



FIDELITY CANADA INSTITUTIONAL™

Investor trends & their impact on strategic design

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How has retirement evolved?

Why do people retire?

Personal factors:



Health



Gender



Family Status



Leisure

Financial/employment factors:



Job type



Sector of employment



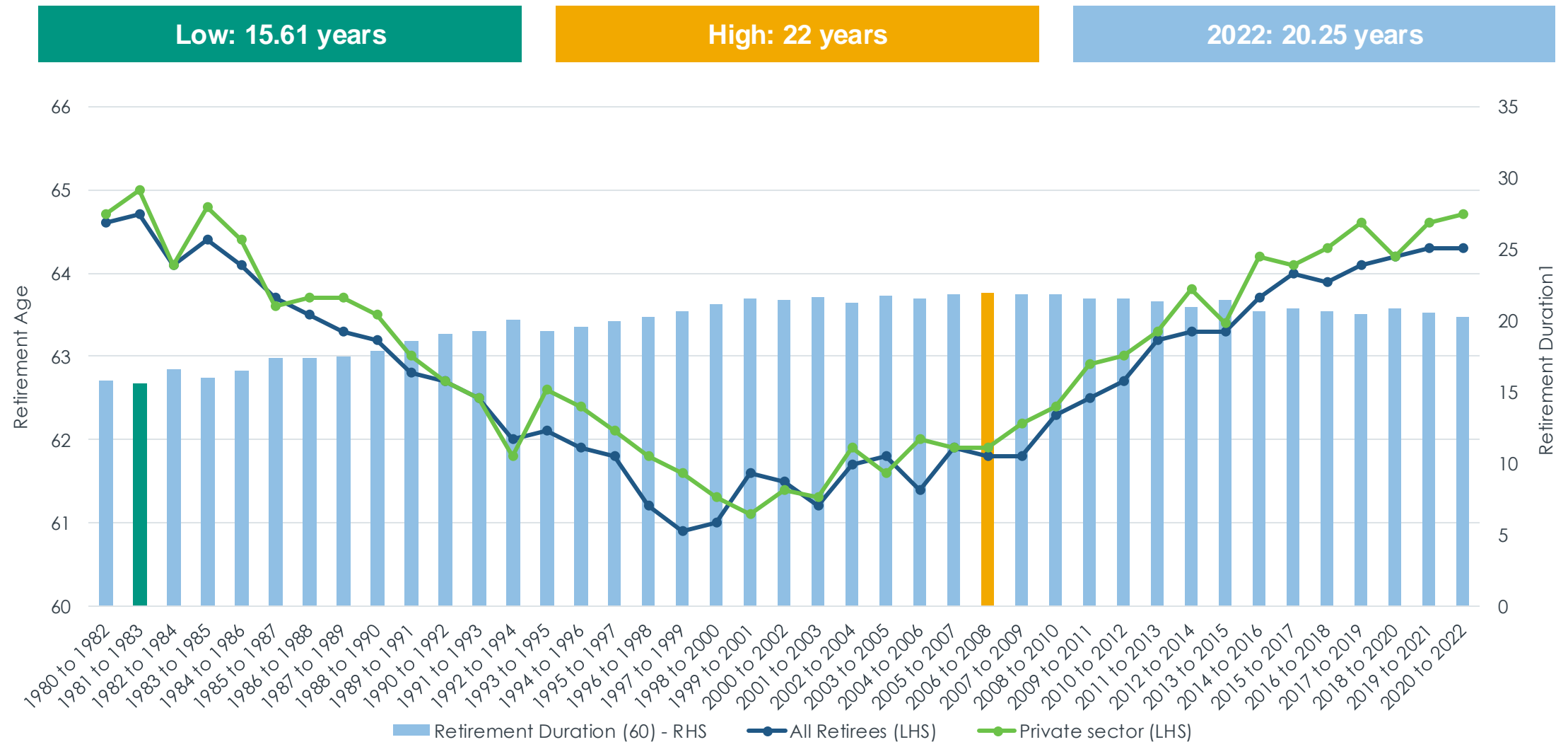
Income



Pension

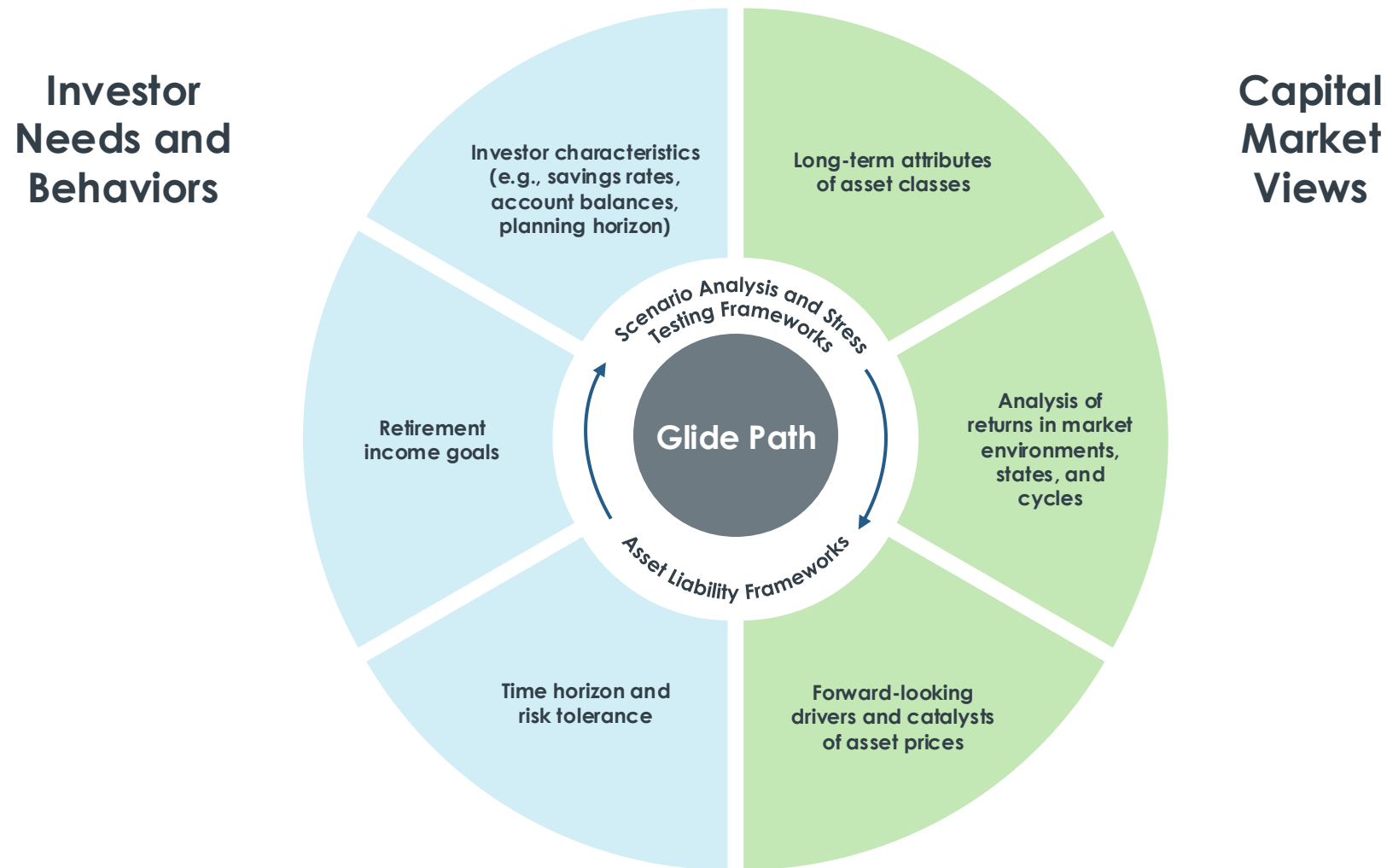
The rise of the “new retirement”

Canadian retirement trends



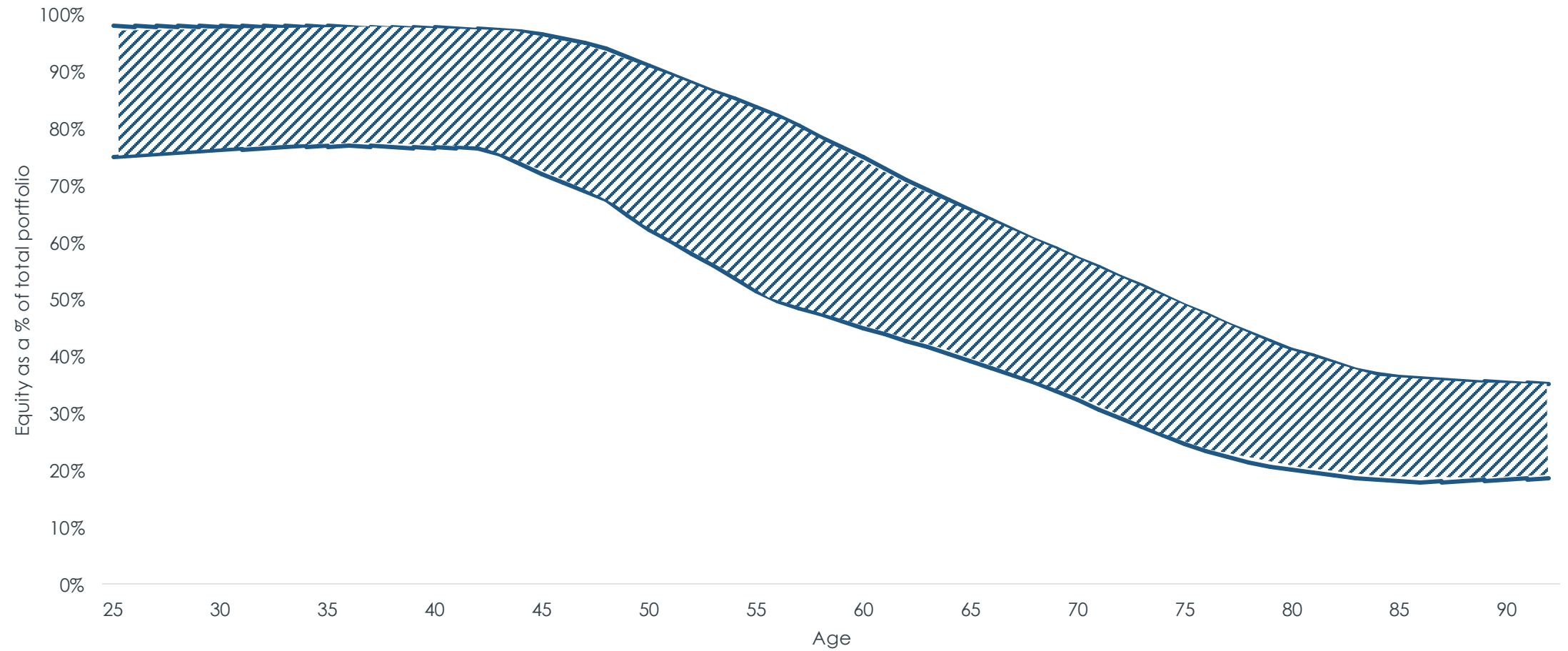
Source: Fidelity Investments.¹ Retirement Duration is life expectancy minus retirement age, life expectancy assumes someone has lived to age 60.

Complementary research frameworks and models



For illustrative purposes only.

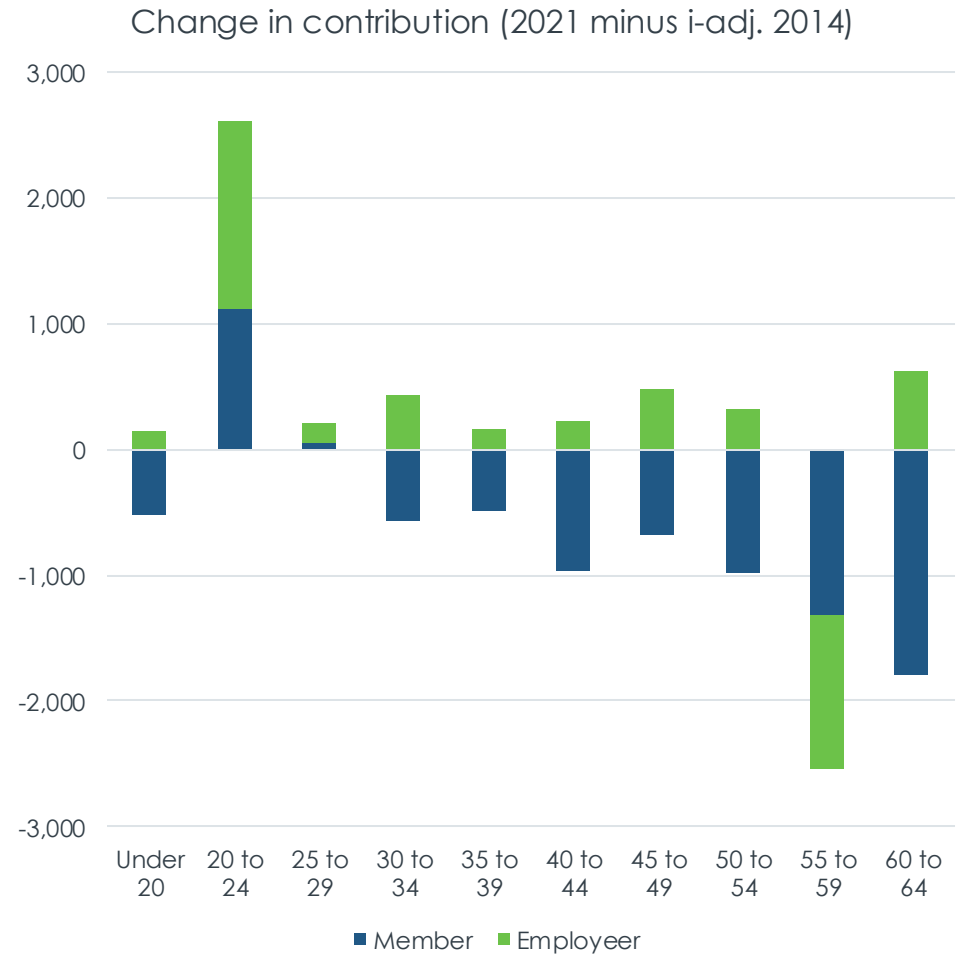
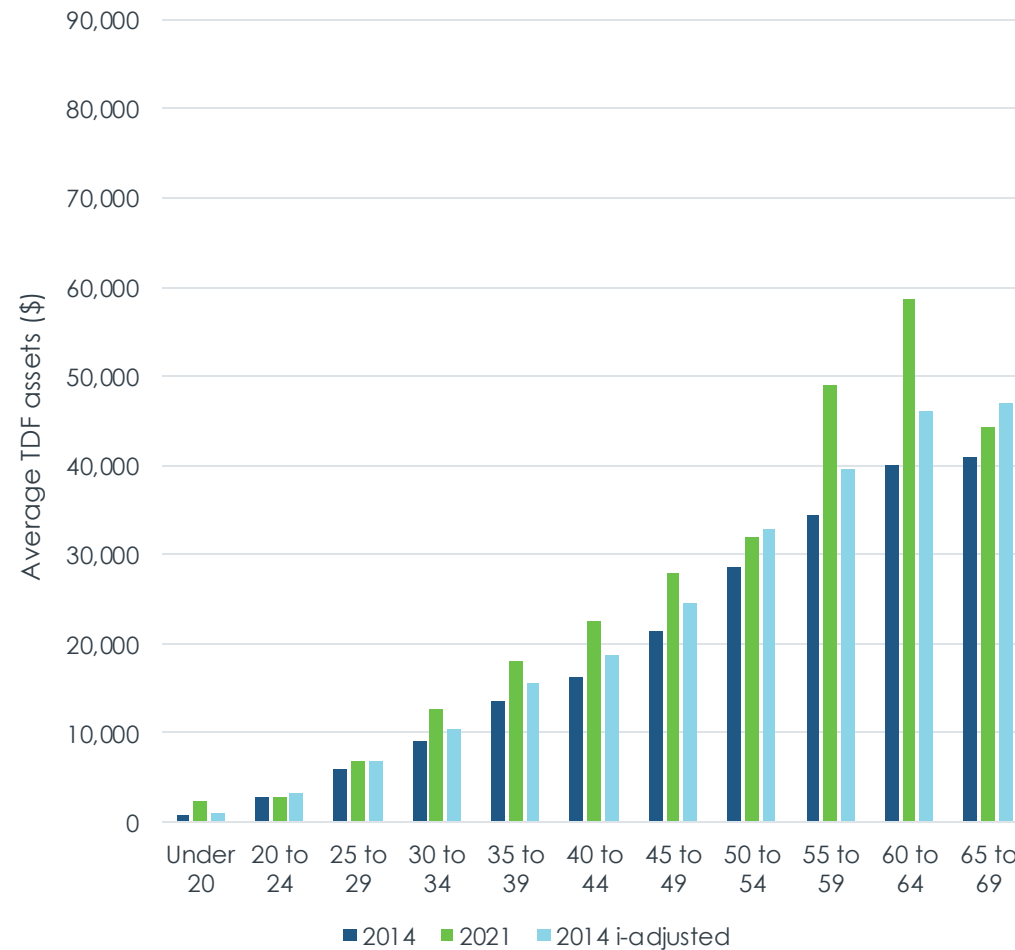
Impact retirement age can play



For illustrative purposes only.

Target date savings trends

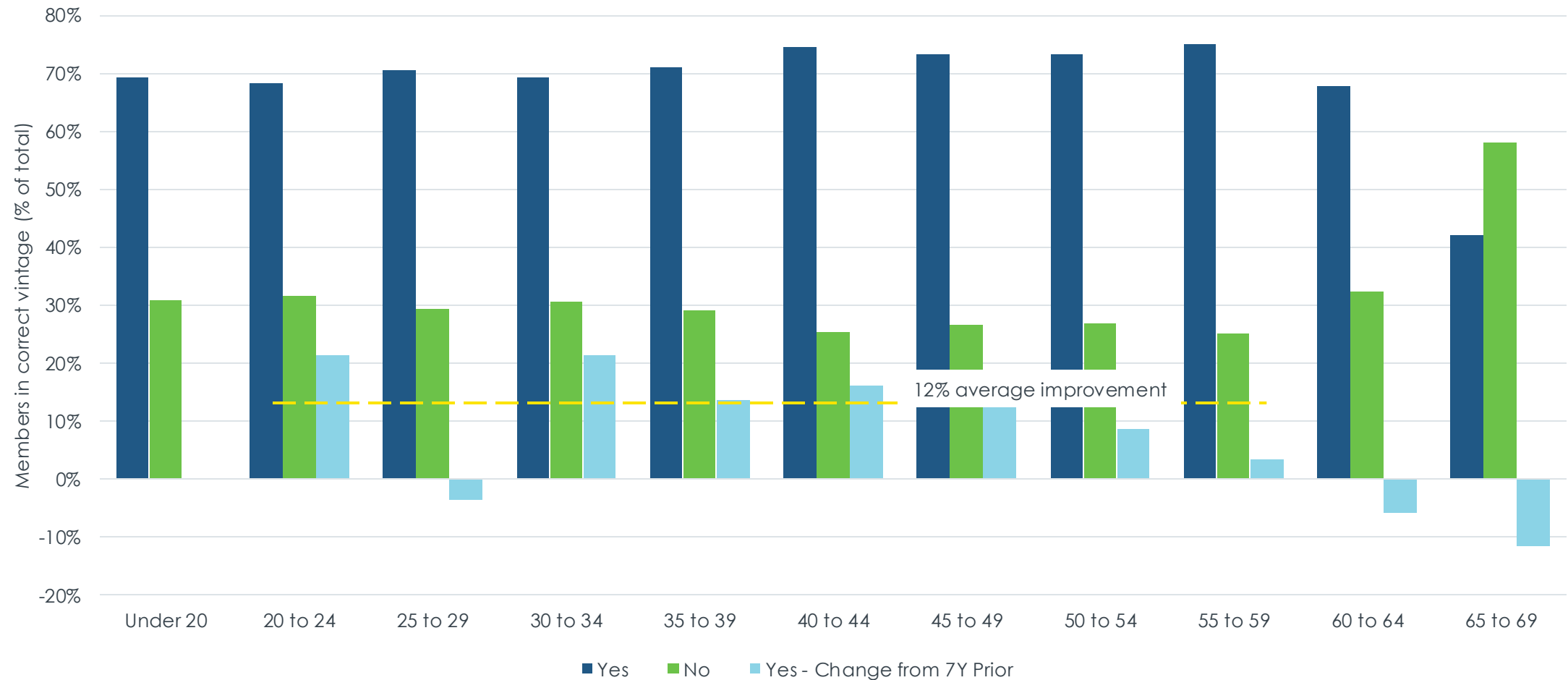
Improvement can be attributed to higher employer contributions & TDF prevalence



Source: Sun Life, Canada Life, Fidelity calculations. i-adj = inflation-adjusted. Data shown reflects entire population of TDF investors in data set.

Investment selection is an important consideration

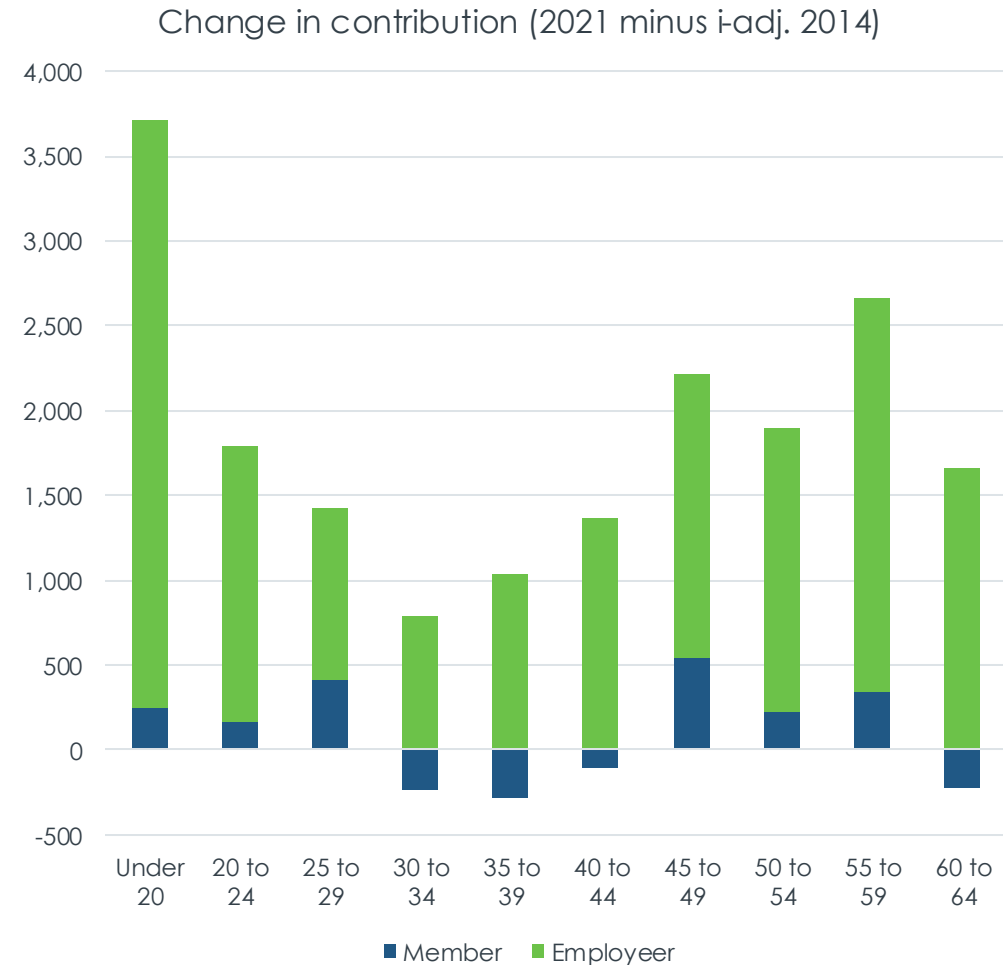
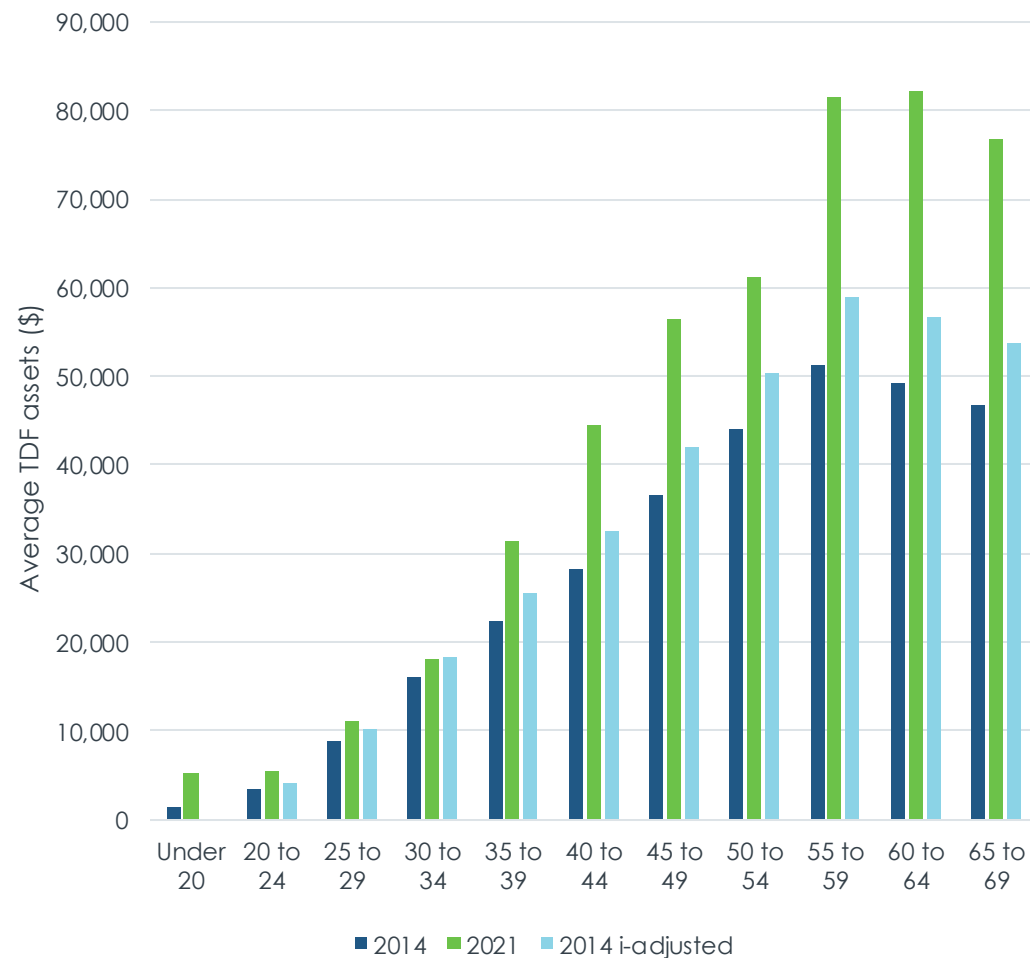
Greater percent of members in the appropriate TDF



Source: Sun Life, Canada Life, Fidelity calculations.

Target date savings trends

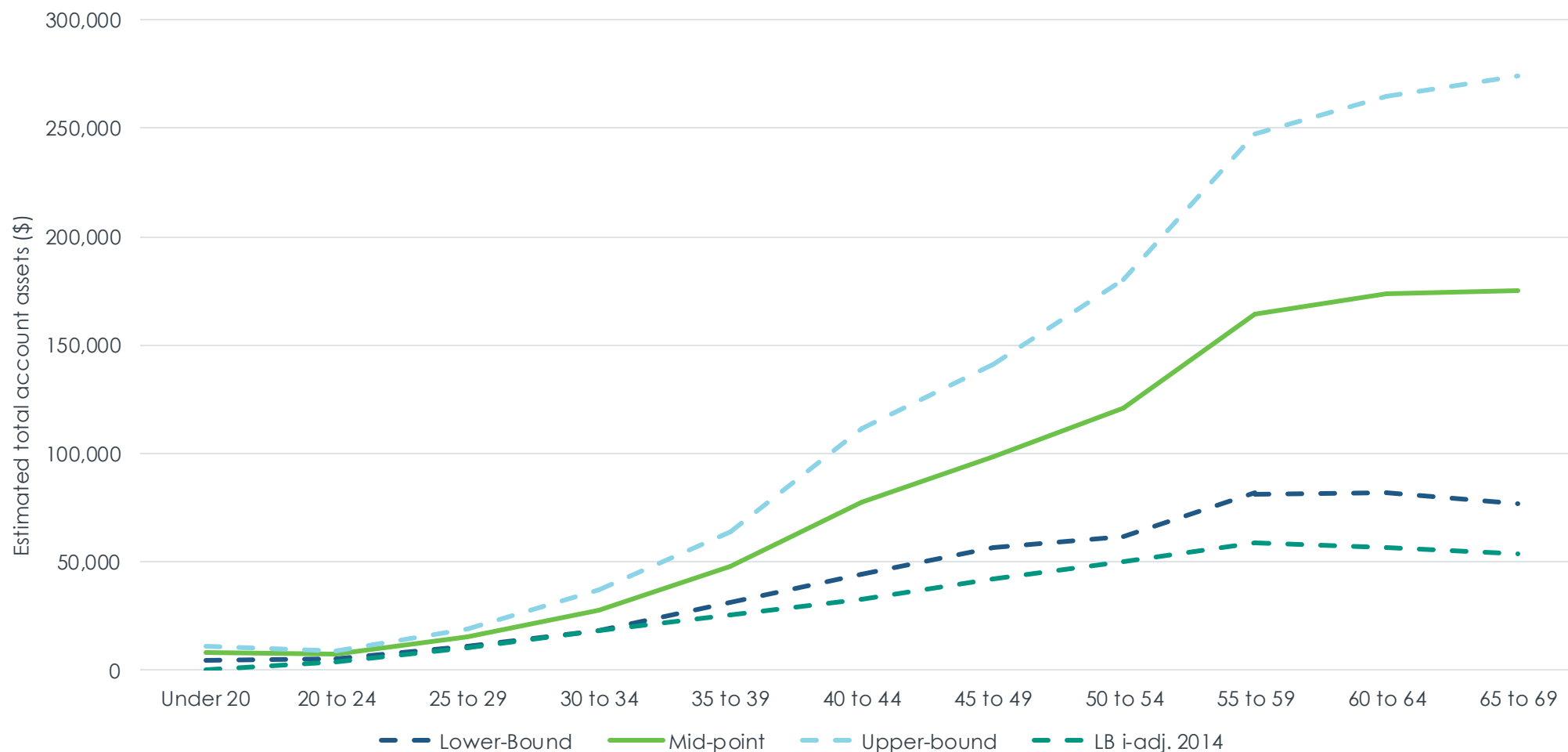
Investors in the appropriate target date fund may be better prepared for retirement



Source: Sun Life, Canada Life, Fidelity calculations. i-adj = inflation-adjusted. Data shown reflects TDF investors in an 'appropriate' vintage, based on their age.

Retirement savings trends

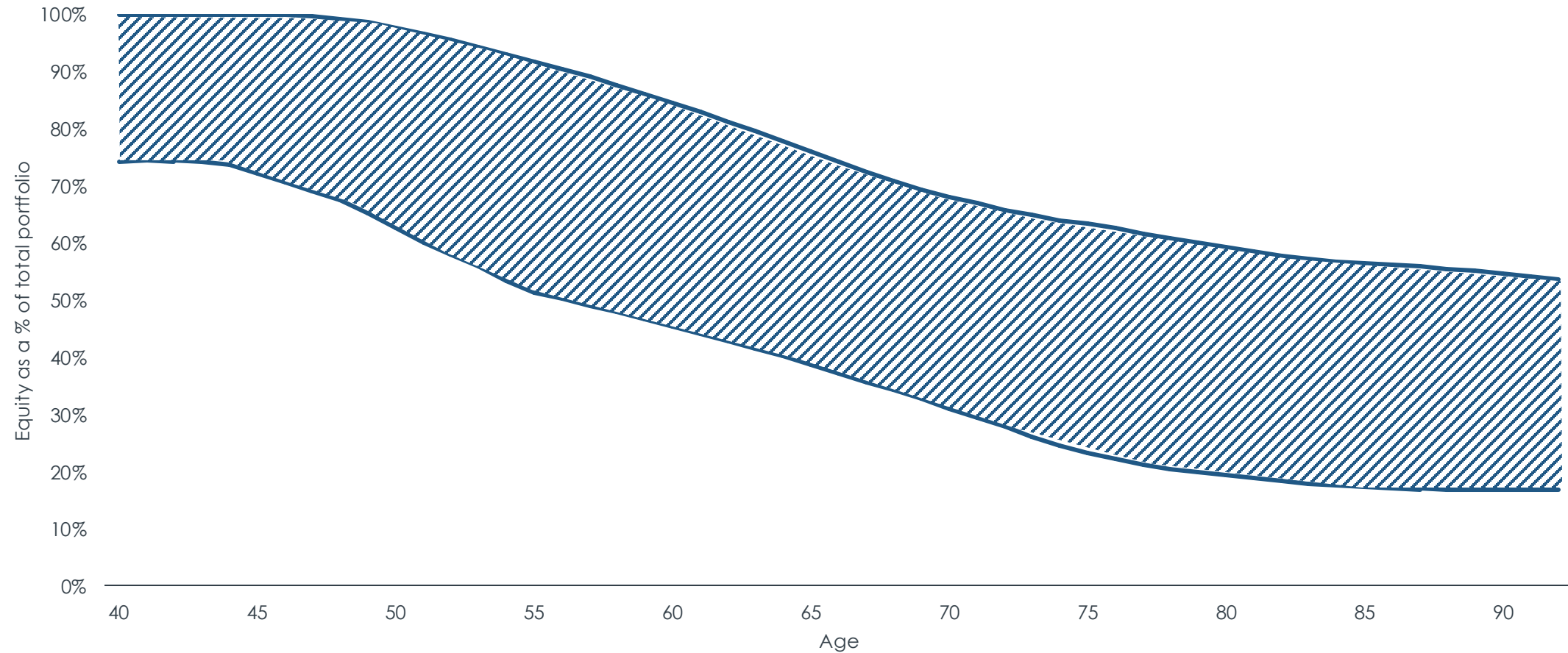
Investors in the appropriate target date fund may be better prepared for retirement



Source: Sun Life, Canada Life, Fidelity calculations, data ending 12/31/2021. i-adj = inflation-adjusted

Impact savings trends can play

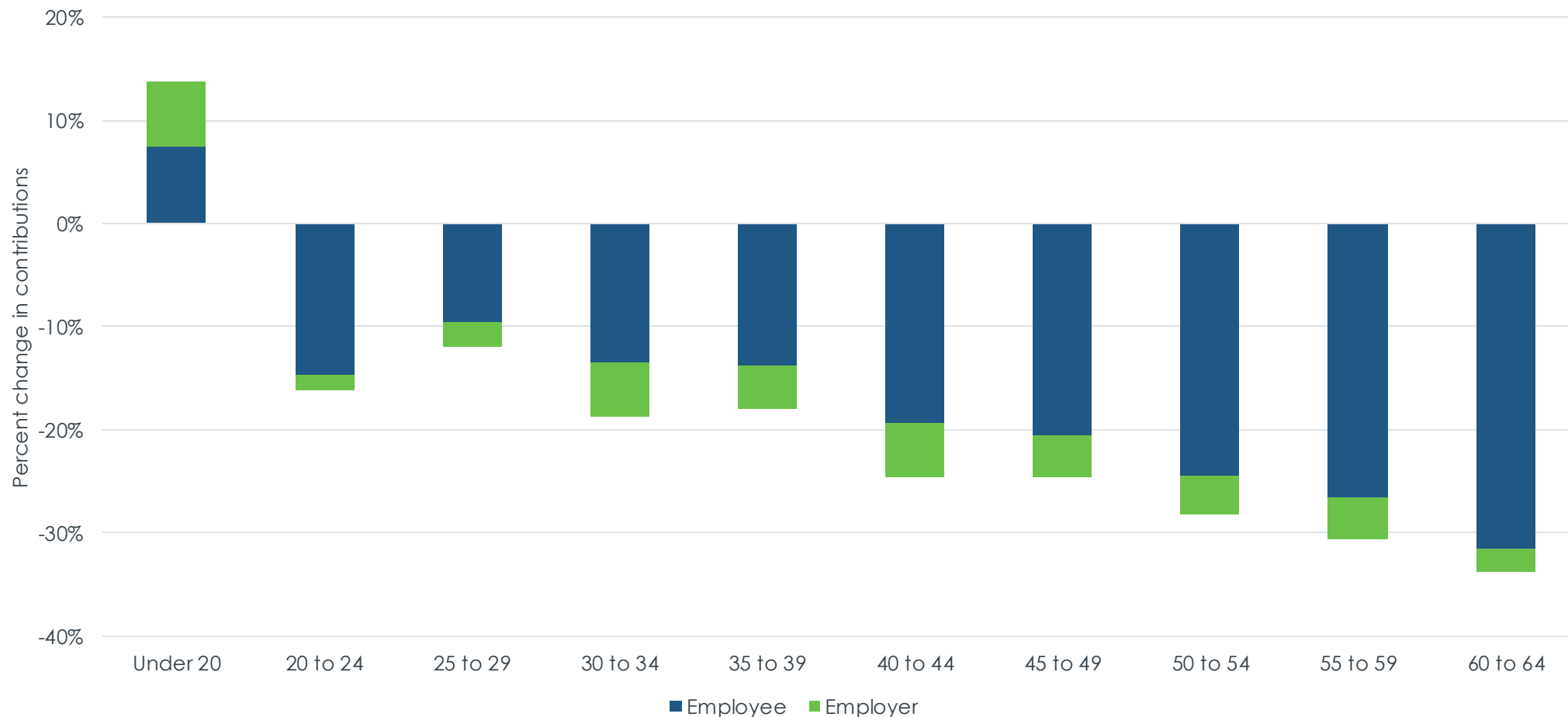
Account balance and contribution habits play a vital role in investment design



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Recent years show a setback to this positive trend

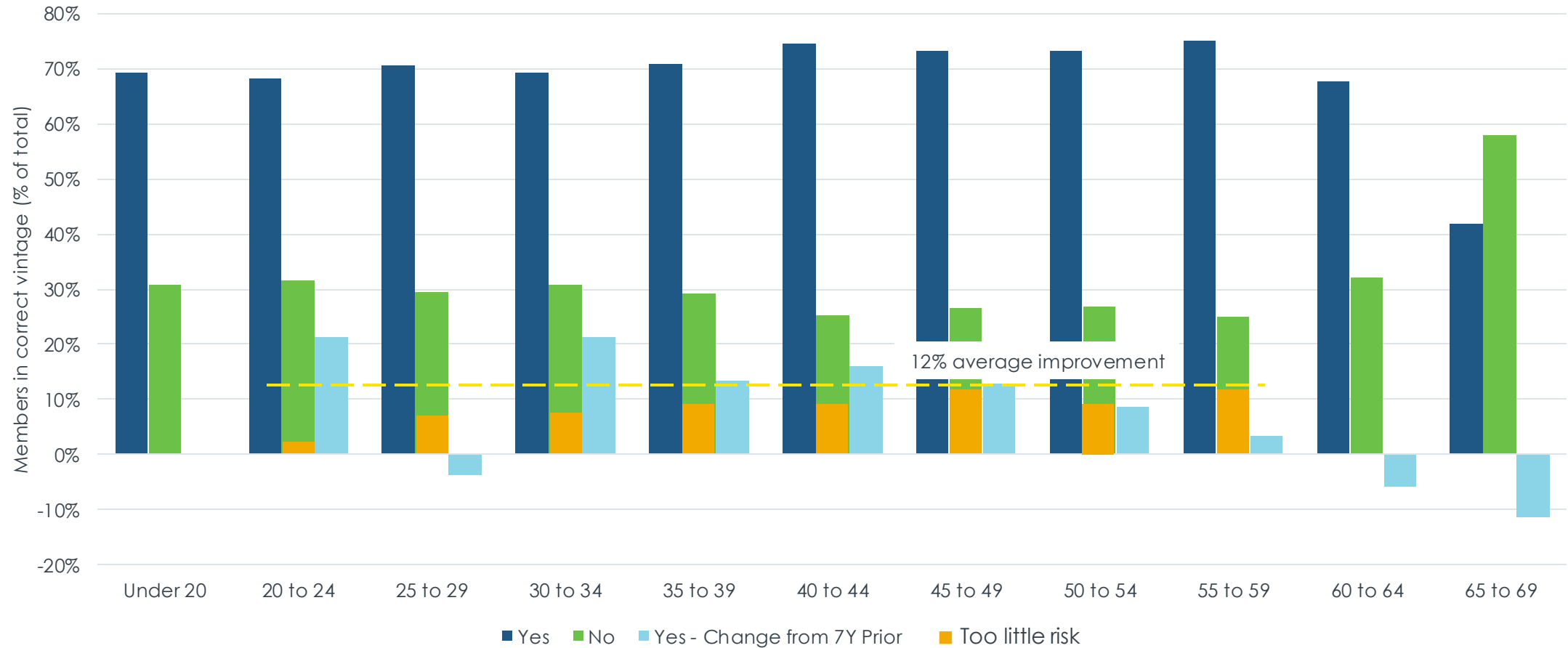
Cost-of-living crisis impacting Canadian retirement savings



Source: Sun Life, Canada Life, Fidelity Investments. Percent change reflects contribution data for 2023 relative to an inflation adjusted 2021 baseline.

Greater percent of members in the appropriate TDF

But still important work to be done!



Source: Sun Life, Canada Life, Fidelity calculations.

Key takeaways



Improved retirement outlook primarily attributed to better utilization of target date strategies and plan sponsor contribution activity.



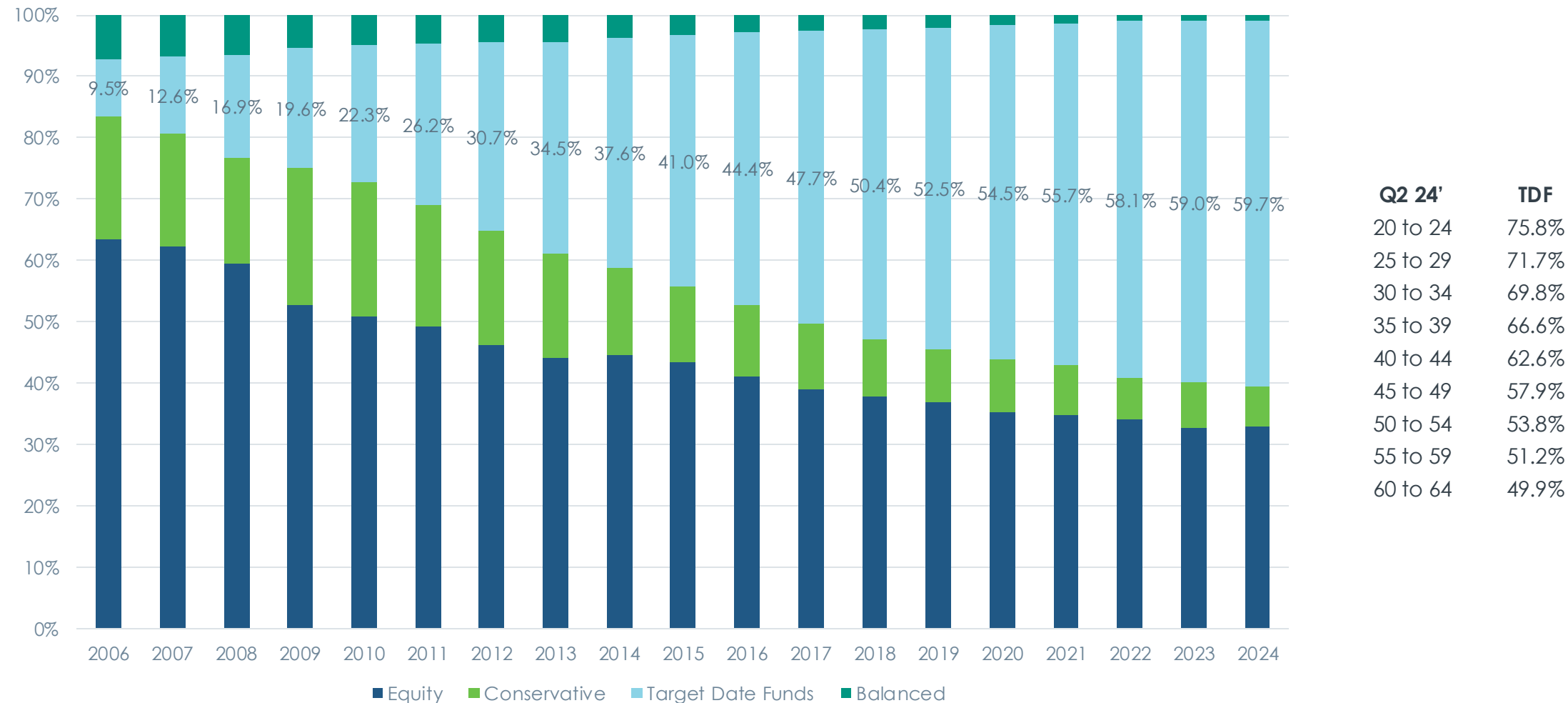
Younger investors appear to be saving at higher rates than we have experience in prior periods.



Cost-of-living crisis is negatively impacting members ability to save for retirement.

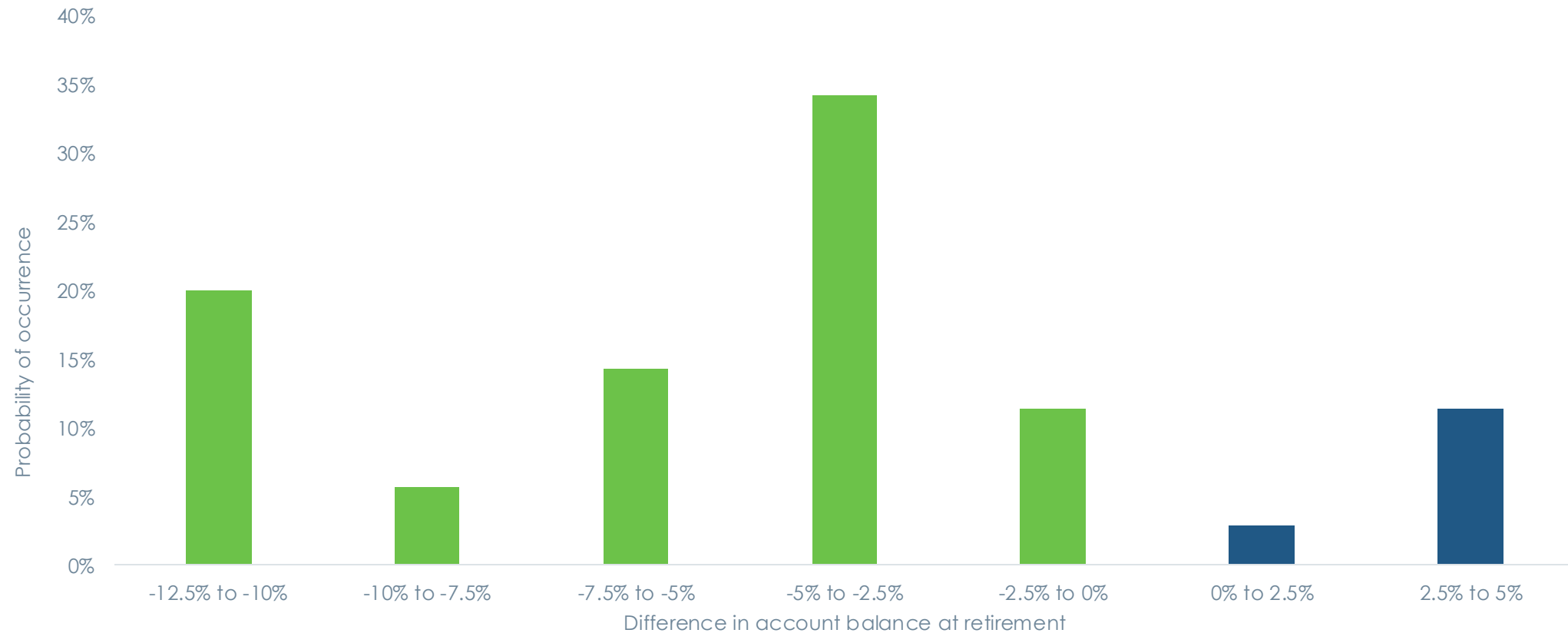
Thank You

U.S. DC Data – Percent of Total Contributions



Source: Fidelity's corporate defined contribution and tax-exempt recordkeeping data. As of June 30, 2024

Being in the wrong fund could cost you years of retirement income!



For illustrative purposes only. Chart compares correct and incorrect vintage balances at age 65.

Biography



Jon Knowles, CFA

Institutional Portfolio Manager,
Global Asset Allocation

Jon Knowles, CFA, is an institutional portfolio manager in the Global Asset Allocation (GAA) group at Fidelity Investments. GAA is an investment team within Fidelity's Asset Management Solutions division, an investment organization that provides industry-leading multi-asset solutions and liquid alternatives investment capabilities to the retail and institutional marketplace. In this role, Jon serves as a member of the investment management team, maintaining a deep knowledge of portfolio philosophy, process and construction; assisting portfolio managers and their CIOs in ensuring portfolios are managed in accordance with client expectations and contributing to investment thought leadership in support of the team. He is also a principal liaison for portfolio management to a broad range of current and prospective clients and internal partners, providing detailed portfolio reviews and serving as a key conduit of client objectives, requirements and marketplace insight back to the investment team. Jon's focus is on Canadian target date strategies.

Previously, Jon was a senior investment analyst at Fidelity Canada Institutional™. In this role, he was responsible for providing investment analysis and management of multi-asset solutions for institutional and retail investors.

Jon earned a BBA administration degree from Wilfrid Laurier University. He is a Chartered Financial Analyst (CFA®) charter holder and a member of the Toronto CFA Society. Beyond his professional endeavours, Jon is an active member of Fidelity Canada's Charitable Giving Committee, a group that strives to engage with and support charities across several key areas of impact.

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