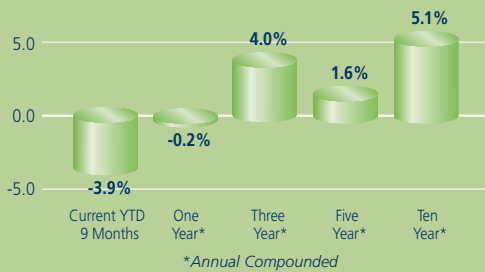


THIRD QUARTER 2011

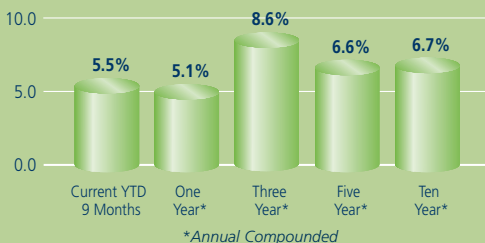
General Fund

Rate of Return @ September 30, 2011



Bond Fund

Rate of Return @ September 30, 2011



Current Quarter

Ended September 30, 2011

General Fund	-6.1%
Bond Fund	3.6%

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Third Quarter in Review

(9 months ended September 30, 2011)

Commencing with this quarter's *Money Matters*, I will discuss concerns and feedback received by AFBS from our Members regarding our Retirement and Savings Plans.

In this quarter's issue, I will address the costs of operating and maintaining your retirement plans.

I frequently get enquiries from Members regarding the level of fees. When Members seek advice from outside advisors, regardless of whether they are independent advisors or investment (sales) advisors, one concern that invariably arises is that it is difficult to believe that AFBS fees applied to the retirement funds are **only 0.45%**. Often I hear that our fees are not realistic and that "we must be charging fees in other ways".

Outside advisors do not "get" the AFBS business model and the benefits of being a Member of our not-for-profit Fraternal Society.

In the investment world, fees are normally paid through a charge that is known in the industry as a Management Expense Ratio (MER). MERs in Canada are among the highest in the world. MERs can take the form of front end loads (money required upfront), back end loads (after transactions occur), monthly council fees, transaction fees, administration fees. The list goes on and on. Average MERs for balanced funds such as those provided by AFBS can run at 2.58%. This fee is collected on your assets regardless of whether or not the fund is earning a positive return.

Compare these fees with the AFBS MER of only 0.45%.

When you examine AFBS fees of only 0.45% from the very beginning, the AFBS General Fund is ahead of the retail market by an average of 2.18%. This is a startling fact in today's marketplace where a 10-year Government of Canada bond is yielding only 2.29%. What does this mean? Well, if that 10-year government bond were held in a retail balanced fund, the income from that bond would go to pay your advisor or investment managers, whereas if it were held in your AFBS General Fund account, you, the Member, get to keep it!

Leaving this income in the Members' plan is a significant factor in generating sufficient retirement income for our Members.

How do we keep the MER so low? **The answer is the power of the AFBS model.** Your Guilds have negotiated Collective Bargaining Agreements that ensures there is a level playing field for all performers and writers. In your collective agreements, provisions are made whereby amounts are paid to AFBS in the form of Equalization Payments as a result of non-Guild performers/writers working in the industry. These Equalization Payments are used by AFBS to pay for the majority of the cost of operating the retirement programs. As a result, the MER required to operate the retirement funds is minimal.

The advantages of the AFBS model to our Members cannot be overstated. It is well understood that our Members work in a demanding and often unforgiving industry. However, the AFBS model provides our Members with a benefit rarely found in Canada, which, if taken advantage of can go a long way to providing the financial security you seek in your retirement.

Written by Ron Zammit, Chief Financial Officer, AFBS.



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Are You Registered?

Login and Register to receive instant access to your AFBS portfolio: monthly RRSP statements, investment returns, annual earnings, insurance updates, RRSP, TFSA contributions and additional real-time information at www.actrafrat.com.

1. E-mail AFBS: www.afbsgetconnected.com
2. Call AFBS: (416) 967-6600 or Toll Free 1-800-387-8897
3. Fax AFBS: (416) 967-4484 or Toll Free Fax 1-888-804-8929

View footage of Chair, Thor Bishopric and President & CEO Robert Underwood's message to Members explaining the benefits of **getting connected** at www.actrafrat.com.

AFBS Website Highlights:

- View President & CEO Robert Underwood's message to Members regarding market conditions and how they affect you! www.actrafrat.com **President's Message**.
- Fred Langan interviews new AFBS Fund Manager, PCJ.
- Review Fred Langan's e-report covering "Market Panic" and "Bankers' Salaries and Shareholder Dividends".

Maximum RRSP Limit for 2011

Your AFBS contribution limit for RRSP deposits for 2011 has been set at \$22,450, which is the Canada Revenue Agency (CRA) maximum for 2011.

Your actual RRSP contribution limit for 2011 is equal to 18% of your 2010 net income, or \$22,450 maximum.

The CRA calculates your actual RRSP deduction limit and produces your CRA Notice of Assessment for the 2010 tax year. You will receive your Notice of Assessment following the processing of your 2010 tax return.

If your RRSP deduction limit (check your 2010 Notice of Assessment) is less (or more) than the AFBS limit for 2011 at \$22,450 (upper left of your Member Account Statement), please fax a copy of your Notice of Assessment to update your AFBS RRSP deduction limit (fax number in Toronto is 416-967-4744 or toll free at 1-888-804-8929).

There are penalties for over-contributions to your RRSP, and failure to advise AFBS of your annual deduction limit could result in over-contributions.

Creditor Protection

Your funds are protected from creditors if you declare bankruptcy because they are insurance products. To further protect your portfolio, please ensure you have designated a beneficiary and your beneficiary designation reflects your wishes. Your RRSP beneficiary designation must be one of the following: Spouse, Child(ren), Parents, Grandchildren. A beneficiary designation form can be accessed at www.actrafrat.com.

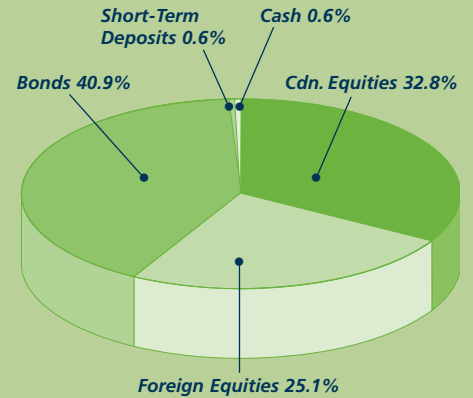
Delivery of Your Money Matters to Change in 2012

Commencing 2012, *Your Money Matters* will be mailed semi-annually, at the end of the 2nd quarter and at year-end.

Your Member Statements will continue to be mailed quarterly and are available monthly to Members who are registered at the AFBS website www.actrafrat.com.

General Fund Asset Allocation

Asset Allocation @ September 30, 2011



Bond Fund Asset Allocation

As at September 30, 2011, the percentage of assets by investment categories is 100% in government bonds and corporate debt securities.

MONTHLY WITHDRAWAL REQUEST DATES
are posted at the AFBS website
www.actrafrat.com

THE Fred Langan e-REPORT

Please read Fred Langan's e-report at our website www.actrafrat.com.
Click "Stay Informed" to read Fred's update.

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