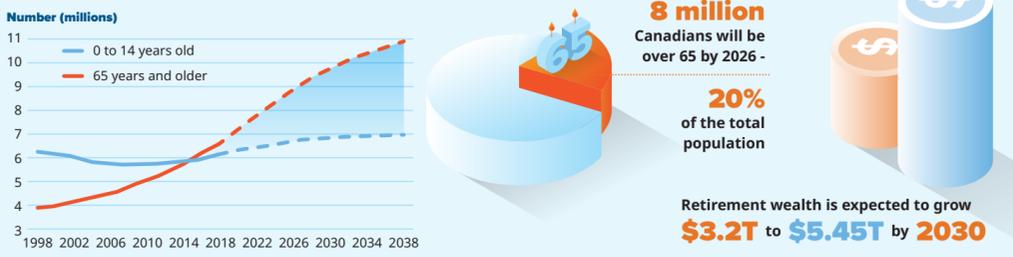


The new retirement reality

Canada's population is aging at an accelerated rate

An unprecedented number of Canadians are making the transition to retirement.

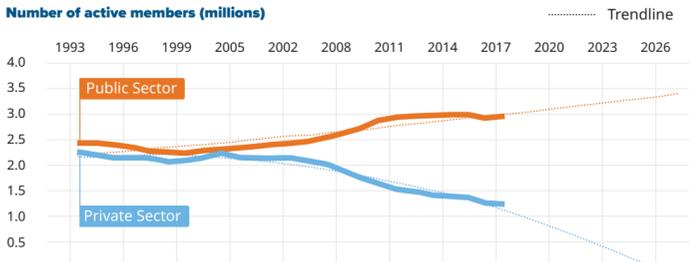


- 36%** rise in people reaching 100 since 2015
- 63** is the average retirement age
- Average life expectancy is **87-89**
- That means many can expect to spend **25+** years in retirement

Sources: Canadian Institute of Actuaries; Statistics Canada

Decline of the DB pension plan

With defined benefit plans on the decline in the private sector, many retirees bear the responsibility of funding their retirement.



Source: Globe and Mail; Statistics Canada; Frederick Vettese

Realistic numbers on retirement

With a focus on accumulating savings through employment, is enough ever enough?

Basic average monthly expenses (CAD\$)

- 2,000 Avg. carrying cost of a house
 - 490 Groceries
 - 300 Insurance
 - 300 Entertainment
 - 200 Transportation
 - 200 Misc
- 3,490 Total**

That's CAD\$ **41,880** a year!

Government pensions fall short by CAD\$ **22,800** every year*

*approximate

For illustrative purposes only; each individual's circumstances will vary.

Retirees have different needs as they shift from the accumulation phase to the decumulation phase.

Accumulation Phase



Decumulation Phase



Investment Needs



Why do we need a new approach now?

Risk-free yields continue to decline...

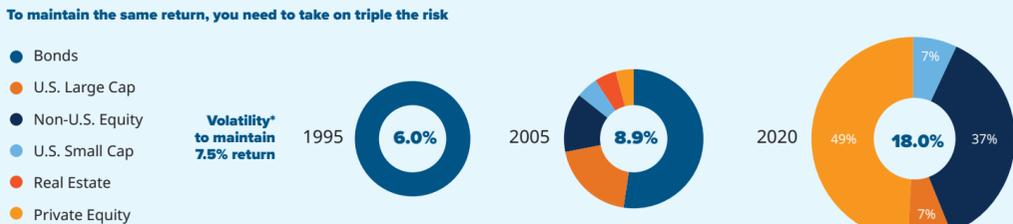
US 10-Year Treasury Yield



Source: Bank of Canada

...and volatility has increased.

To maintain the same return, you need to take on triple the risk



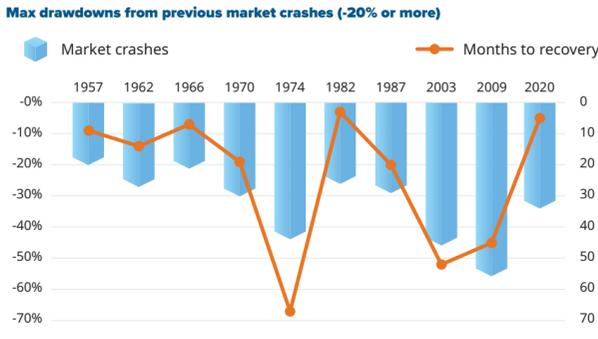
*As measured by standard deviation. Source: Callan Associates, Wall St. Journal; Mackenzie Investments

Market crashes happen more often than you think...

Every 6 years on average - investors living 25+ years in retirement may experience up to 4 market crashes in this time!



Max drawdowns from previous market crashes (-20% or more)



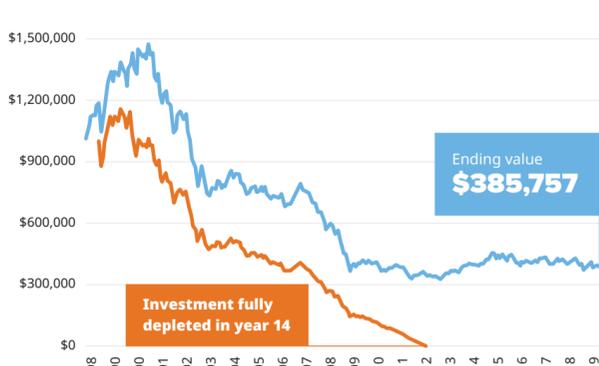
Source: Bloomberg

...and the timing of a bear market can have an outsized impact for income seekers

Investor A
Initial \$1,000,000 investment - January 1998
\$60,000 annual income withdrawn monthly

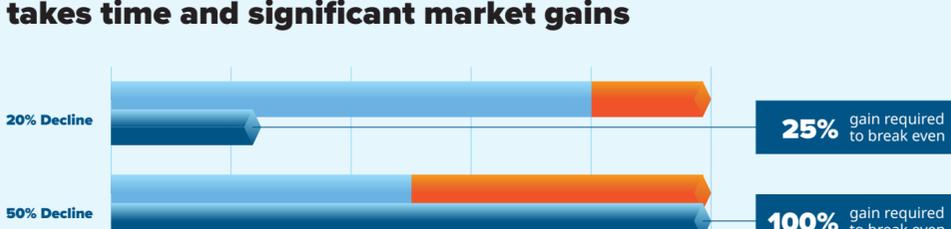
Investor B
Initial \$1,000,000 investment - August 1998
\$60,000 annual income withdrawn monthly

Investor A experienced early positive returns; Investor B experienced early negative returns and found their investment depleted within 14 years.



Source: Morningstar, based on S&P 500. For illustrative purposes only.

Recovering from an extreme decline takes time and significant market gains



This is why we need to rethink retirement portfolios to include income, growth and downside mitigation strategies.

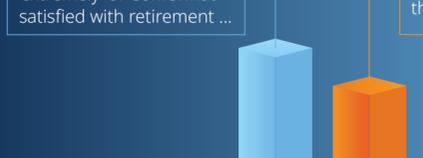
Source: Mackenzie Investments

Retirees need a comprehensive decumulation strategy - and an advisor can make the difference

Among retirees with an advisor, **87%** are 'extremely' or 'somewhat' satisfied with retirement ...

... compared to **67%** of those without an advisor

If they could go back in time, **23%** of retirees would have sought out more retirement planning advice



Source: Power Retirement Study 2019

Mackenzie can help

- Retirement leadership
- Retirement income solutions
- Retirement education & training

Retirement rewired, with your retirement partner. That's better together

Mackenzie Investments has the solutions, expertise and education advisors and investors need to navigate this new retirement reality.

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