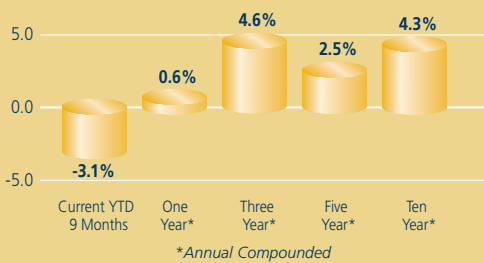


THIRD QUARTER 2011

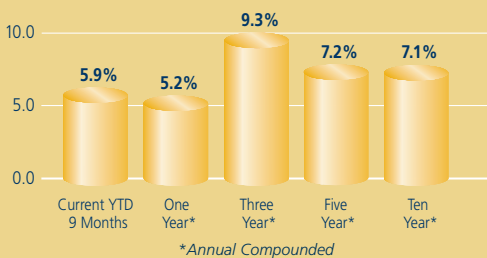
## Balanced Fund

Rate of Return @ September 30, 2011



## Bond Fund

Rate of Return @ September 30, 2011



## Current Quarter

Ended September 30, 2011

Balanced Fund	-5.5%
Bond Fund	3.8%

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## Third Quarter in Review

(9 months ended September 30, 2011)

Commencing with this quarter's *RRIF Report*, 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, whether they are independent advisors or investment (sales) advisors, one concern that invariably arises is that it is difficult to believe that there are **NO FEES** charged on RRIF Fund investments. **There is absolutely no cost.** I often hear that this cannot be possible 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 what 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. The 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 ZERO FEES charged by AFBS.

As AFBS has no fees from the very beginning, the AFBS RRIF Funds are ahead of the retail market by an average of 2.58%. 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 and investment managers, whereas if it were held in your AFBS RRIF 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 does AFBS offer its RRIF Fund without charging any fees?** The answer is the power of the AFBS model. Your Guilds have negotiated strong Collective Bargaining Agreements that ensure 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 Plans. Our RRIF Members are special, and because they are special, our RRIF Members receive an additional benefit. To the extent that the equalization income does not cover the costs of operating the RRIF Funds, AFBS absorbs the costs as a Fraternal Benefit.

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 RRIF Members with a benefit that cannot be found anywhere 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/RRIF statements, investment returns, annual earnings, insurance updates, RRSP, RRIF, TFSA contributions and more. Login and Register at [www.actrafrat.com](http://www.actrafrat.com) for your real-time AFBS information.

1. E-mail AFBS: [www.afbsgetconnected.com](http://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](http://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](http://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".

## RRIF Withdrawal Instructions

Should you require a change to your existing RRIF withdrawal, AFBS must receive written and signed notification by the 20th of the month in order to facilitate the change for that month. For more information, please contact either Jane Nelson at ext. 243 or Susan Emanoilidis at ext. 249.

## RRIF Transfers to Other Financial Institutions

Written Investment Fund Allocation changes (transfers between funds and transfers to other financial institutions) received in any month will be processed the following month at the unit value of the month in which the request was received (e.g. a request received in January will be processed in February using the January fund unit values).

AFBS charges a fee of .5% of the transferred amount for Members transferring retirement funds to another financial institution. This charge will only be levied on transfers to other institutions and not on any movements within accounts at AFBS.

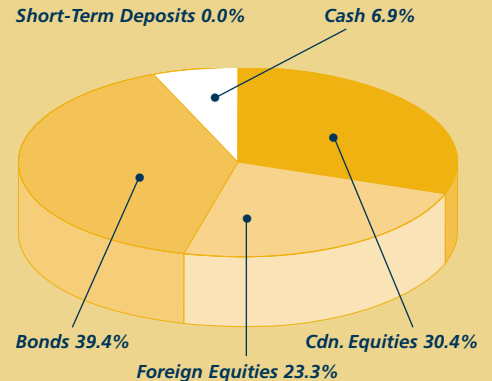
To facilitate a transfer of funds from another financial institution to Actra Fraternal Benefit Society, please contact Charlie Johnson (ext. 242) who will prepare and send the transfer document for signature. The Member must then forward the completed T2033 forms to the financial institution. The financial institution will then direct the fund transfer to AFBS for deposit into your account.

## 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 RRIF beneficiary designation must be one of the following: Spouse, Child(ren), Parents, Grandchildren. A beneficiary designation form can be accessed at [www.actrafrat.com](http://www.actrafrat.com).

## Balanced Fund The Asset Mix

Asset Allocation @ September 30, 2011



## Bond Fund Asset Allocation

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

## THE Fred Langan e-REPORT

Please read Fred Langan's e-report at our website [www.actrafrat.com](http://www.actrafrat.com). Click "Stay Informed" to read Fred's update.

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