

# Portfolio **Enhancements**

## Self Directed Roster • Frequently Asked Questions

### Overview

#### 1. What is happening?

As part of our continuous efforts to improve our roster of investment offerings and to ensure you have access to the best possible investment options to meet your financial objectives, our investment advisor, AFL Investment Limited (“AFL”), has recommended significant changes to our Self-Directed Roster.

#### 2. What changes have been made to the Self-Directed Roster?

The Fundamental Index options offered through the Cidel RAFI Funds (“RAFI Funds”) will be eliminated and replaced with similar index funds offered by Vanguard.

#### 3. Why are changes being made?

These changes are being made to provide you with a lower-cost option while looking to improve investment performance.

#### 4. Why were the Vanguard Funds chosen?

Vanguard is a leader in low-cost index based investing with assets under management of approximately \$3 Trillion and offers a full range of offshore based index funds. Argus Pensions has a long relationship with Vanguard, offering its U.S. 500 Stock Index fund on our platform for over 15 years.

#### 5. Which Vanguard Funds will be replacing the RAFI Funds?

Argus Pensions will map your current RAFI Fund account to the corresponding Vanguard Index Fund charted below. The total expense ratios of the RAFI and Vanguard funds are also shown below.

EXISTING 'RAFI' FUND	Total Expense Ratio	CORRESPONDING VANGUARD INDEX FUND	Total Expense Ratio	Estimated Cost Savings (Per Fund)
Cidel Fundamental Index US Large Cap (Class A)	0.75%	<a href="#">Vanguard U.S. 500 Stock Index Fund</a>	0.10%	<b>0.65%</b>
Cidel Fundamental Index US Small Cap (Class B)	0.77%	<a href="#">Vanguard Global Small Cap Index Fund</a>	0.38%	<b>0.39%</b>
Cidel Fundamental Index Japan (Class C)	1.03%	<a href="#">Vanguard Japan Stock Index Fund</a>	0.23%	<b>0.80%</b>
Cidel Fundamental Index Pan-European (Class D)	0.95%	<a href="#">Vanguard European Stock Index Fund</a>	0.30%	<b>0.65%</b>
Cidel Fundamental Index Global (Class E)	0.89%	<a href="#">Vanguard Global Stock Index Fund</a>	0.25%	<b>0.64%</b>

**Click on the Fund above to view the applicable Fund Fact Sheet.**

## **6. What will be the same and what will be different about the Vanguard Index Funds?**

The Vanguard Index Funds will provide the same geographic exposure and fund composition as the RAFI funds, with less variance from the index and with a more cost-efficient fee structure.

Vanguard does not have an offshore US Small Cap fund, so we have selected the Vanguard Global Small Cap Fund as a replacement for the RAFI US Small Cap Fund. The Vanguard fund invests approximately 60% in the US.

## Transition

### **7. When will the transition from the RAFI Funds to the Vanguard funds take place and what will happen during the transition?**

The transition from the RAFI Funds to the corresponding Vanguard Index Funds on March 18, 2016. As part of our fiduciary responsibility, Argus Pensions will liquidate your holdings in the RAFI Funds on your behalf and the proceeds will then be reinvested in the corresponding Vanguard Index Fund on the same date.

### **8. Is there anything I have to do?**

There is no action required on your part. The Self Directed option is designed to allow Argus Pensions to facilitate these forms of improvement with minimal inconvenience.

### **9. Will I be able to make changes to my account during the transition period?**

You may make changes to your Self Directed options at any time; there is no blackout period. Investment election changes received by Wednesday will be processed for value Friday the same week. Investment election changes received Thursday or later will be processed for value the Friday of the following week.

### **10. When you transfer my funds to the new fund structure, will I lose any value during the transaction?**

Your funds will not be out of the market at any time as the switch from the RAFI Funds to the Vanguard Funds will occur on the same day.

### **11. Is there a cost to me for this change?**

There will be no transfer costs associated with this transaction.

### **12. When can I see the new funds on my statement?**

The transition to the relevant Vanguard fund will occur on March 18, 2016. You will be able to see the new funds on your online pension account as of March 25, 2016. Additionally, the new funds will be reflected on your June 30, 2016 Pension statement.

**For more information, please call Lisa Jackson at +1 441 298-0860 or email [ljackson@argus.bm](mailto:ljackson@argus.bm) or contact your pensions administrator directly.**

