

*A few weeks ago, we let you know about a change to the Balanced Fund (BonaVista). We've updated that message to confirm that the replacement fund will invest primarily in Canadian equities and fixed income securities. We're sorry for not including this information before. The updated version follows.*

There's a correction in the fund objectives for Balanced Fund (BonaVista) and Balanced Pension Trust Fund (PH&N). Please refer to the table below.

An important change will be made to the Balanced Fund (BonaVista) (S107) that affects some of your plan members.

## Details about the change

The investment manager, RBC Global Asset Management, has decided to merge its BonaVista Balanced Fund into its PH&N Balanced Pension Trust Fund since the two funds have similar objectives. Both BonaVista Asset Management and Phillips, Hager & North Investment Management (PH&N) are divisions of RBC Global Asset Management. As a result of this change made by the investment manager, we'll remove the Balanced Fund (BonaVista) from group plans that currently offer it on Oct. 23, 2020, and move assets into the Balanced Pension Trust Fund (PH&N) (S147). For group plans that don't have the Balanced Pension Trust Fund (PH&N), we'll add it so we can transfer the assets from the closing fund to the replacement fund.

The Balanced Pension Trust Fund (PH&N) has a similar fund objective as the Balanced Fund (BonaVista).

Current fund code	Current fund name	Current fund objective	Replacement fund code	Replacement fund name	Replacement fund objective
S107	Balanced Fund (BonaVista)	The fund seeks to obtain income and long-term growth of capital by investing primarily in Canadian equities and fixed income securities.	S147	Balanced Pension Trust Fund (PH&N)	The fund seeks to obtain income and long-term capital growth by investing primarily in Canadian equities and fixed income securities.

## What's not changing

- Both funds are in the same Canadian balanced asset category.
- The investment management fee is the same.

## Tax implications

The change will have no tax implications on registered plans or tax-free savings accounts. However, it will cause a disposition within the fund and therefore affect non-registered plans. Any resulting gains or losses will be reflected in 2020 tax slips.

## Member communication

We'll notify affected plan members the week of **Sept. 21, 2020**. The communication informs plan members they have an option of choosing another fund other than the replacement fund listed as long as they do it before **Oct. 21, 2020**. After that date, we'll transfer any remaining assets and change future contributions and/or maturity instructions currently directed to the closing fund to the replacement fund on **Oct. 23, 2020**.

### **What you should do**

Please keep this communication for future reference. Plan sponsors with group pension plans registered in Ontario or New Brunswick should review their Statement of Investment Policies and Procedures (SIPP) or Statement of Investment Policies and Goals (SIPG) and update it, if required, whenever there is a change to the plan, for example, a fund is removed from your investment lineup.

- Amendments for Ontario plan sponsors would have to be re-filed within 60 days from date of fund change.
- Amendments for New Brunswick plan sponsors would have to be re-filed within 60 to 90 days from date of fund change.

October 13, 2020