

YOUR RRIF REPORT

Actra
Fraternal
Benefit
Society



FOURTH QUARTER REVIEW 12 Months Ended December 31, 2011

Fourth Quarter

Rate of Return @ December 31, 2011

Balanced Fund

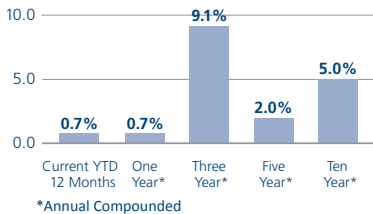
4.0%

Bond Fund

1.7%

Balanced Fund

Rate of Return @ December 31, 2011



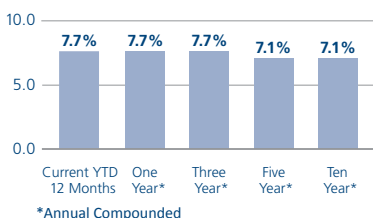
Balanced Fund Asset Allocation

As @ December 31, 2011

Canadian Equities	34.5%
Foreign Equities	25.5%
Bonds	40.0%
Short-Term Deposits	0.0%
Cash	0.0%

Bond Fund

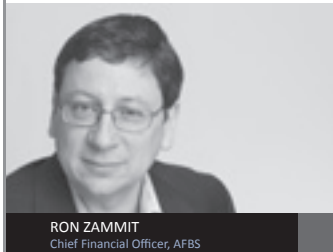
Rate of Return @ December 31, 2011



Bond Fund Asset Allocation:

As at December 31, 2011, the percentage of assets by investment categories was 100% in government bonds and corporate debt securities.

In this issue of **Your RRIF Report**, I will address feedback and concerns received from Members regarding our Retirement and Savings Plans, and requests from Members for AFBS to offer Guaranteed Investment Certificates (GICs).



RON ZAMMIT
Chief Financial Officer, AFBS

The investment world is a complicated place in which Members are bombarded with, mostly gloomy, information from every direction. Making sense of this information is no easy task, particularly when conclusions seem to change on a daily basis. We have witnessed a great deal of market volatility over the past 10 years due to the impact of 9/11, the meltdown of U.S. financial markets, the Great Recession, and the unfolding European debt crisis. Members have called to express their frustration and exasperation with that volatility,

and concerns their savings are at risk. Even when they have “stayed the course”, they have not been rewarded for the risks they accepted. Members want to reduce risk, simplify their portfolios and protect their investments. The most requested investment by Members is the GIC. GICs are the ‘comfort food’ of the investment world. They are easy to understand, pay a known return, and are guaranteed to return your capital at the end of the term. They are considered to be immune from the volatility of the marketplace.

As great as they are, GICs have shortcomings, including the current rate of interest paid on them. Recently, interest rates paid on savings have remained stubbornly low, with short-term GICs earning less than 1%. Given that, according to Statistics Canada, the current rate of inflation is in excess of 2.5%, at maturity, a GIC investment will provide an investor with less purchasing power than they had when they made the investment. Additionally, GICs are locked-in: They cannot be cashed prior to maturity without significant penalty. Below, I illustrate the 10-year return on a \$10,000 RRSP investment in four different plans. The value of these returns is based on actual data from January 1, 2002 to December 31, 2011.

What \$10,000 would be worth today if invested 10 years ago in:

The AFBS General Fund	\$15,799
The AFBS Bond Fund	\$19,014
A 1-year GIC*	\$10,178
A 5-year GIC*	\$12,175
The effect of inflation at 2.5%	\$12,801

*Source Globe and Mail December 31, 2011

All four plans are in a positive position. While the AFBS plans are of greater value, they have and will continue to experience market volatility. The difference in value between each plan and the inflation value is, where positive, the risk premium received, or where negative, the cost of the security blanket.

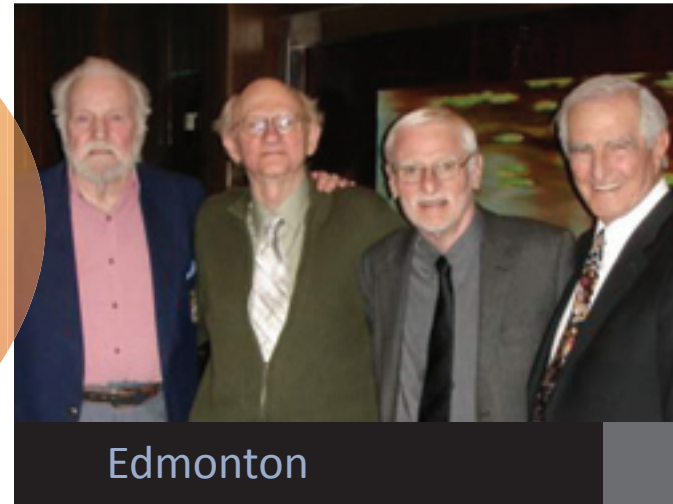
The decision to invest in GICs is a personal one. A Member must be comfortable with their investment, and the loss of purchasing power may be an acceptable price to pay for the security provided by a GIC.

...the cost of the GIC security blanket

RRIF RECEPTIONS

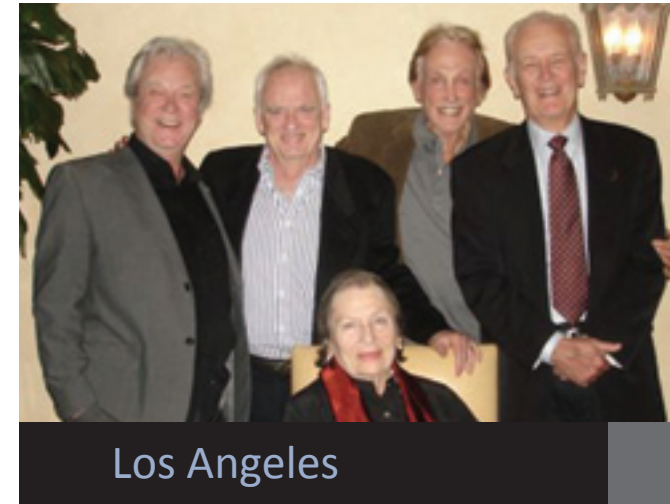
Every year, AFBS Member Services Director, Jane Nelson, and Member Services Co-ordinator, Susan Emanoilidis, hold individual Member meetings across Canada as well as Los Angeles.

Jane and Susan also host RRIF Receptions that allow Members – some of whom travel great distances to attend – the opportunity to renew longstanding friendships and to share their career stories with each other.



Edmonton

Robert Tessier, James DeFelice, Colin MacLean, Ernie Afaganis.



Los Angeles

Standing: Gordon Pinsent, Robin Gammell, Myron Natwick, Bruce Gray.
Seated: Ruth Bochner.



Montréal

Standing: Lionel Siegel, Phyllis Burns, Gaston Forest, Walter Massey, Frederic Smith, Gary Plaxton, Jacqueline Di Stasio, Pat Di Stasio, Joel Barg, Victor Knight.
Seated: Peter Meggs, Una Kay, Robert Burns, Lorna Wayne.



St. John's

John Moyes, Mary Brown, Shirley Newhook, Margaret Moyes, Maudie Whelan, Frankie O'Neill.



Toronto

Dawn Greenhalgh, Adrienne Clarkson, Nuala Fitzgerald.



Toronto

Alfie Scopp, Howard Engel, Martin Donlevy.

In Remembrance

It is with sadness that we announce the passing of the following RRIF Members during the past year.

Joel Aldred	Ruth Knott
Joan Barrett	John Neville
George Bloomfield	George Pon
Bob Clout	Wynne Pon
Brock Curley	Ken Winters
Fran Elliot	Elwy Yost
George Hevenor	Larry Zolf

We are more than 17,000 stories



get connected

When AFBS first formed as a not-for-profit, Member-owned insurance company back in 1975, the only means of communicating financial information to our Members was through the pages of printed material. Nowadays, AFBS prints enough materials - including **Your RRIF Report** - to create a stack of paper more than **a quarter mile high**, and if they were laid end to end, those sheets of paper would stretch for **5,250 miles**, more than the length of Canada. That amount of paper weighs **12 tons** and requires **200,000 envelopes** for mailing. But here's the most sobering number of all: Every year, printing and postage charges alone cost you – our Members – **more than \$525,000**.

Today, by getting connected, AFBS has the ability to communicate with you through a variety of methods including e-mail, the Internet, social media and our own website. We have invested a great deal of thought, time and effort to refresh the AFBS brand, and what our information contains and how it looks when it gets to you, including stories on our reengineered website and the new layout of this edition of **Your RRIF Report**. We can also get that information to you much faster electronically. Getting connected allows you to get instant access to your investment returns, annual earnings, insurance updates, RRSP and TFSA contributions, prior monthly, quarterly or annual statements and so much more.

By more fully utilizing digital communications, we will not only save the environment tons of trees, metres of landfill and significant greenhouse gas, but we will also save our Members considerable money, and allow them to make quicker and better decisions about their insurance and their investments. And because we are Member-owned and governed, savings on printing and postage can be returned directly to Members in the form of premium subsidies and/or increased benefits.

3 ways to
get connected

There are three ways Members can get connected:

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 1-888-804-8929

AFBS Investment
Advisor, Eckler Inc.
has prepared an
E-Report that is now
available on-line at
our website
www.actrafrat.com.

YOUR MEMBERSHIP MATTERS

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