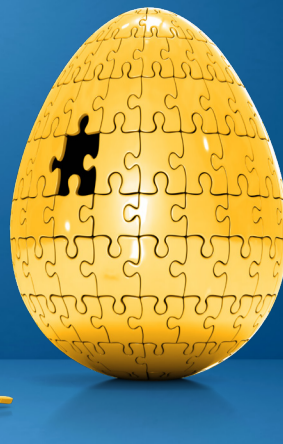
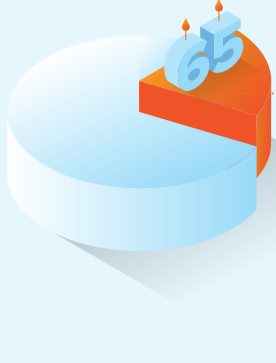
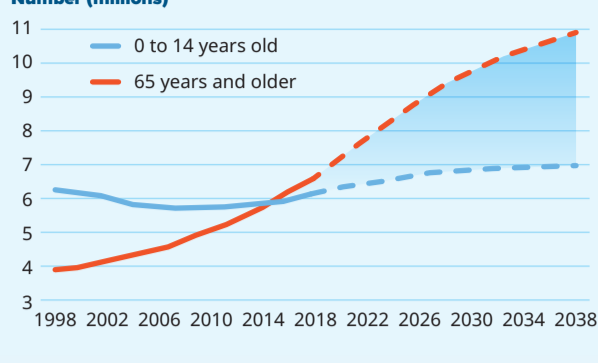


The new retirement reality

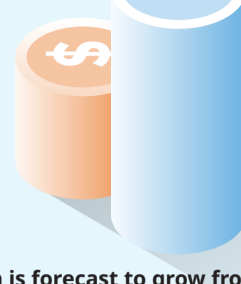


Canada's population is aging at an accelerated rate

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



8 million Canadians will be over 65 by 2026
= **20%** of the total population



Retirement wealth is forecast to grow from **\$2.8T** to **\$4.7T** by 2030

42% rise in people reaching 100 since 2017

64 is the average retirement age

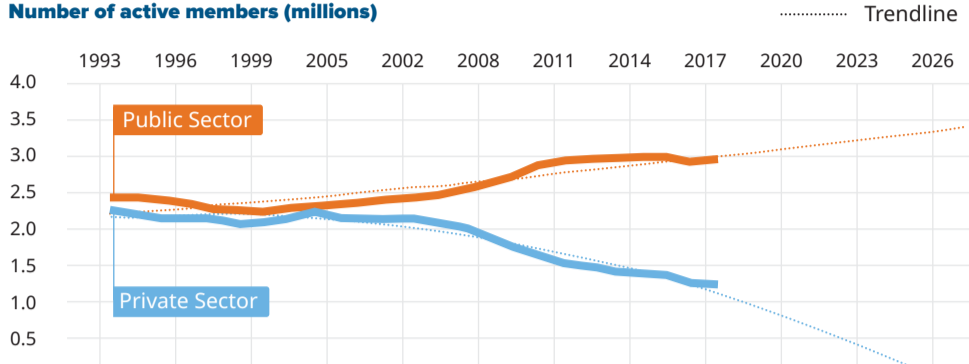
Average life expectancy is **87-89**

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 (\$)

🏠	\$2,000	Avg. carrying cost of a house
🛒	\$490	Groceries
🛡️	\$300	Insurance
🎮	\$300	Entertainment
🚗	\$200	Transportation
💰	\$200	Misc
\$3,490 Total		

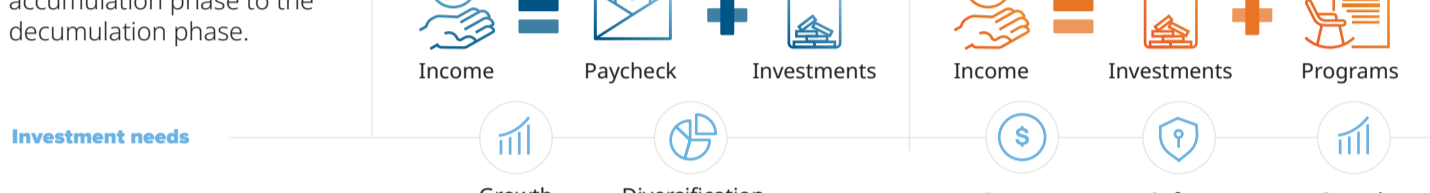
That's **\$41,880** a year!

Government pensions fall short by **\$19,200** 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.



Investment needs

Why do retirees need a new strategy now?

The rate of inflation is well above current bond yields...

US 10-year treasury yield



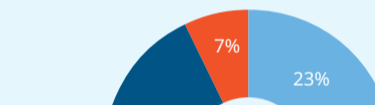
Source: Bank of Canada as of July 31, 2022

...and volatility has increased.

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

- Large cap U.S. equity
- U.S. fixed income
- Cash equivalent
- Developed market ex-U.S. equity
- Small-mid cap equity
- Real estate
- Private equity

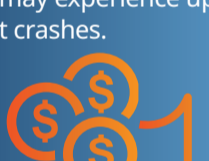
Volatility* to maintain 7% return



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

Market crashes happen more often than you think...

Every six years on average, investors living 25-plus years in retirement may experience up to four market crashes.



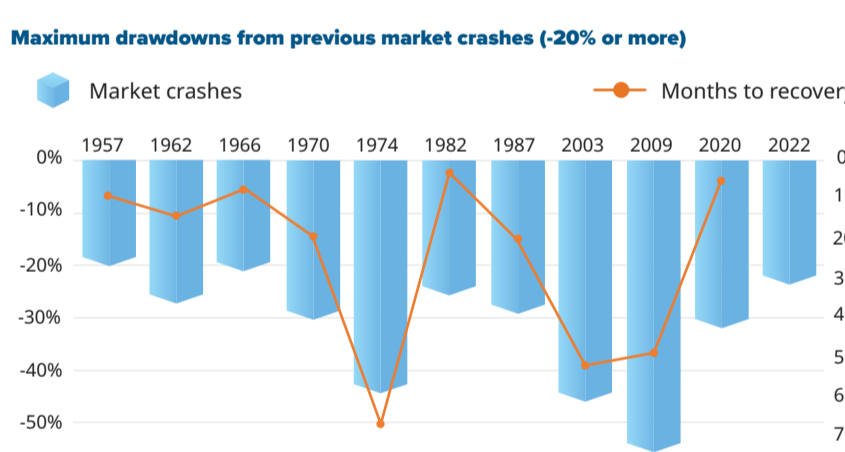
...and the timing of a bear market can have a significant impact on income seekers

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

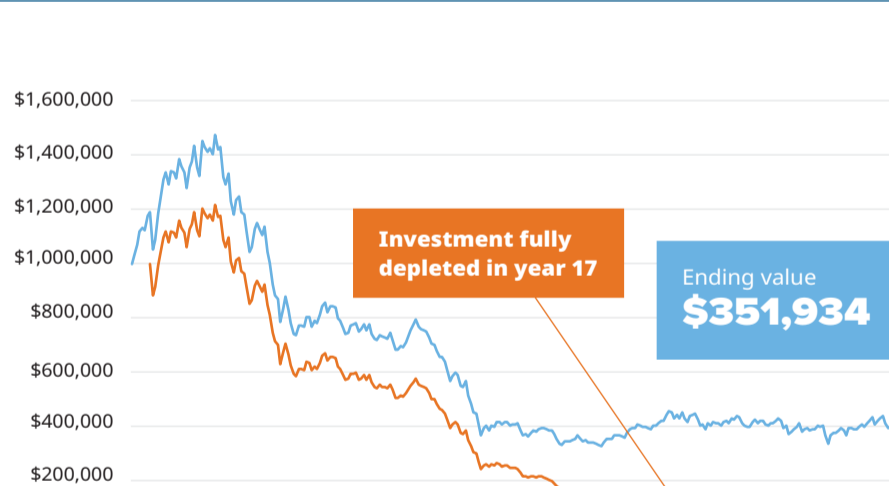
Investor B: Initial \$1,000,000 investment - August 1998, \$60,000 annual income withdrawn monthly

Investor A experienced early positive returns; Investor B experienced early negative returns and found their investment fully depleted within 17 years.

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

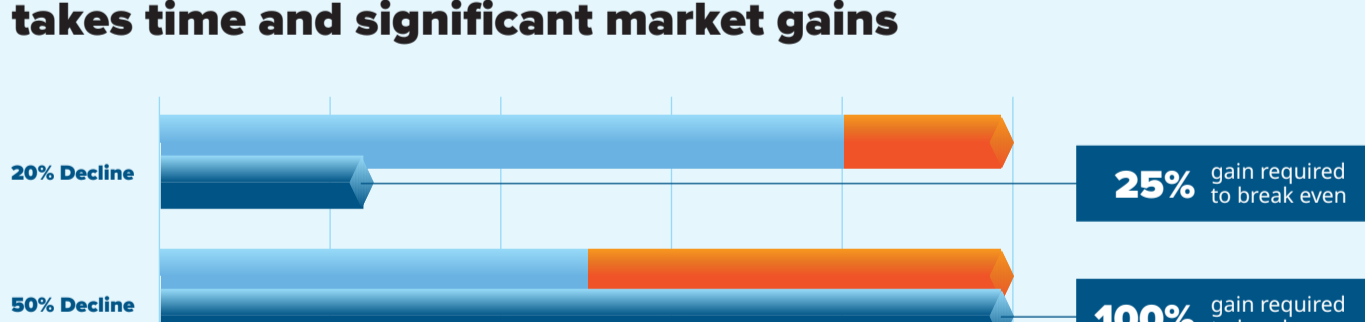


Source: Bloomberg



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

1. Purposeful retirement
2. Validating retirement income
3. Tax planning
4. Estate and legacy planning
5. Reconstructing retirement income portfolios
6. Retirement education

New retiree realities call for new retirement portfolios.

That's better together

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

mackenzieinvestments.com/retirement

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MACKENZIE Investments

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