



Can You Afford to Retire?

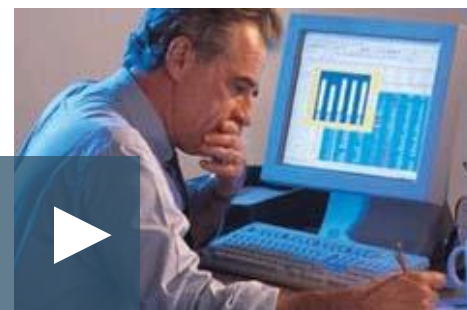


**"We're expecting stocks to rally but
we don't know which ones and when."**

Who is Fidelity?



Five key risks to retirement income



The Fidelity advantage

Responsibility

- a trusted steward of client assets for over 65 years
- world's largest independent and privately owned fund management company
- \$2.1 trillion AUM USD¹

Reach

- global presence with local knowledge
- over 800 investment professionals²

Research

- the cornerstone of Fidelity's investment approach
- security selection is our primary focus, driven by rigorous fundamental research
- proprietary research conducted around the world
- Team Canada is the largest buy-side equity team dedicated solely to the Canadian market

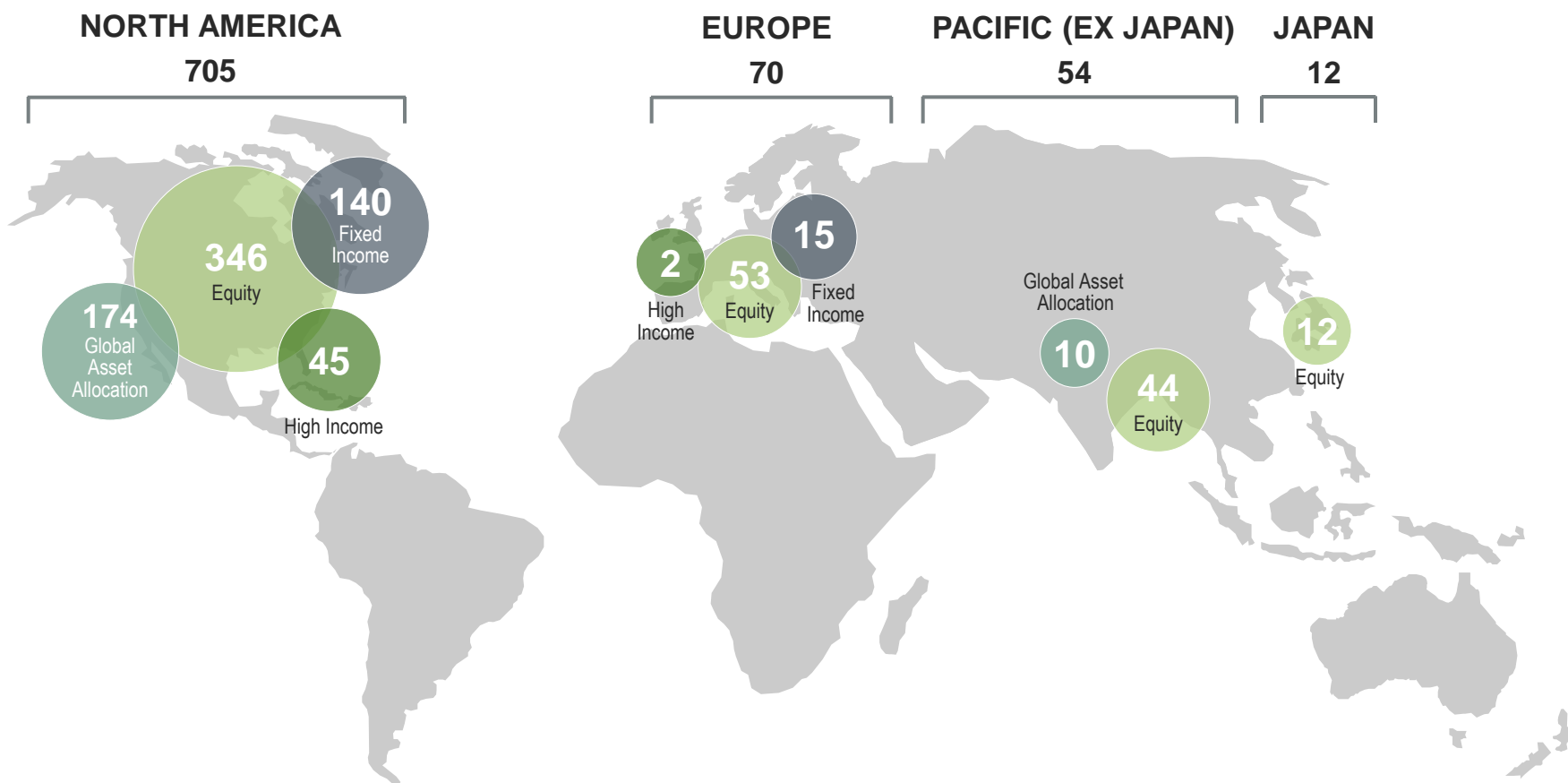
Results

- seeking to deliver solid long-term performance
 - over 65 years of innovation
-

¹Fidelity Management & Research Company, as at March 31, 2015 (USD). ²Fidelity Management & Research Company and Pyramis Global Advisors, as at March 31, 2015. Data are not audited. Investment Professionals include both analysts and associates.

Connecting you to a wealth of global resources

Fidelity Investment professionals



Source: Fidelity Management & Research Company and Pyramis Global Advisors, as at March 31, 2015. Investment professionals include both analysts and associates.

Fundamental research process

COMPANY

Focus is on direct contact with companies

- Over 1,000 visits to Canadian companies each year
- Over 250 Canadian companies visit Fidelity each year

MARKET/SUPPLY CHAIN

Cross-checked with

- Competitors
- Suppliers
- Local and global players

RESEARCH NETWORK

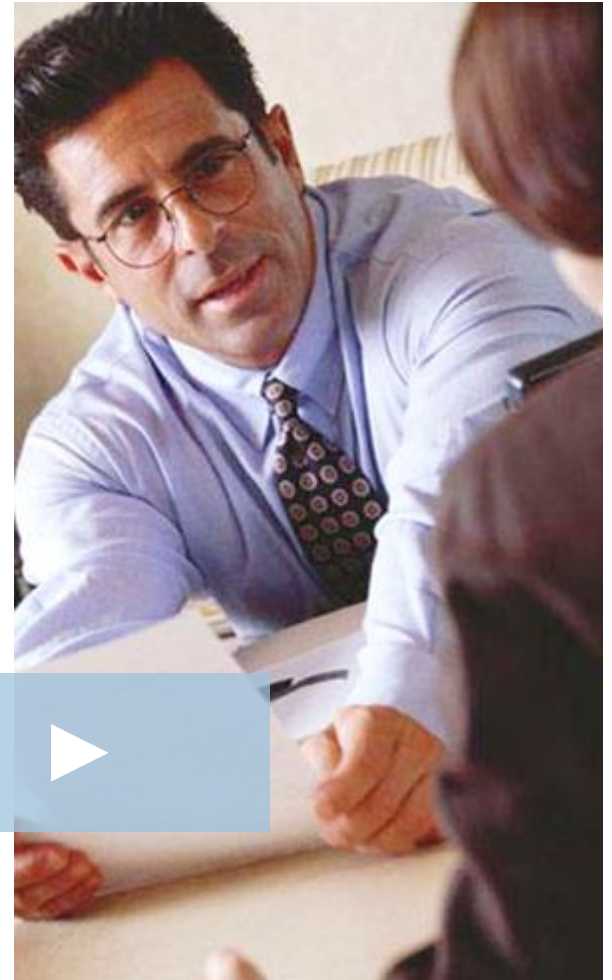
Complemented by global perspectives

- Weekly global sector calls
- Global capitalization perspective

Retirement in Canada.....Changing needs

RETIREMENT CAN BE COMPLICATED...

- No more pay cheque
- Multiple income sources
- Taking withdrawals from assets
- Tax requirements
- Living within a budget



It can be complicated

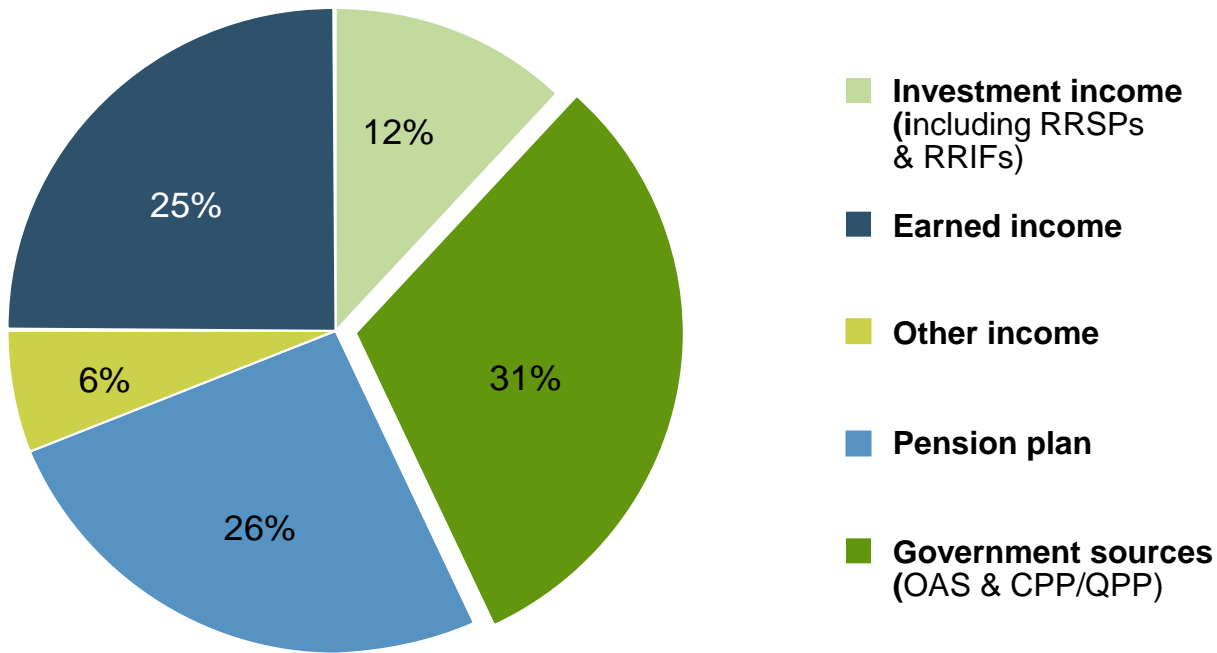


Source: Fidelity Investments Canada ULC.

Sources of retirement income

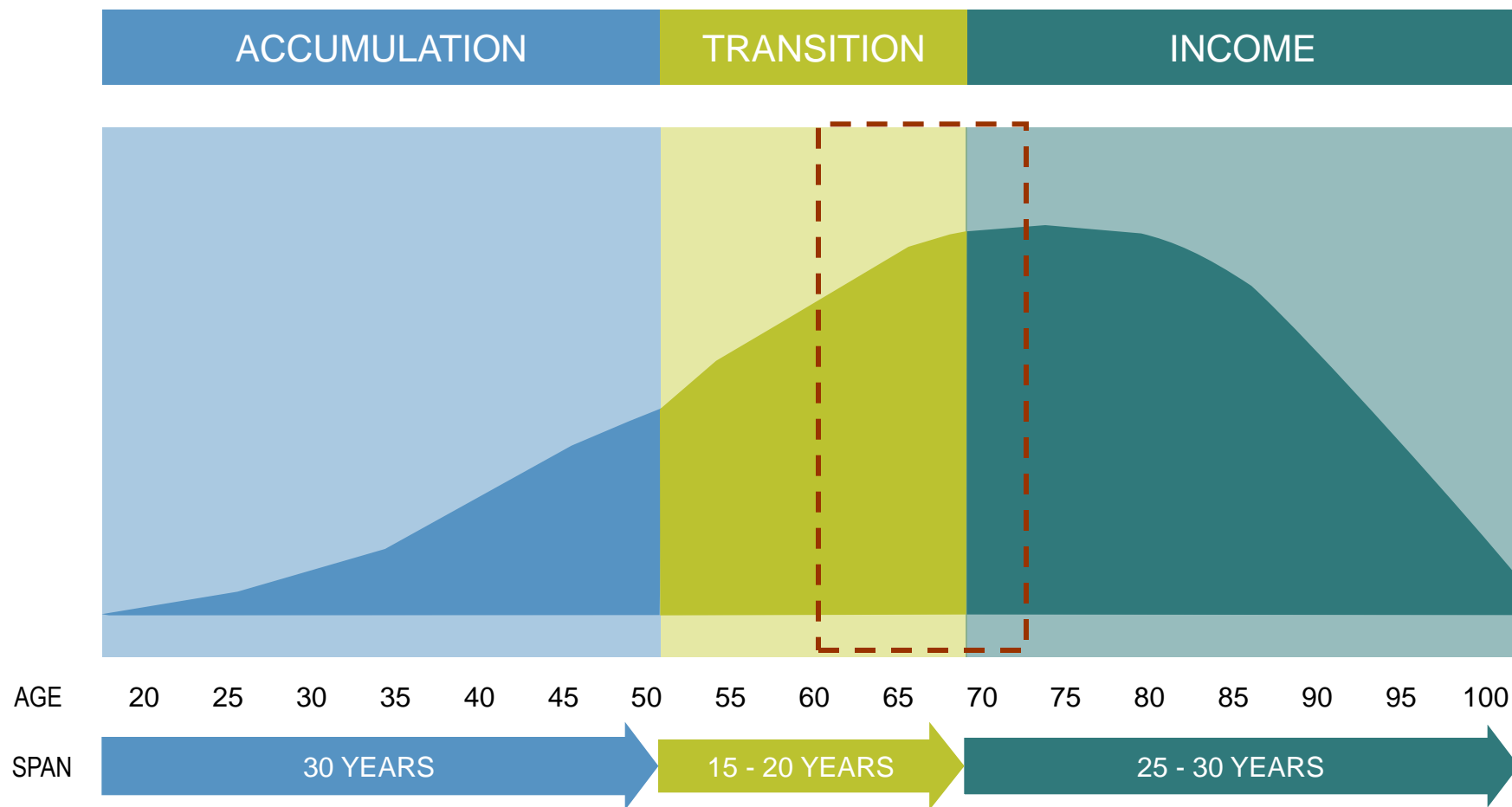
CLIENTS MAY BE RESPONSIBLE FOR A SUBSTANTIAL PORTION OF THEIR RETIREMENT INCOME

SOURCE OF INCOME FOR COUPLES AGE 65+



Source: Statistics Canada, Sources of income by age and sex, 2010.

“Modern Retirement” in 3 phases



Source: Investor Economics.

The 5 key risks to a financially secure retirement



Longevity



Inflation



Health care



Withdrawal



Asset allocation

Source: Fidelity Investments Canada ULC.

The flaw of averages

A river may have an average depth of 1 metre

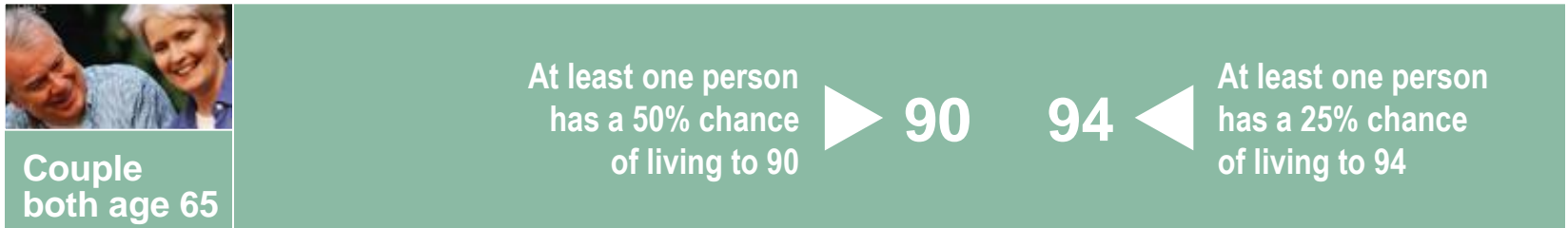
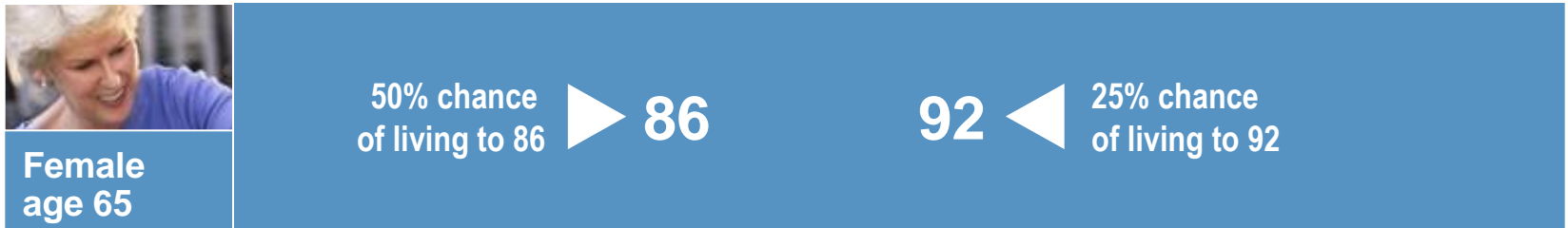
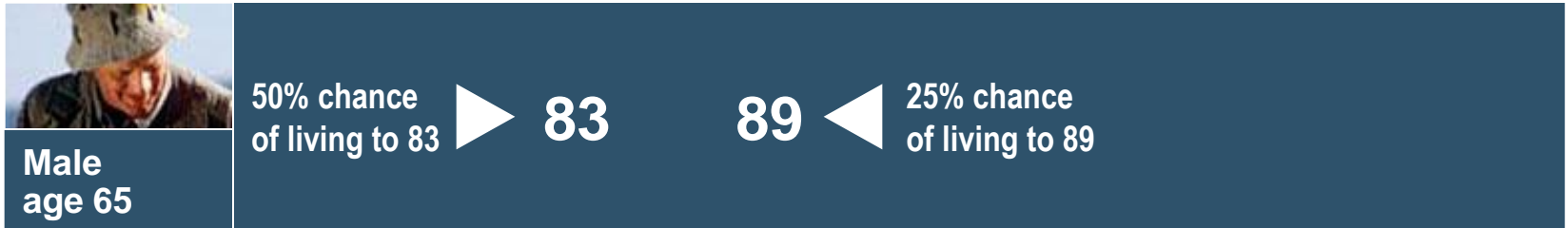


But that doesn't mean it will always be 1 metre deep!

Longevity

Plan on outliving the averages

LIFE PLAN



Source: Canadian Institute of Actuaries, UP-94 Projected to 2015. Based on total Canadian population, assumes age 65 reached.

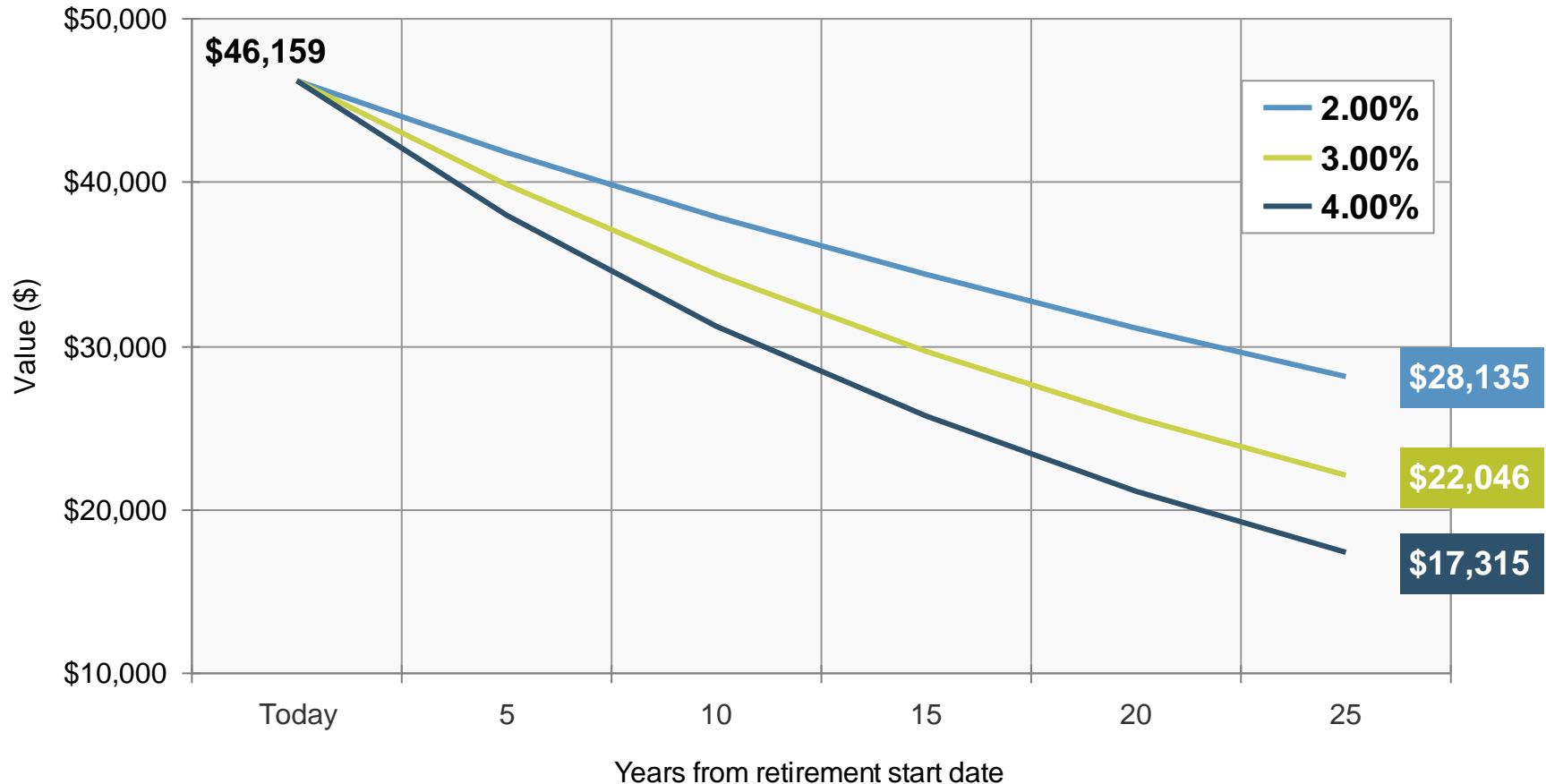
Inflation

Inflation risk



Plan for double the income in 25 years

EVEN LOW INFLATION CAN DAMAGE PURCHASING POWER

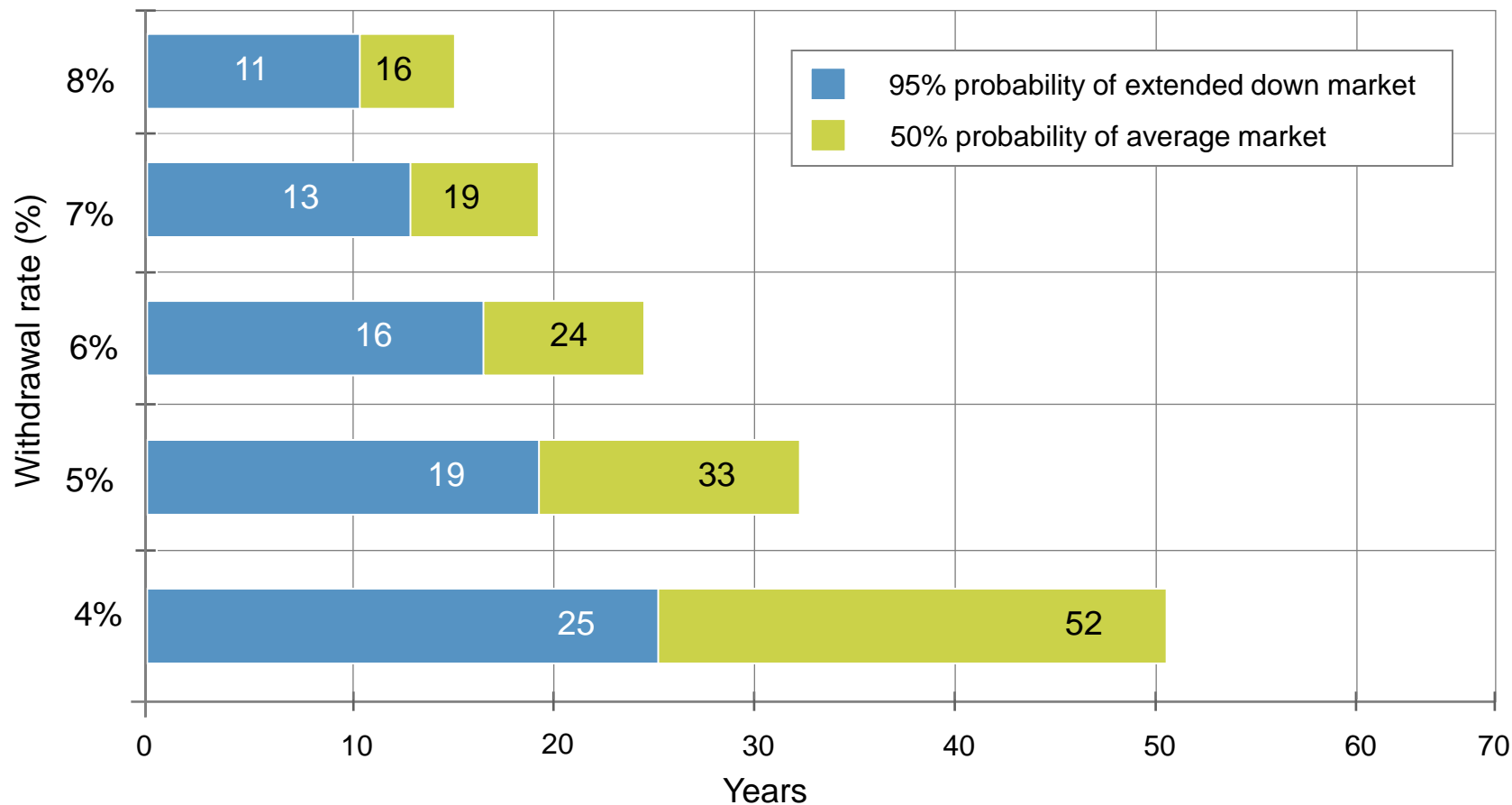


\$46,159 was the annual average expenditure for a household headed by an individual age 65+, according to the Statistics Canada *Survey of Household Spending in 2003* report. All other numbers were calculated based on hypothetical 2, 3 and 4% rates of inflation to show the effects of inflation over time; actual inflation rates may be more or less. Source: Fidelity Investments Canada Limited.

Withdrawal rate

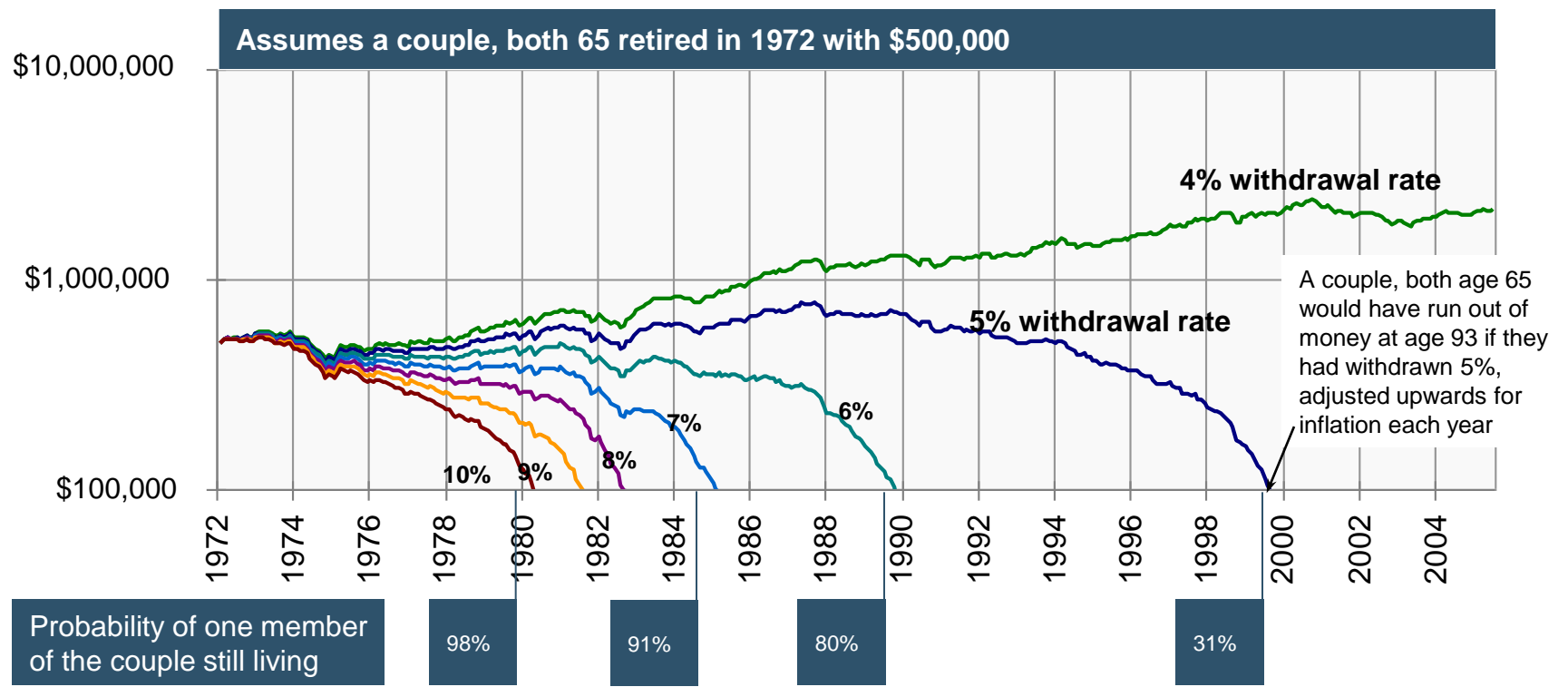
The less you withdraw, the longer it lasts

HOW LONG YOUR MONEY WILL LAST DEPENDS ON YOUR RATE OF WITHDRAWAL



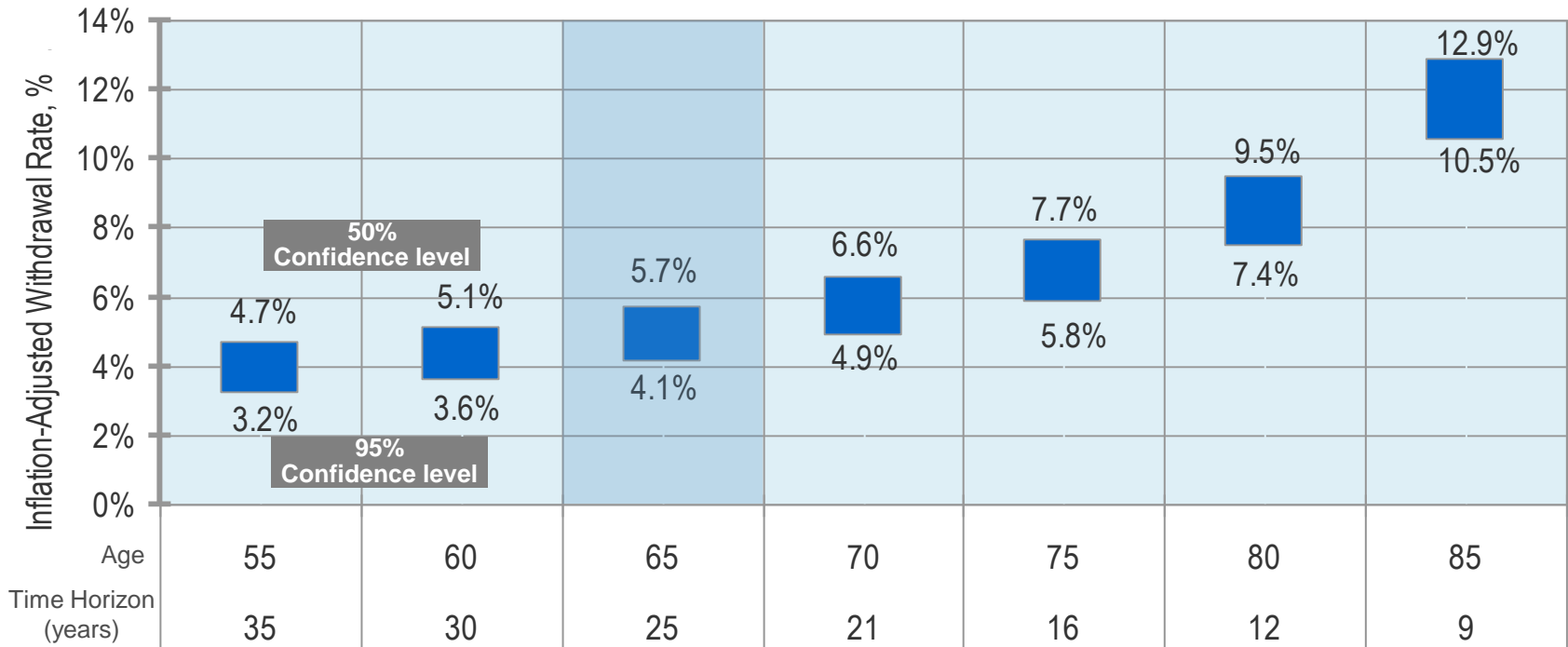
Number of years a portfolio may last, based on percentage of assets withdrawn each year, assuming 50% equities (low end represents 95% confidence level, upper end represents 50% confidence level). Source: Fidelity Investments Canada ULC.

Managing the risks in the real world



Source: Graph – Fidelity Investments Canada ULC; Probabilities – CDN Institute of Actuaries. Hypothetical value of assets held in an untaxed account of \$500,000 invested in a portfolio of 30% Canadian stocks, 10% U.S. stocks, 10% overseas stocks, 35% bonds and 15% short-term investments with inflation-adjusted withdrawal rates as specified. This hypothetical illustration uses historical monthly performance from January 1972 through May 2005: Canadian stocks, U.S. stocks, international stocks and short-term investments are represented by S&P/TSX Composite Index, S&P 500 Index, MSCI EAFE Index, and Scotia Capital 91-Day T-Bills Index, respectively. Bonds are represented by Scotia Capital Universe Long Bond Overall Index prior to January 1980 and Scotia Capital Universe Overall Index from January 1980 forward. This chart is for illustrative purposes only and is not indicative of any investment. Past performance is no guarantee of future results.

Sustainable withdrawal rates depend on your age



Source: Fidelity Investments. Hypothetical withdrawal of assets from an untaxed account invested in a portfolio of 30% Canadian stocks, 10% U.S. stocks, 10% international stocks, 35% bonds and 15% short-term investments. Withdrawal rates shown are constant withdrawal percentages that will fully deplete the portfolio at the end of each specified planning horizon. The higher withdrawal rate values are calculated for the average market conditions (50% confidence level), and the lower values for the extended down market conditions (95% confidence level). Planning horizons are based on the life expectancy of a couple. Average rates of return on Canadian stocks, U.S. stocks, international stocks, bonds and short-term investments are based on the risk premium approach. Please refer to the Important Legal Information page for important information about the methodology used in this chart and for source and other information. Actual rates of return may be more or less. A constant inflation rate of 2% is assumed; actual inflation rates may be more or less. This chart is for illustrative purposes only and is not indicative of any investment. Past performance is no guarantee of future results.

Asset allocation

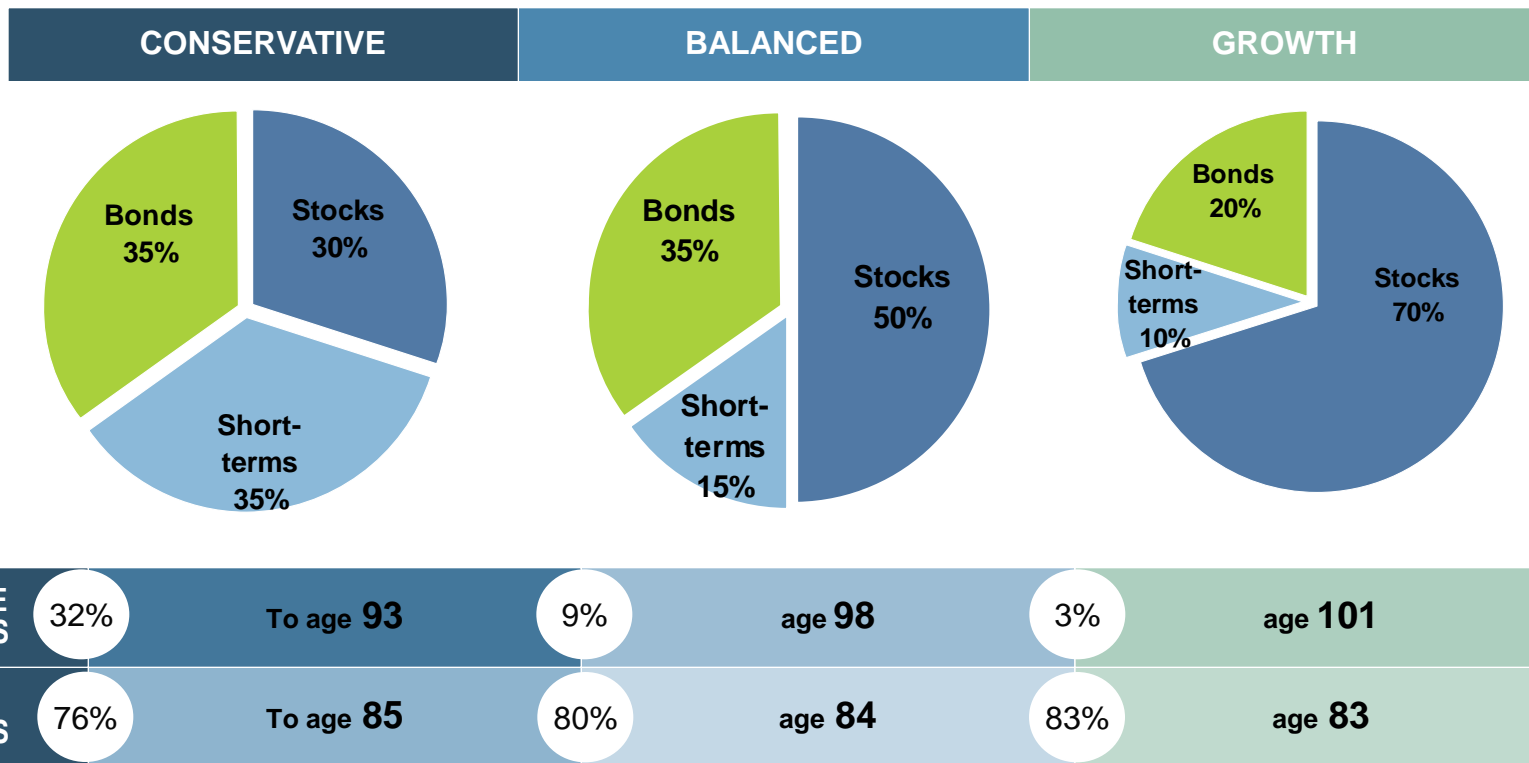
Asset allocation risk (flaw of averages)

What if your portfolio declines 10% two years in a row and you are withdrawing 6%?

30%+ total decline in portfolio..

You need a portfolio that will provide enough income... ... and protect you against market volatility...

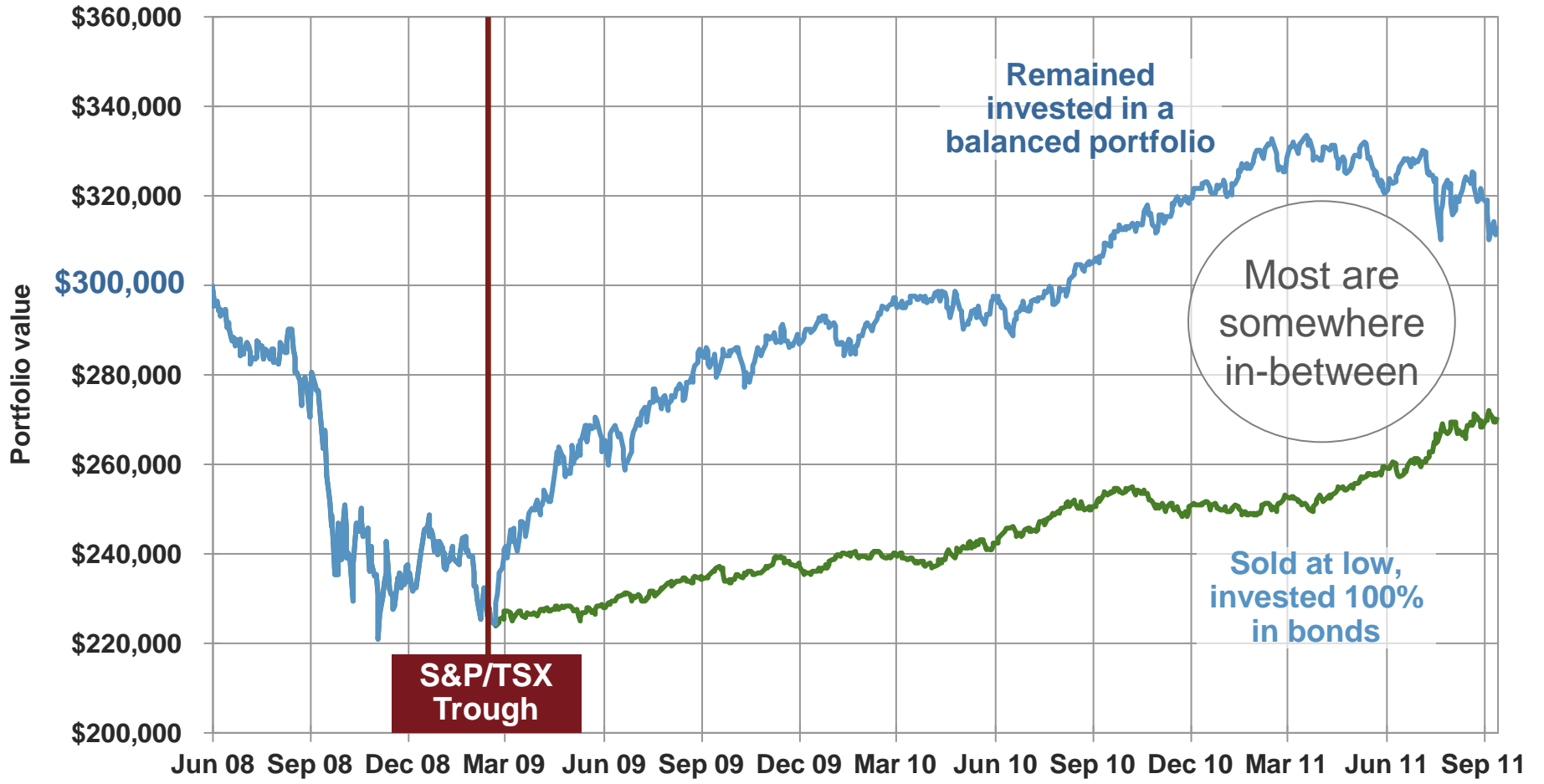
ASSUMING YOU RETIRED AT AGE 65, HERE'S HOW LONG EACH OF THESE PORTFOLIOS WOULD LAST, DEPENDING ON HOW MARKETS PERFORMED



(%) Probability of one member of a 65 year old couple surviving to indicated age

Source: Fidelity Investments Canada ULC. Please refer to the Important Notice slide for important information about the methodology used in this chart and for source and other information

Sticking with Asset Allocation is so important?



Source: Datastream, September 30, 2011. Balanced portfolio 50% S&P/TSX Composite Index, 35% DEX Universe Bond Index, 15% DEX 91 day T-Bill. All bond portfolio consists of 100% DEX Universe Bond Index.



Health care

Health Care Risk

64%

of non-retirees over 45 feel there is a risk of out-of-pocket medical expenses depleting their retirement savings¹

36%

of retirees are saving for out-of-pocket medical expenses¹

40%

is the increase in out-of-pocket health expenditures for elderly families between 1997 and 2003²

50%

of retirees now turning 65 will be admitted to a nursing home³

Source:

¹2005 study sponsored by Fidelity Investments Canada ULC and conducted by the independent research firm The Strategic Counsel

²Statistics Canada, Fidelity Investments Canada ULC.

³Spillman & Lubitz, "New Estimates of Lifetime Nursing Home Use," *Medical Care*, Vol. 40, #10, 2002

Your Health Care Choices - Long Term Care

- Know what is covered
- Know what your options are
- Set aside savings so that you can make the choices you want

PROVINCE / TERRITORY	MINIMUM	MAXIMUM
British Columbia	\$10,500	\$25,300
Prairies	\$10,000	\$23,600
Central	\$11,600	\$24,700
Atlantic	\$23,700	\$36,200
North	\$6,500	\$8,600

Notes: Minimums and maximums are approximations and will vary in services delivered and privacy of accommodation. Financial assistance may be available to persons in need for both subsidized and non-subsidized arrangements. Source: Federal Superannuates National Association (FSNA), Gov't of NS,.