

An introduction to the member investment behaviour summary report and review

We know it's important for you to have the right tools to help your members stay on track with their retirement goals and are pleased to offer you the following two reports. The **Member investment behaviour summary report** provides you with a snapshot of your members' investment patterns for all of your plans. The **Member investment behaviour review** is a more detailed report covering all investment options by plan, helping you determine if your members are making age appropriate investment decisions. These two items are available in the *Reports* section of the sponsor VIP Room, at manulife.ca.

Member investment behaviour summary report

This report consolidates investment behaviour information for all investment grids with assets as of the report request date. It provides an overview of plan assets, as well as the distribution between the different investment options available to your members for each type of investment mix: Avenue portfolios™ (sample mix), custom and default instructions.

The Avenue portfolios grid consolidates investor profile and investment period information for the plan(s).

Reports requested through the VIP Room are posted within 24 hours following the request and are available for 13 months.

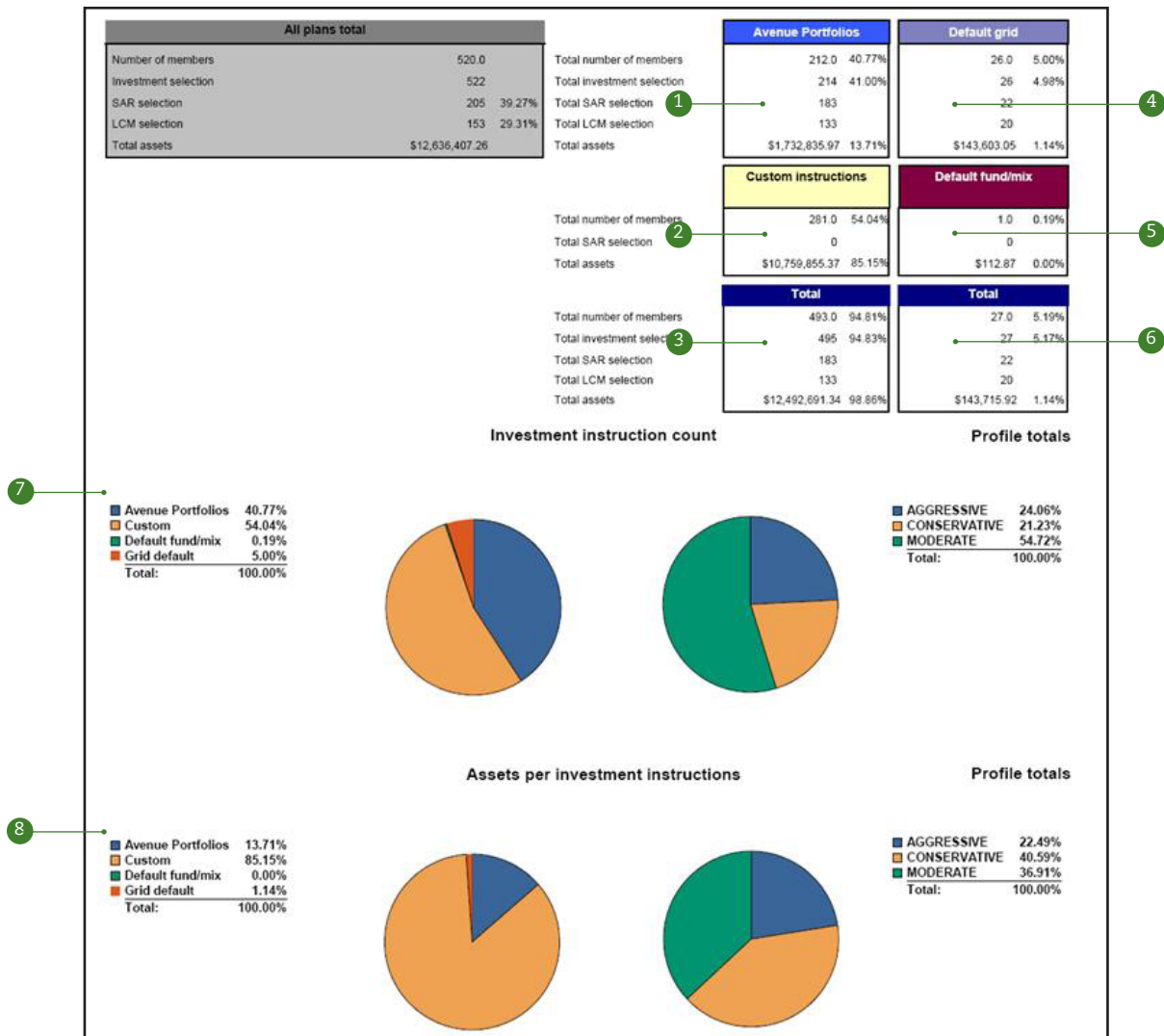
Member selection							Client default	
Avenue Portfolios							Grid profile	
		CONSERVATIVE	MODERATE	AGGRESSIVE	Investment period totals			
More than 25 years	Number of members	9.0 4.2%	33.0 15.6%	25.0 11.8%	67.0 31.6%	3.0	More than 25 years	
	Investment selection	9 4.2%	33 15.4%	26 12.1%	68 31.8%	3		
	SAR selection	8 88.9%	30 90.9%	25 96.2%	63 34.4%	4		
	LCM selection	6 66.7%	26 78.8%	24 92.3%	56 42.1%	3		
	Total assets	\$172,867.71 10.0%	\$196,473.84 11.3%	\$157,123.08 9.1%	\$526,464.63 30.4%	\$23,489.22		
	Age appropriate selection	70.6%	85.3%	92.3%				
Between 10 and 25 years	Number of members	15.0 7.1%	68.0 32.1%	25.0 11.8%	108.0 50.9%	15.0	Between 10 and 25 years	
	Investment selection	16 7.5%	68 31.8%	25 11.7%	109 50.9%	15		
	SAR selection	13 81.3%	55 80.9%	19 76.0%	87 47.5%	11		
	LCM selection	6 37.5%	39 57.4%	11 44.0%	56 42.1%	11		
	Total assets	\$76,301.13 4.4%	\$341,550.86 19.7%	\$226,089.77 13.0%	\$643,941.76 37.2%	\$61,483.72		
	Age appropriate selection	66.7%	66.7%	57.7%				
Less than 10 years	Number of members	21.0 9.9%	15.0 7.1%	1.0 0.5%	37.0 17.5%	8.0	Less than 10 years	
	Investment selection	21 9.8%	15 7.0%	1 0.5%	37 17.3%	8		
	SAR selection	19 90.5%	13 86.7%	1 100.0%	33 18.0%	8		
	LCM selection	11 52.4%	9 60.0%	1 100.0%	21 15.8%	6		
	Total assets	\$454,251.51 26.2%	\$101,597.57 5.9%	\$6,580.50 0.4%	\$562,429.58 32.5%	\$58,630.11		
	Age appropriate selection	59.1%	62.5%	50.0%				
Profile totals	Number of members	45.0 21.2%	116.0 54.7%	51.0 24.1%	212.0 40.8%	28.0 5.0%	Default grid	
	Investment selection	46 21.5%	116 54.2%	52 24.3%	214 41.0%	26 5.0%		
	SAR selection	40 87.0%	98 84.5%	45 86.5%	183	22		
	LCM selection	23 50.0%	74 63.8%	36 69.2%	133	20		
	Assets	\$703,420.35 40.6%	\$639,622.27 36.9%	\$389,793.35 22.5%	\$1,732,835.97 13.7%	\$143,603.05 1.1%		
					Avenue Portfolios			

The Client default grid profile displays investment behavior information for the default investment grids under the plan.

Note the examples shown are not tailored specifically to your plan(s) but are meant to provide a general understanding of the most important sections.

The **Member investment instruction breakdown** shows the number of your active members with assets who have selected an Avenue portfolio ¹, the number of investment selections ² and the number of members who have activated the *Systematic asset rebalancing* ³ and/or *Lifecycle movement* ⁴ options. The *Total assets* ⁵ row provides a sum of assets for your active members who have selected Avenue portfolios, and also includes assets outside the mix for the same account. Finally, *Age appropriate selection* ⁶ represents the percentage of your members who selected an appropriate portfolio based on their current and target age.

The following section provides a graphic representation of the plan data given on the first section of the report.



- 1 **Avenue portfolios** represents the sum of the values from all individual Avenue portfolio boxes shown in the **Member investment instruction breakdown** section.
- 2 **Custom instructions** includes the number and percentage of your active members with assets in these mixes and how many of these members have selected *Systematic asset rebalancing*, as well as their total assets.
- 3 **Total** is the sum of the values from 1 and 2, which equals all active investment selections made by your members.
- 4 **Default grid** shows the sum of the values from the individual client default grids shown in the **Member investment instruction breakdown** section.
- 5 **Default fund/mix** reflects the number and percentage of your active members with assets in default mixes and how many of these members have selected *Systematic asset rebalancing*, as well as their total assets.
- 6 **Total** is the sum of the values from 4 and 5, which equals all the default investment selections made by your members.
- 7 Displays a graphical representation by percentage of the number of members from 1, 2, 4 and 5. The second graph shows the percentage of the number of members per profile from 1.
- 8 Displays a graphical representation by percentage of total assets from 1, 2, 4 and 5. The second graph shows the percentage of total assets per profile from 1.

Member investment behaviour review

This comprehensive report describes the investment behaviour of your members and the performance for the investment options available to them. It offers a view of the plan assets and the distribution between the different investment options available to members for each type of investment mix: sample (Avenue portfolios), custom and default.

The **Investment allocation review** section summarizes the investment options available to a member, the number of members in each option, as well as the plan assets and distribution across the various investment options: sample, custom and default mixes.

Plan: RPP Pension Plan for the Employees of ABC Company

As a sponsor or administrator of a capital accumulation plan (CAP), part of the governance process involves monitoring the CAP members investment selections and their overall investment behaviour. In order to assist you in this activity, you will find below a breakdown of your plan's assets by contribution account and investment options as well as the number of selections distribution by investment mix type. You will also find the investment allocation per Avenue Portfolios and the corresponding number of selections distribution highlighting years to retirement.

ALL ACCOUNTS

1 Assets and number of selections distribution per current member mix

Investment funds used in member mixes	Avenue Portfolios	Custom mixes	Default mix	Total
SL of Canada - 1 Year CIA		38,394.87		38,394.87
SL of Canada - 2 Year CIA		52,898.37		52,898.37
SL of Canada - 3 Year CIA		33,502.41		33,502.41
SL of Canada - 4 Year CIA		947.95		947.95
SL of Canada - 5 Year CIA		2,301,322.69		2,301,322.69
10 - Diversified SLI		5,096,807.12		5,096,807.12
9 - Money Market SLI		63,933.62		63,933.62
19 - Canadian Bond Index SLI	804,447.39	258,464.22	83,840.13	1,146,751.74
32 - Canadian Equity Invesco Trimark		7,515.48		7,515.48
7 - Canadian Equity SLI	473,934.13	1,584,293.56	31,004.64	2,089,232.33
8 - US Equity SLI	236,986.08	517,418.13	15,326.50	769,730.71
264 - Intl Equity Templeton	217,468.37	484,611.18	13,431.78	715,511.33
Sub-total	\$1,732,835.97	\$10,440,109.60	\$143,603.05	\$12,316,548.62
Other funds available				
SL of Canada - 1 Year CIA		32,693.87		32,693.87
SL of Canada - 5 Year CIA		88,300.68	112.87	88,413.55
10 - Diversified SLI		81,968.49		81,968.49
9 - Money Market SLI		3,139.55		3,139.55
19 - Canadian Bond Index SLI		956.84		956.84
32 - Canadian Equity Invesco Trimark		6,413.11		6,413.11
7 - Canadian Equity SLI		84,801.76		84,801.76
8 - US Equity SLI		14,078.30		14,078.30
264 - Intl Equity Templeton		7,393.17		7,393.17
Sub-total		\$319,745.77	\$112.87	\$319,858.64
Total assets	\$1,732,835.97	\$10,759,855.37	\$143,715.92	\$12,636,407.26
Number of selections	212.0	281.0	27.0	520
Performance				
1 year	21.10%	20.57%	18.14%	20.62%
3 years	0.06%	0.37%	1.34%	0.33%
5 years	N/A	N/A	N/A	N/A
10 years	N/A	N/A	N/A	N/A

Assets by mix type: All assets	Assets in Avenue Portfolios only	Number of selections by mix type
<p>Custom 85.15%</p> <p>Sample 13.71%</p> <p>Default 1.14%</p>	<p>Moderate 36.91%</p> <p>Aggressive 22.49%</p> <p>Conservative 40.59%</p>	<p>Conservative 110</p> <p>Moderate 120</p> <p>Aggressive 100</p> <p>Custom 280</p> <p>Default 10</p>

Data is shown at plan or plan/subgroup level and then broken down by account.

Decimals may appear, as members will be distributed proportionately among the number of mixes they choose. A member having different mixes for each account will be prorated so the sum always adds up to 1 (e.g. 0.5 employer, and 0.5 employee).

1 The following are the mix types that may be available within your group program:

Avenue portfolios: sponsor-defined combinations of investments. Guided approach that evolves with your members. *Number of selections* is expected to be high, as these mixes are based on investor profile and investment period.

Custom mixes: typically used by investment-savvy members who can choose a mix from the fund roster. Membership is expected to be low. If *Number of selections* in these mixes exceeds those of the other types, it would indicate that a majority of your members prefer to design their own mix of funds instead of choosing from the available sample mixes.

Default mixes: plan sponsor-defined fund, mix or grid used when members have not specified investment instructions. A large *Number of selections* in this type of mix would suggest that your members are not selecting appropriate investment instructions. Targeted communication may be necessary to entice them to consider a more appropriate mix.

The **Investment allocation for Avenue portfolios** section of the report shows investment instructions and asset allocation within each Avenue portfolio by plan type. One box will be shown for each investor profile: conservative, moderate and aggressive.

Assets(\$)		Performance (annualized)		Number of selections of Avenue Portfolios and other services			
Funds	Mix	Assets(\$)	Period	Plan / Account	Mix	SAR	LM
19 - Canadian Bond Index SLI	50.00%	11,698	1 year	ALL ACCOUNTS	3	3	3
7 - Canadian Equity SLI	25.00%	6,031	3 years				
8 - US Equity SLI	13.00%	3,056	5 years				
264 - Int'l Equity Templeton	12.00%	2,702	10 years				
Sub-total	100.00%	23,489	Standard deviation				
Assets outside mix		0	Current blended IMF				
Total	[0.19%]	23,489		Total	3	3	3
Total - MORE THAN 25 YEARS	[0.19%]	\$23,489		Number of selections :	3	3	3

For additional information, refer to the "Definitions and acronyms" section appearing later in this document.

1 Shows the funds that make up the Avenue portfolio as well as the assets within each fund.

2 Assets outside mix: shown if members hold assets outside the Avenue portfolios.

This can occur when:

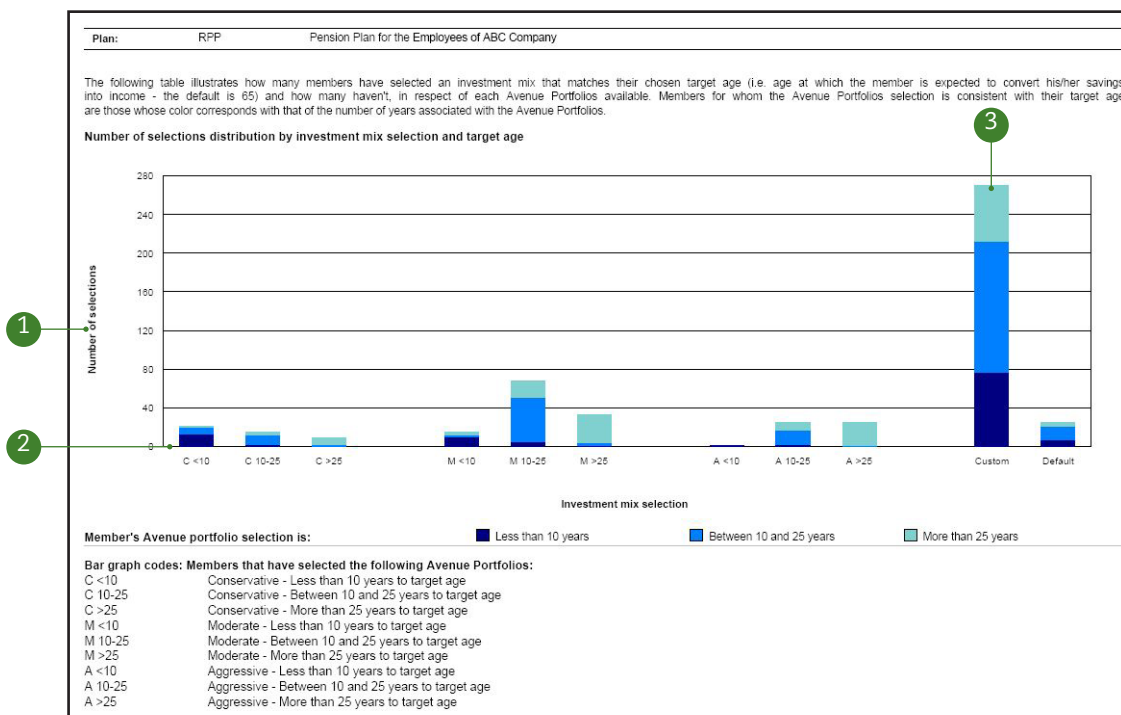
- Members perform/request one of the following transactions without rebalancing their assets:
 - lump sum contribution with different investment instructions;
 - interfund transfer;
 - mix change.
- Members change their mix and rebalance, but because the asset rebalancing would have withdrawn assets from a guaranteed fund, the assets are left in the guaranteed fund (which is not part of their new mix).

3 Shows performance of the related Avenue portfolios using the time-weighted rate of return, standard deviation (36 months) to show volatility, and the current blended Investment Management Fee (IMF). The most aggressive mixes will typically show the highest volatility.

4 Shows the number of members who have selected the following at plan and account level (with or without assets): Avenue portfolios, Systematic asset rebalancing and Lifecycle movement.

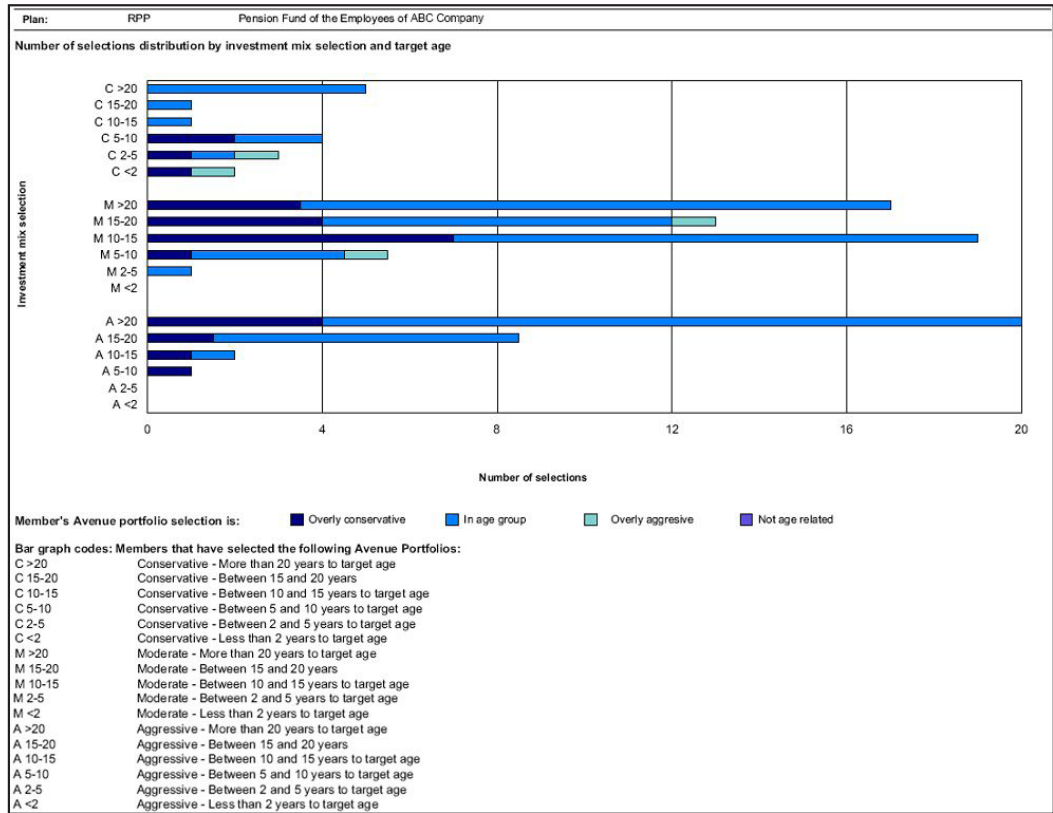
5 If you offer members a new or modified Avenue portfolio grid, the previous grid becomes inactive and will be labeled as "non-active". The activation and inactivation dates of this grid will also be displayed. Only mixes still being used by members and in which assets are invested will be shown.

The **Number of selections distribution by investment mix selection and target age** chart represents the number of members with Avenue portfolios, custom mixes and default mixes, stacked by age group, for each plan type.



- 1 Shows the number of selections for each Investor profile/Investment period combination.
- 2 The axis shows each investor profile (conservative, moderate and aggressive) for a corresponding investment period (More than 25 years, Between 10 and 25 years and Less than 10 years).
- 3 If most members were in the most appropriate investment period and investor profile for their current and target ages, the bar would mainly consist of the shade corresponding to the investment period, in this case Less than 10 years. However, because some members are not appropriately invested based on their retirement age and investor profile, the bar shows a greater proportion of the other shades, representing the other investment periods.

The **Number of selections by investment mix selection and target age** chart indicates how many members have selected an Avenue portfolio that matches their target age and how many have not. The following example illustrates an investment period greater than 5.



You may consult the **Definitions and acronyms relating to the Member Investment Behaviour Review** pages of your report.