RPA 2 Managing Retirement Plans Part 2

Study Materials Update—October 2018

This material is required reading for purposes of the CEBS program and the national exam for the RPA 2 course administered on or after October 15, 2018.

This update covers Modules 2, 3, 4, 5, 9 and 13 of the Study Guide (First Printing—April 2018).
Study Materials Update

Study Guide (First Printing—April 2018)

Module 2  Page 36  
Module 3  Page 18  
Module 4  Page 3  
Module 5  Page 16  
Module 9  Page 54  
Module 13  Page 50

Instructions

There are two types of updates:

1. Minor—Where changes are made to a small section of the text, changes are indicated in **bold**.
2. Major—Entire sections are provided as a replacement.
Page 36, Bond Market Indicators, Text, Page 53: Make changes indicated in **bold** to reflect a change in the name of the DEX Universe Bond Index.

The Scotia Capital bond market index was rebranded as DEX Universe Bond Index **and then renamed as** the Financial Times Stock Exchange (FTSE) TMX Canada Universe Bond Index. **The FTSE TMX Canada Universe Bond Index** is the broadest and most widely used measure of performance of marketable government and corporate bonds outstanding in the Canadian market.
Page 18, Answer to Content Knowledge Review 3.4: Insert the following text indicated in bold.

\[ = 0.01333 \text{ or } 1.33\% \]
Page 3, Professional Enrichment Resources: Make changes indicated in bold to correct the URL to the Investment Personality Questionnaire by Great West Life.

www.smartpathnow.com/sp/getting-started/your-savings-style/your-risk-tolerance
Study Guide Module 5

Page 16, Content Knowledge Review 3.3: Make changes indicated in **bold**, and remove what is crossed out.

3.3 Assume your risk aversion index is $64$, the rate of return on your risk-free portfolio is $7\%$, the rate of return on your risky portfolio is $15\%$ and its standard deviation is $22\%$. 
Page 54: Add the following legislative change to the Ontario Investment Policy Requirements at the end of the page.

9.6(i) Ontario Investment Policy Requirements, Study Guide Module 9, Pages 49-50

As of May 1, 2018, the investment policy statement for a defined benefit (DB) pension plan is required to include the plan’s target asset allocation (i.e., the mix of stocks and bonds in the portfolio) for each category of investments included in the plan’s list of prescribed categories of investments.
Study Guide Module 13

Page 50: Add the following detail to the Defined Benefit Component of the Fund at the end of the page.

Target Asset Allocation

The target asset allocation for the plan shall be 100% in pooled investment funds offered by the Custodian/Trustee.