



October 2, 2019

RE: Important information for members invested in the Short-term Fund

You may be aware that we are working on a Variable Benefit (VB) retirement option and that this is expected to be available by the end of the year. You may also remember that the investment choices for this option will be the current balanced fund (BF) and short-term fund (STF). The board undertook a review of the asset mixes of both of these funds to ensure they were meeting the needs of members. Upon review they determined the asset mix of the STF could be improved to continue to provide members with income but allow the potential for a stronger return. The STF currently invests in 100 per cent money market funds. The long term expected return over the next 7 – 10 years of this fund is two per cent (before fees and without assurance that expected returns will be achieved).

The Board reviewed a number of options and determined an asset mix of 50 per cent money market and 50 per cent investment in the TD Greystone Bond Plus Fund was a more appropriate mix, with the objective of ‘providing members with an investment option designed to deliver low risk returns through investing in diversified sources of stable income’. They also felt the name should be changed to the Diversified Income Fund (DIF) to more adequately reflect the intent of the Fund. The DIF will continue to be invested by TD Greystone and the Bond Plus Fund asset mix consists of bonds, units of the TD Greystone Mortgage Fund and units of the TD Greystone High Yield Fund. The expected return over the 7 – 10 years of this fund is 2.7 per cent (before fees and without assurance that returns will be achieved.) The Board feels the change in investments will meet the objective of delivering low risk returns through investing in diversified sources of stable income. It is proposed the change will be effective December 1, 2019.

Please contact our office if you have any questions.

Sincerely,

Katherine Strutt  
General Manager