



# GuardPath™ Longevity Solutions

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# The Retirement Dilemma

The need for modern investment solutions that address  
“*the nastiest, hardest problem in finance*”

- William Sharpe, Nobel Laureate Economist

The convergence of several key drivers in the retirement landscape, combined with investment products that are insufficiently geared to address them, results in a misalignment between Human Longevity and Portfolio Longevity.



## HUMAN LONGEVITY

Length of life

- Today, nearly 1 in 5 Canadians is a retiree.<sup>1</sup>
- The number of persons aged 85 and older has doubled since 2001. According to population projections, this number could triple by 2046.<sup>1</sup>



## PORTFOLIO LONGEVITY

Expected life of an investor's nest egg during retirement

- Low interest rates do not adequately support retirees' income needs.
- Erosion of defined benefit plans substantially reduces retirees' financial security.

As a result of these factors, retirees take on increased market and sequence of returns risk.<sup>2</sup>

**20%**

Advisors say that 20% of their clients are not saving enough and risk outliving their savings<sup>3</sup>

**28%**

28% of clients are worried about outliving their investment portfolio<sup>3</sup>

**27%**

On average, 27% of clients are retired and decumulating assets<sup>3</sup>

**42.8%**

As of 2021, retirees control 42.8% of financial wealth; this number is projected to rise to 48.3% by the end of 2030<sup>4</sup>

<sup>1</sup>Statistics Canada, *Population Projections for Canada (2018-2068)*, Section 2 - Results at the Canada level, Fig. 2.5, September 2019.

<sup>2</sup>For more information on Sequence of Returns Risk please refer to our white paper at: <https://www.guardiancapital.com/investmentsolutions/insights/retirements-hidden-risk-sequence-of-returns>.

<sup>3</sup>Source: Guardian Capital LP-Envirronics Advisor Retirement Research Study. September 2021.

Envirronics Research is an independent Canadian polling and market research firm widely cited in Canadian news media. The anonymous survey focused on retirement and was conducted online in August 2021. There were 204 advisors surveyed, 90% of which were IIROC registered (50% bank and 50% independent) and 10% were MFDA registered, with each advisor managing greater than \$20 million in client assets.

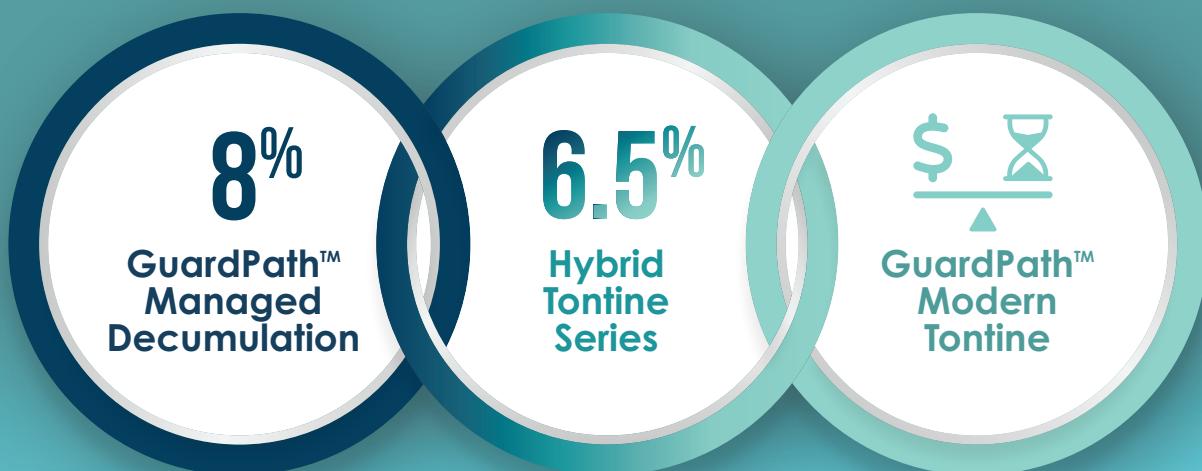
<sup>4</sup>Source: INVESTOR ECONOMICS, *Household Balance Sheet Update and Rebased Forecast - 2022*, July 19, 2022.

# Our Solutions

What's needed are innovative portfolio longevity solutions that aim to guard investors' long-term financial security.

## How?

- 1 By maximizing cash flow in a risk-managed decumulation framework, or
- 2 Through significant payouts (including survivorship credits), to hedge against the risk of outliving your capital (human longevity risk).



\*Reflects initial target distribution rate for Series F units and may be subject to change over time. Please refer to the section on Risks in the prospectus for more information on the risks associated with this distribution. **Series A units of the Managed Decumulation Fund and Hybrid Tontine Series** are also available, but have different management fees and distribution rates due to the trailer fee commission, and performance may be lower as a result. Please read the prospectus for complete details.

### GuardPath™ Managed Decumulation

This solution is one of the first in Canada specifically designed to optimize the utility of invested capital during retirement. It seeks to deliver attractive and steady cash flow over a 20-year period through sophisticated risk management techniques aimed at extending portfolio longevity.

### Hybrid Tontine Series

Combines the strength of the GuardPath™ Managed Decumulation and the GuardPath™ Modern Tontine to offer a holistic solution for the entirety of retirement. This first-of-its-kind solution is specifically designed to optimize the utility of invested capital during retirement through steady cash flow for 20 years, coupled with significant payouts to surviving unitholders in 20 years.

### GuardPath™ Modern Tontine

The first investment solution of its kind in Canada, seeking to deliver financial security to retirees in their later years of life and designed to provide significant payouts to surviving unitholders in 20 years, based on compound growth and the pooling of survivorship credits.



# GuardPath™ Modern Tontine



**Longevity hedge** – Designed to provide significant payouts in 20 years to all surviving unitholders. These payouts are intended to hedge against the risk of retirees outliving their capital.

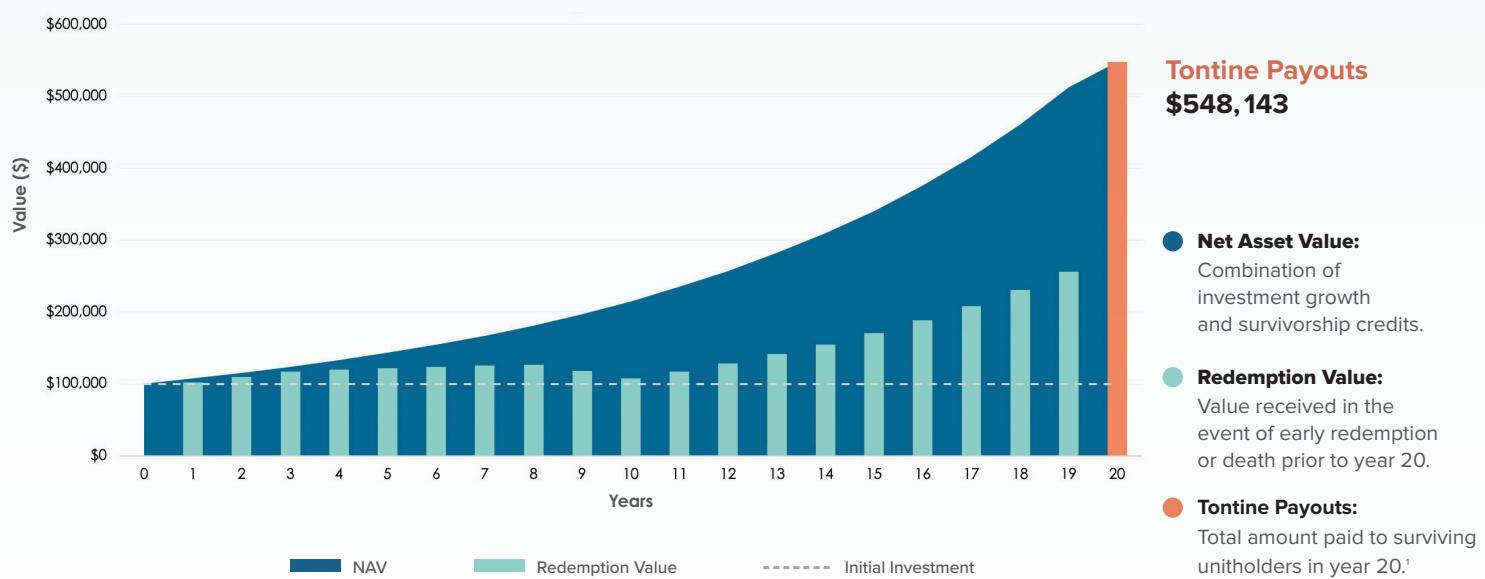


**Focused on capital appreciation** – This solution employs dynamic asset allocation that seeks to grow the capital base in order to maximize the longevity payouts, benefitting from long-term compound growth and the unique inclusion of survivorship credits. This solution aims to serve as an ideal complement to income-focused retirement investments.



**Experienced institutional management team** – Guardian Capital LP's highly sought-after institutional strategies and highly experienced, global portfolio management teams serve as the foundation of the underlying investments.

## GuardPath™ Modern Tontine: The Experience (Based on Series F units\*)



**\*Simulated Model Example – For Illustrative Purposes Only.** The graph above shows the potential redemption value up to and at the Termination Date of the GuardPath™ Modern Tontine Trust based on the assumptions outlined in the prospectus. This illustration is not representative of any particular investor's experience, please refer to the Risk and Assumptions at the end of this brochure for complete details. Series A units of the GuardPath™ Modern Tontine Trust are also available, but have different management fees and distribution rates due to the trailer fee commission, and performance may be lower as a result. Please read the prospectus for complete details.

<sup>1</sup>Surviving unitholders in year 20 will receive Tontine payouts at the end of each quarter. Those who redeem early or pass away prior to year 20 will receive a percentage of their NAV as of the date of redemption or death.





**8% target cash flow\*** – Designed to provide investors with a predictable stream of monthly tax-efficient distributions over a 20-year timeframe, comprised of income, capital gains and return of capital.



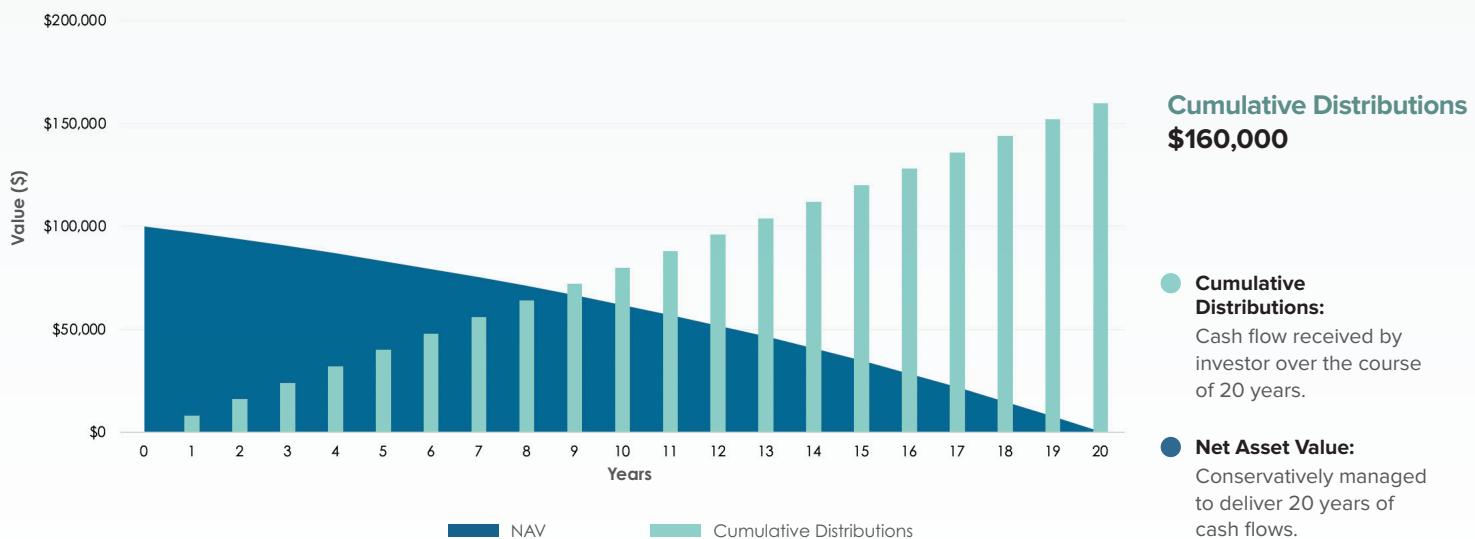
**Pension-style risk management** – Utilizing sophisticated portfolio management tools and techniques, such as dynamic asset allocation and a risk management overlay throughout the 20-year retirement timeframe, this solution seeks to mitigate volatility and extend the longevity of an investor's portfolio.



**Experienced institutional management team** – Guardian Capital LP's highly sought-after institutional strategies and highly experienced, global portfolio management teams serve as the foundation of the underlying investments.

\*Reflects initial target distribution rate for Series F units and may be subject to change over time. Please refer to the section on Risks in the prospectus for more information on the risks associated with this distribution. Distributions are expected to be primarily return of capital or capital gains generated from option premiums and securities transactions, which are taxed more favourably than income.

### GuardPath™ Managed Decumulation: The Experience (Based on Series F units\*)



**\*Simulated Model Example – For Illustrative Purposes Only.** The graph above shows the potential total amount of distributions received from the GuardPath™ Managed Decumulation Fund, based on the assumptions outlined in the prospectus. This illustration is not representative of any particular investor's experience, please refer to the Risk and Assumptions at the end of this brochure for complete details. Series A units of the GuardPath™ Managed Decumulation Fund are also available, but have different management fees and distribution rates due to the trailer fee commission, and performance may be lower as a result. Please read the prospectus for complete details.



## Managed Decumulation - Hybrid Tontine Series



**The best of both worlds** – Investors have access to the cash flow benefits of the GuardPath™ Managed Decumulation solution, as well as the potential for increased financial security in the later years of life provided by the GuardPath™ Modern Tontine structure.



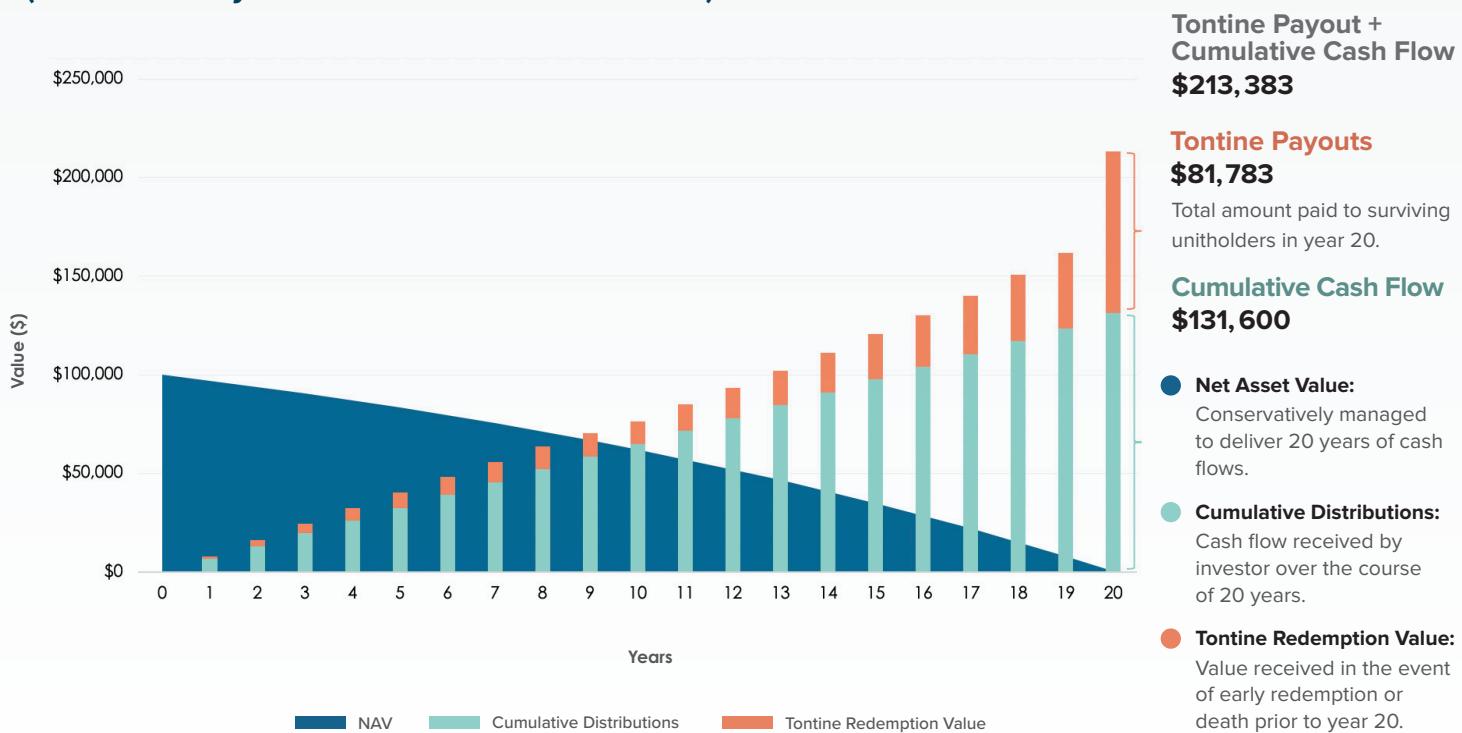
**6.5% target cash flow\*** – The GuardPath™ Managed Decumulation component is designed to provide investors with a predictable stream of monthly, tax-efficient distributions over a 20-year time frame, comprised of income, capital gains and return of capital.



**Longevity hedge** – In this series, 1.5% of initial Net Asset Value Per Share (\$0.15 on \$10) is invested annually in the GuardPath™ Modern Tontine, designed to provide significant payouts in 20 years to all surviving unitholders. These payouts are intended to hedge against the risk of retirees outliving their capital.

\*Reflects initial target distribution rate for Hybrid Tontine Series F units and may be subject to change over time. Please refer to the section on Risks in the prospectus for more information on the risks associated with this distribution. Hybrid Tontine Series A units are also available, but have different management fees and distribution rates due to the trailer fee commission, and performance may be lower as a result. Please read the prospectus for complete details.

### GuardPath™ Managed Decumulation - Hybrid Tontine Series: The Experience (Based on Hybrid Tontine Series F units\*)



**\* Simulated Model Example – For Illustrative Purposes Only.** The graph above shows the potential total amount of distributions received from the Hybrid Tontine Series of the GuardPath™ Managed Decumulation Fund, along with the potential redemption value up to and at the Termination Date of the GuardPath™ Modern Tontine Trust based on the assumptions outlined in the prospectus. This illustration is not representative of any particular investor's experience, please refer to the Risk and Assumptions at the end of this brochure for complete details. Hybrid Series A units of the Managed Decumulation Fund are also available, but have different management fees and distribution rates due to the trailer fee commission, and performance may be lower as a result. Please read the prospectus for complete details.



# A Collaborative Approach

## Retirement Innovation

GuardPath™ Longevity Solutions have been created through a rigorous and collaborative process, to provide Canadians with innovative offerings built to help address portfolio longevity challenges faced by retirees.



60 Years of  
Institutional Portfolio  
Management\*



Experienced Retail  
Management  
Team



Market Research  
(Envirionics)



Moshe A. Milevsky,  
Chief Retirement  
Architect



Collaboration  
With Advisors to  
Address Real Needs  
of their Clients

### GUARDPATH™ LONGEVITY SOLUTIONS

#### Partnership with Professor Moshe A. Milevsky, PhD

Chief Retirement Architect in collaboration with Guardian Capital LP  
World-Renowned Retirement Finance Expert



Professor Milevsky has published 17 books and over 65 peer-reviewed papers, as well as hundreds of popular articles and blog pieces, and has been long sought as a presenter and commentator by some of the largest financial companies in Canada and the United States. Images reproduced with permission.

\*Guardian Capital LP is a wholly owned subsidiary of Guardian Capital Group Limited and the successor to its original investment management business, which was founded in 1962.



# GuardPath™ Longevity Solutions

## Risks and Assumptions related to the Modelling

These forecast models have been prepared for illustrative purposes only, to help show the potential total amount of distributions and payouts for investors. These models are created based on various assumptions, and there is no guarantee that these same results will be achieved by investors. The use of hypothetical, simulated returns comes with inherent risks and limitations. Simulated returns are not the returns of any particular investor, account or portfolio; they are produced with the benefit of hindsight through the application of a model. There are numerous other factors related to the markets in general, and the implementation of any specific investment strategy, which cannot be fully accounted for in the preparation of hypothetical results; all of which can adversely affect actual results. Please consider these and other factors carefully and do not place undue reliance on forward-looking information. This illustration is not intended to represent the investment experience of any particular investor, and is based on the following assumptions:

All models assume an initial investment held from inception through to the Termination Date.

Illustrative examples shown are modelled based on Series F units, which do not pay a trailing commission, and assume an estimated Management Expense Ratio of 0.79% (management fee of 0.60%, administration fee of 0.10% and an HST rate of 13%).

The capital market assumptions used for equity and fixed income return assumptions herein are based on long-term projections from internal models. References to future expected returns are not promises of actual returns that may be realized, and should not be relied upon in that regard. Actual returns may vary significantly.

### GuardPath™ Managed Decumulation Fund

**Series A:** Assumes 4.8% continuously compounded net asset returns each year; and \$0.725 distribution per Unit in year 1 (a net figure after accounting for trailing commissions), increasing each year thereafter to reflect a decreasing proportionate management fee (as a result of the declining NAV), until the Termination Date.

**Series F:** Assumes 4.8% continuously compounded net asset returns each year; and \$0.80 distribution per Unit per year, each year, until the Termination Date.

In addition to standard investment risks, the long-term total return and the sustainability of the rate of distributions of the Decumulation Fund are impacted by sequence of returns risk and the volatility experienced within the sequence of returns. Sequence of returns risk is the risk that comes from the order in which investment returns occur. Market declines in the early years of operation of the Decumulation Fund paired with high levels of distribution increases the risks to the durability of the portfolio of the Decumulation Fund. Significant declines in asset value in the early years of the Decumulation Fund increase the likelihood that the initial distribution rate is unsustainable, while significant increases in asset value in the early years of the Decumulation Fund increase the likelihood that the initial distribution rate can be sustained.



# GuardPath™ Longevity Solutions

## Risks and Assumptions related to the Modelling

### GuardPath™ Modern Tontine Trust

**Series A:** Assumes 5.78% continuously compounded net asset returns; mortality related redemptions as set out within the CPM-14B Mortality Tables\*; an investor with an average initial age of 64; and 2% of Unitholders voluntarily redeeming per annum.

**Series F:** Assumes 6.92% continuously compounded net asset returns; mortality related redemptions as set out within the CPM-14B Mortality Tables\*; an investor with an average initial age of 64; and 2% of Unitholders voluntarily redeeming per annum.

\*A mortality table is a table prepared by actuaries that shows the rate of deaths occurring in a defined population over a particular time period. Based on a mortality table, it is possible to calculate the probability of a person's death based on their age. CPM-14B, used by the Tontine Trust to prepare the graphs, is a mortality table issued in 2014 by the Canadian Society of Actuaries based on Canadian pensioner mortality experience. The CPM-14B table is widely used by pension plans in Canada to estimate the financial exposure that is associated with their obligations or assumed under the products they market and sell. As it relies on the experience of pensioners, who tend to outlive non-pensioners, the CPM-14B table is generally viewed as a more conservative presentation of life expectancies than the standard Canadian mortality table.

References: 2014 Canadian Pensioners' Mortality tables. Canadian Institute of Actuaries. Retrieved April 29, 2022, from <https://www.cia-ica.ca/docs/default-source/2014/214013e.pdf>

In addition to investment risks, the long-term total return of the Tontine Trust is impacted by actual redemption rates (either voluntary or upon death) by Unitholders of the Tontine Trust. Total returns may decline if mortality rates, or voluntary redemptions decline and may increase if mortality rates or voluntary redemptions increase. To the extent Unitholders live longer than predicted by the mortality table, the rate of growth of a series' NAV per Unit and the amount of distributions that would otherwise have been paid on the Units will be reduced. No assurance can be given that the mortality experience of the Tontine Trust will conform to that reflected in the CPM-14B mortality table underlying the modelled return information. **Unitholders who redeem early or pass away prior to year 20 will only receive a percentage of their NAV, as described in the prospectus, as of the date of redemption or death.**



# GuardPath™ Longevity Solutions

## Risks and Assumptions related to the Modelling

### Hybrid Tontine Series of the GuardPath™ Managed Decumulation Fund

**Series A:** Assumes \$0.575 distribution per Unit in year 1 (a net figure after accounting for trailing commissions), increasing each year thereafter to reflect the lower proportionate management fee (as a result of the declining NAV), until the Termination Date; \$0.15 per annum switched from the Decumulation Fund to the Modern Tontine Trust until the end of year 19 (one year prior to the Termination Date); 5.78% continuously compounded net asset returns for the Tontine Trust; mortality related redemptions as set out within the CPM-14B Mortality Tables\*; an investor with an average initial age of 64; and 2% of Unitholders of the Tontine Trust voluntarily redeeming per annum.

**Series F:** Assumes \$0.65 distribution per Unit per year until the end of year 19 (one year prior to the Termination Date) followed by an \$0.80 distribution per Unit in year 20; \$0.15 per annum switched from the Decumulation Fund to the Modern Tontine Trust until the end of year 19 (one year prior to the Termination Date) with no switches occurring in year 20; 6.92% continuously compounded net asset returns for the Tontine Trust; mortality related redemptions as set out within the CPM-14B Mortality Tables\*; an investor with an average initial age of 64; and 2% of Unitholders of the Tontine Trust voluntarily redeeming per annum.

\*A mortality table is a table prepared by actuaries that shows the rate of deaths occurring in a defined population over a particular time period. Based on a mortality table, it is possible to calculate the probability of a person's death based on their age. CPM-14B, used by the Tontine Trust to prepare the graphs, is a mortality table issued in 2014 by the Canadian Society of Actuaries based on Canadian pensioner mortality experience. The CPM-14B table is widely used by pension plans in Canada to estimate the financial exposure that is associated with their obligations or assumed under the products they market and sell. As it relies on the experience of pensioners, who tend to outlive non-pensioners, the CPM-14B table is generally viewed as a more conservative presentation of life expectancies than the standard Canadian mortality table.  
References: 2014 Canadian Pensioners' Mortality tables. Canadian Institute of Actuaries. Retrieved April 29, 2022, from <https://www.cia-ica.ca/docs/default-source/2014/214013e.pdf>

In addition to standard investment risks, the long-term total return and the sustainability of the rate of distributions of the Decumulation Fund are impacted by sequence of returns risk and the volatility experienced within the sequence of returns. Sequence of returns risk is the risk that comes from the order in which investment returns occur. Market declines in the early years of operation of the Decumulation Fund paired with high levels of distribution increases the risks to the durability of the portfolio of the Decumulation Fund. Significant declines in asset value in the early years of the Decumulation Fund increase the likelihood that the initial distribution rate is unsustainable, while significant increases in asset value in the early years of the Decumulation Fund increase the likelihood that the initial distribution rate can be sustained.

In addition to investment risks which may impact the amount of distributions paid to Unitholders of the Hybrid Tontine Series A and Hybrid Tontine Series F Units of the Decumulation Fund, the long-term total return of the Tontine Trust is impacted by actual redemption rates (either voluntary or upon death) by Unitholders of the Tontine Trust. Accordingly, the value of Units of the Tontine Trust acquired pursuant to the automatic switch mechanism may decline if mortality rates or voluntary redemptions decline and may increase if mortality rates or voluntary redemptions increase. **Unitholders who redeem early or pass away prior to year 20 will only receive a percentage of their NAV, as described in the prospectus, as of the date of redemption or death.**



# GuardPath™ Longevity Solutions

## Disclaimers

**Unlike traditional mutual funds or exchange traded funds (“ETFs”), the GuardPath™ Longevity Solutions are unique investment fund structures and investors should carefully consider whether his or her financial condition and investment objectives are aligned with these retirement-focused investments.** The Units may be suitable for an investor primarily concerned about having sufficient income in retirement, especially in the later years of their life. The Units may not be suitable for an investor whose primary objective is to leave capital behind for their estate. The GuardPath™ Longevity Solutions are not insurance companies, the units are not insurance or annuity contracts and unitholders will not have the protections of insurance laws. Distributions provided by the GuardPath™ Longevity Solutions are not guaranteed or backed by an insurance company or any third party. The long-term total return and the sustainability of the rate of distributions of the GuardPath™ Managed Decumulation Fund may be impacted by volatility and sequence of returns risk. Payments from the GuardPath™ Modern Tontine Trust are tied to the life of the unitholder and, accordingly, people with serious or life-threatening health issues should not invest in the GuardPath™ Modern Tontine Trust, as the amount that a unitholder will receive upon redemption (either voluntary or upon death) will be lower than the then current NAV per unit, as detailed in the prospectus. The long-term total return of the GuardPath™ Modern Tontine Trust will be impacted by actual redemption rates, and may increase or decline as mortality rates or voluntary redemptions increase or decline. This is not a complete list of the risks associated with an investment in these GuardPath™ Longevity Solutions.

Please read the prospectus before investing. Important information about the Guardian Capital mutual funds and exchange traded funds (“ETF”) is contained in their respective prospectus. Commissions, trailing commissions, management fees and expenses all may be associated with investments in mutual funds and ETFs. You will usually pay brokerage fees to your dealer if you purchase or sell units of an ETF on the Toronto Stock Exchange (“TSX”). If the units are purchased or sold on the TSX, investors may pay more than the current net asset value when buying units of the ETF and may receive less than the current net asset value when selling them. Mutual funds and ETFs are not guaranteed, their values change frequently and past performance may not be repeated.

Guardian Capital LP is the Manager of the Guardian Capital mutual funds and ETFs. Guardian Capital LP is a wholly-owned subsidiary of Guardian Capital Group Limited, a publicly traded firm, the shares of which are listed on the Toronto Stock Exchange. For further information on Guardian Capital LP and its affiliates, please visit [www.guardiancapital.com](http://www.guardiancapital.com). Guardian, Guardian Capital and the Guardian gryphon design are trademarks of Guardian Capital Group Limited and are used under license.



# GuardPath™ Longevity Solutions

## Revolutionizing Retirement

GuardPath™ Longevity Solutions provide Canadians with innovative portfolio tools which aim to guard their long-term financial security and hedge against the risk of outliving their capital.

### ► Portfolio Managers



**Denis Larose, FCIA, CFA, FSA**

Chief Investment Officer  
Guardian Capital LP



**David Onyett-Jeffries, CFA, MA**

Vice President, Multi-Asset  
Class Solutions  
Guardian Capital LP



**Adam Murl, CFA, MIA**

Vice President, Retail Research  
and Portfolio Manager  
Guardian Capital LP



**Dino Bourdos, CFA, CIM**

Head of Investment Solutions  
and Portfolio Manager  
Guardian Capital LP

### GuardPath™ Longevity Solutions

Fund	Series	Fund Code/Ticker	Management Fee	Trailing Commission
GuardPath™ Managed Decumulation 2042 Fund	ETF Units	TSX: GPMD	0.60%	-
	Series A	GMF100	1.35%	0.75%
	Series F	GMF101	0.60%	-
	Hybrid Tontine Series A	GMF200	1.35%	0.75%
	Hybrid Tontine Series F	GMF201	0.60%	-
GuardPath™ Modern Tontine 2042 Trust	Series A	GMF300	1.60%	1.00%
	Series F	GMF301	0.60%	-

### #RevolutionizeRetirement



Speak to your Financial Advisor about how these innovative solutions may be incorporated into your broader retirement portfolio.



### ► Learn More

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[guardpath.ca](http://guardpath.ca)