mean for plan members?

Presently, our investment strategy for all default members is targeted for a global diversified equity allocation of 62.5% and 37.5% invested in domestic bonds and cash holdings. The underlying assets are managed by four investment teams, regularly reviewed by an Investment Advisory Committee and Reuter Benefits. Under a Target Date approach, members will have distinct portfolio allocations based on their age, within 5-year age bands. For instance, if you are 40 years old, your normal retirement date will be in 25 years (2047) so your default Target Date Fund will be the 2045 Fund. As you grow older your equity investments will be reduced (referred to as the ‘Glide Path’) until age 65, the Normal Retirement Age of our plan. The following chart shows how the Glide Path will be implemented.

Retirement Year Closest to the members 65th birthday

2055	2050	2045	2040	2035	2030	2025	Retirement
100%	99%	94%	85%	75%	63%	51%	40%



All the current underlying fund managers will remain engaged as investors of your assets, however, their participation in each fund will be adjusted to meet the mandates of each Target Date Fund. In addition, we have enhanced the diversification of the fixed income component of the Retirement, 2025 and 2030 funds to control risk and add potential return over time.

All Target Date Funds will be rebalanced annually to their strategic portfolio approaches.

New Investment Funds **are now being offered** to ARF Members, designed to enhance diversification within the new TDF's, and as independent options for active investors

New funds now under the ARF include:

- Manulife MIM Strategic Fixed Income Fund (4136)
 - The Fund employs tactical asset allocation across multiple fixed income sectors including global government bonds, investment grade corporate and emerging markets bonds. In addition, a dynamic currency management strategy is being implemented to help the Fund benefit from, and to mitigate currency fluctuations. By expanding the investment universe to include multiple sectors and currencies, management believes it can increase its potential to add value while reducing risk.
- Manulife MIM Canadian Bond Index (4191)
 - The Fund is a passive fixed income mandate designed to match the performance of the FTSE Canada Universe Bond Index. Rather than invest in every bond within the Index, it uses a sampling approach which involves selecting bonds that grant representative exposure. This allows the Fund to match the duration, convexity, and sector exposure characteristics of the FTSE Canada Universe Bond Index. The portfolio is constantly monitored and rebalanced to account for new entrants and deletions from the Index, as well as for net cash flows.
- Manulife Canadian Real Estate Fund (9575)
 - The Fund is invested 75-85% in direct real estate exposure through the Manulife Canadian Property Portfolio (MCP). MCP is diversified across geographical regions within Canada, as well as by property type. The remaining 15-25% of the portfolio invests in real estate securities and fixed income investments to meet the liquidity needs of investors. Long-term leases associated with direct real estate typically provide investors a high level of income and built-in inflation protection. Real estate returns have historically had lower volatility and shown lower correlations with traditional asset classes, providing investors diversification benefits.

The three new funds are now available to all ARF plan members.

Additional information is available through the C&MA Pension Plan website www.myretirement-alliance.com or Manulife's C&MA member portal www.manulife.ca You can also contact our consultants, Reuter Benefits, at 1-800-666-0142.



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Things to consider.

The Target Date Fund approach is a significant change in investment direction for defaulting members, particularly if you are 55 years of age and older. Target Date Funds are designed to control volatility by reducing your equity exposure as you approach retirement. This may or may not meet with your personal investment goals or needs. We strongly encourage all plan members to reach out to our consultants with any questions, and for support in deciding on your individual approach to investing under our plan.

What do you need to do?

- If you are a 'Default Member' and are comfortable with the new Target Date Fund default approach, you do not need to do anything. **The changes will be automatic – on August 2nd, 2022.** All your existing investments and ongoing employer and employee contributions will be invested in the appropriate fund based on your age. Thereafter, the portfolios are rebalanced annually and transitioned automatically as you age.
- If you are a member who 'Actively Invests', the new Target Date Funds and the three new fund options are available to you. These will become additional investment options moving forward, however, your existing investments will not be affected, unless you choose to change them. Although your assets will not be moved into a Target Date Fund, you may elect to choose a TDF fund, which will then be rebalanced annually and transitioned automatically as you age.
- If you would like to discuss the change, ask questions or self-direct your investments moving forward our consultants at Reuter Benefits are available for 'one-on-one' counselling. Please contact them at any time. Their contact information is below.
- To review your investments online at any time, sign in to **www.manulife.ca/GRO** and select **My Investments**.

If you have any questions about this change, remember - we can help!

Plan advice from Reuter Benefits	Manulife account support	Manulife online resources
Call Reuter Benefits at 1.800.666.0142 or email us at retire@myretirement-alliance.com . Speak to one of our licensed professionals for personalized advice about your group plan, retirement planning, and investment options before and during your retirement.	Call 1-888-727-7766 Monday to Friday 8 a.m. to 8 p.m. ET.	Go mobile: Check your balances and see how your funds are doing. Download the Manulife Mobile app on Google Play or the Apple App Store. Visit the website: Go to manulife.ca/GRO for account info, tools, resources and more.
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