



# Understanding fund report language

## Asset class

A general description of the type of investments in the fund is at the top of the fund report. There are seven main asset classes: cash and equivalents, fixed income, balanced, asset allocation, Canadian equity, foreign equity and special equity. Your group plan may not offer all seven asset classes.

## Investment fund size

The total amount of assets held in the investment fund

## Underlying fund and fund size

The fund may invest in another larger investment fund, described here. This section won't appear if the fund doesn't invest in another investment fund.

## Volatility meter



The level of risk associated with the fund is shown on two sliding scales. The top scale shows how the fund value has fluctuated relative to funds in all asset classes (from cash and equivalents to special equity). The bottom scale shows how it compares within its own asset class (for example, how the XYZ Balanced Fund compares to the rest of the balanced fund class). A fund at the higher end of the meter may have a greater risk of experiencing larger fluctuations in value than one at the lower end of the meter.

## Compound returns

The average annual performance of a fund compounded over time

## Calendar year returns

The one-year rates of return of the fund that begins on Jan. 1 and ends on Dec. 31

## Credit quality

This is a measure of default risk for fixed income investments. Bonds rated 'AAA' have a lower default risk than bonds rated 'BBB'.

## Top holdings

The largest investments held by the fund at the end of each quarter, including individual securities or underlying funds

## Equity style and capitalization overview

	Value	Blend	Growth
Large			
Mid			
Small			●

This chart is only found on Canadian equity, foreign equity and special equity fund reports. The equity style shows the method used by the investment manager to manage the equity portion of the fund. Growth style managers favour companies that offer strong earnings growth. Value style managers like good companies that are undervalued but will bounce back in time. A combination of both styles is a blend approach. Large-, mid- and small-market capitalization or "cap" indicates the size of the securities held in the fund. A fund that invests in larger-cap companies is usually less volatile than a fund that invests in small-cap companies.

## Yield-to-maturity (YTM)

Only found on fixed income fund reports, yield-to-maturity is the rate of return on a bond held until its maturity date. A bond fund typically invests in several bonds with different maturities and yields; YTM represents the weighted average of the yields on the different bonds held by the fund. Since a bond is not always held until maturity, YTM shouldn't be interpreted as a projection of the fund's return. Usually, the higher the portfolio's YTM, the greater the risk associated with achieving this return.

## Duration

For fixed income fund reports only, this is a measurement of a fund's sensitivity to interest rate changes. Bond funds with higher durations usually carry more risk and have higher volatility than those with lower durations.

## Fund allocation pie charts

Images illustrate the fund's asset mix. Equity fund images show composition (types of investments), industry and geographic regions. Fixed income images illustrate bond types, bond term structure and credit quality.