

Communiqué

Summer 2014

First Quarter 2014 Returns

The UAPP Fund experienced a return of 4.6% in the first quarter of 2014.

Summary of Investments as at March 31, 2014

Total Market Value \$3,491million

Market Value and Asset Mix of the Fund	March 31, 2014		December 31, 2013	
	(\$million)	Actual Mix (%)	(\$million)	Actual Mix (%)
Cash & Short-term	14.9	0.4	15.2	0.5
Universe Bonds & Mortgages	479.8	13.7	394.3	11.8
Real Return Bonds	228.3	6.6	215.0	6.4
Long Bonds	347.6	10.0	331.8	9.9
Total Cash & Bonds	1,070.6	30.7	956.1	28.6
Canadian Equities	628.3	18.0	591.2	17.7
Global Equities	1,350.8	38.7	1,361.9	40.8
Total Equities	1,979.1	56.7	1,953.0	58.5
Real Estate	242.6	6.9	238.4	7.1
Total Alternative Investments*	409.7	11.7	399.0	11.9
Tactical Asset Pool	31.9	0.9	29.6	0.6
Total Investments	3,491.3	100.0	3,337.7	100.0

* Includes Real Estate plus Timberlands, Private Income and Private Debt

Note: The numbers in the columns may not add up exactly due to rounding

Investment Performance of the Fund	Quarter ending March 31, 2014	One Year ending March 31, 2014	Four Year ending March 31, 2014
Cash and Short-term	0.3	1.2	1.2
FTSE TMX 91-Day T-Bill Index	0.2	1.1	0.9
Universe Bonds & Mortgages	2.5	1.2	6.2
FTSE TMX Universe Bond Index	2.8	0.8	5.0
Real Rate of Return Bonds	6.2	(5.5)	5.6
FTSE TMX Real Return Bond Index	6.1	(6.0)	5.4
Long Duration Bonds	4.8	(1.0)	7.5
FTSE TMX Long Bond Index	5.1	(1.1)	7.7
Canadian Equity	6.5	18.8	9.7
Canadian Equity Index	6.1	16.0	7.5
Global Equity	5.4	25.1	12.4
Global Equity Index	5.0	25.6	12.1
Real Estate	0.7	12.4	16.1
IPD Large Institutional Index	1.5	10.7	13.0
Alternative Investments	0.5	8.2	5.7
Alternative Investments Index	4.7	14.4	10.6
Total Investment Return	4.6	13.5	10.2
Policy Benchmark Return	4.5	12.0	9.2

Preparing for Retirement

So you are ready to retire! You probably have many things such as financial planning, estate planning, preparing a will, and applying for the UAPP, CPP and OAS pensions on your mind. In order to help make the commencement of your UAPP pension as smooth as possible, the following check list has been prepared for your information.

Inform Your Employer

1 When you decide to retire, you should advise your employer as early as possible. Usually three-months notice is recommended. An early notice helps your employer to prepare and verify the information necessary for pension calculations.

Get Documents Ready

2 Having the appropriate documents in place with your employer helps expedite the processing of a pension. Generally, birth certificates for you and your spouse and a marriage certificate or proof of common-law relationship for members with a spouse are the only documents required for processing pensions. However, you should check with your employer to see if your marital status is accurately reflected in the pension records and if any additional documents are required in your case.

Spousal Protection

3 A member who has a spouse, as defined under the UAPP (see following page), at the commencement of a pension, is required to choose a joint-life pension with the spouse unless the spouse signs an appropriate waiver. In that case, the member is treated as single both in terms of the normal form of pension for service after 1993 and the pension options available at retirement.

If you are unclear about how the definition of "spouse" applies to you, please contact the UAPP's administration services provider, Buck Consultants, at 1.866.709.2092.

The retirement options package describes the joint and single life options that are available to retiring employees. This package is prepared after your retirement date has been set and the employer has forwarded all the appropriate data to the UAPP's administration services provider.

Designation of Beneficiary

4 It is important that you designate a beneficiary for pension purposes. In the case of a joint-life pension, your spouse is the beneficiary for the remaining portion of the pension on your death. However, single members or others choosing a single-life pension with a guaranteed period need to designate a beneficiary in case you die before the expiry of the guaranteed period.

Matrimonial Property Order

5 If, as a result of a divorce, there is a Matrimonial Property Order (MPO) that gives part of your benefit entitlement to your former spouse, please ensure the UAPP Trustees' Office has a copy of the MPO and the information required to process that Order, by contacting Buck Consultants, at 1.866.709.2092.

Prior Service Payments

6 You must make full payment for prior service before it can be fully credited to you. Therefore, paying fully for prior service before the date of your retirement would facilitate the processing of your retirement application.

Choosing a Pension Option

7 Pension options available at retirement can be described as (i) joint-life or (ii) single-life. These two types of pensions can be further classified as (i) with a guaranteed period or (ii) without a guaranteed period of payment.

A joint-life pension refers to a pension that is based on two lives (you and your spouse) and the single-life pension refers to a pension that is based on one life (you only). A pension without a guaranteed period expires on your death, in the case of a single-life pension, or on the death of both you and your spouse, in the case of a joint-life pension. A pension with a guaranteed period is paid until the end of the guaranteed period even if you or your spouse die before the guaranteed period runs out.

You can review the details of options available on retirement by visiting the UAPP website at www.uapp.ca under Publications/Information Sheets (see *Pension Options-Member With a Spouse* or *Pension Options-Member Without a Spouse*).

Making a choice and providing banking information

8 To process pension payments promptly, the UAPP's administration services provider must receive your pension option choice and banking information approximately one month before pension commencement.

Keep your mailing address current

9 It is important that if you move in the future, you immediately inform our pensioner payroll services provider, CIBC Mellon at P.O. Box 5858, Station B, London, Ontario, N6A 6H2. This will ensure that you automatically receive your tax slip each year and will assist the audit process which involves contacting pensioners from time to time.



UAPP definition of spouse

"Spouse" means:

- i) A person to whom you are legally married, and from whom you have not been living separate and apart for more than three years, or
- ii) If there is no person under i), a person of either sex who has lived with you (a) in a marriage-like relationship for the three years immediately preceding the relevant time, or (b) in a relationship of some permanence for the period immediately preceding the relevant time if you and that person are, together, the natural or adoptive parents of a child under the laws of Alberta, or
- iii) If there is no person in either i) or ii), and you have not filed with the Board a prescribed declaration, a person to whom you were married but from whom you have been separated for more than three years.

Member Statements available online

The Member Statements for 2013 were posted May 1, 2014. In an effort to be environmentally-friendly, these Statements are not issued in paper form and are available for review online by accessing the Retirement Planner on our website www.uapp.ca. If you have misplaced your Retirement Planner login or password, please contact Buck Consultants at 1.866.709.2092.



Reminder!

Keep Your Contact Information Current

It is important that you keep your contact information current. Active members should notify their employer about any changes to their address.

It is particularly vital that pensioners and other terminated members ensure that the UAPP has their current contact information in case the UAPP needs to contact them about their pension. Pensioners or their agents should contact CIBC Mellon directly by telephone at 1.800.565.0479 to update their information. Other terminated members, such as deferred pensioners, should contact Buck Consultants at 1.866.709.2092 in this regard.

Keep Your Beneficiary Information Updated

If you leave employment and leave your funds with the UAPP, keep your *Designation of Beneficiary* and the addresses of your beneficiaries up-to-date with the UAPP. Doing so will help expedite payment to your beneficiaries. Make sure your family or your executor knows you are entitled to a benefit from the UAPP.

Retirement Planner

The UAPP has a Retirement Planner which you can access through the UAPP website. The Planner allows you to view and print your annual member statement, estimate your UAPP pension and provides some assistance in general financial planning based on your RRSP savings and the maximum CPP and OAS benefits. The Retirement Planner lets you vary your expected date of retirement, future salary increase assumption and total retirement income goal. You may also enter the amount of other retirement savings you may have along with an assumed future investment return on those savings. The Planner will provide you with an estimate of the total retirement income you could expect to receive at retirement, payable in various forms, along with an indication as to whether you may meet or exceed your total retirement income goal. In the event the estimate is below your total retirement goal, you are provided information on the additional amount you should save in order to have a better chance of achieving your goal. Since the Planner uses real member data, access to the Planner requires a User ID and password. If you do not have a Retirement Planner login or password, please contact Buck Consultants at 1.866.709.2092 and they would be happy to assist you.

Pensioner Audit

If you are currently receiving a pension from the UAPP, you may receive a letter from the Trustees' Office requesting that you confirm the pension recipient information. We will commence mailing the confirmation letters in August and expect to have the mailing completed by the end of October. The purpose of the audit is to ensure our pensioner records accurately reflect the current status of the pensioners and, if applicable, their joint annuitants. We thank all pensioners who have returned their confirmations to our office and request that all others return the confirmation as soon as possible after receiving it in the mail. Those pensioners whose status remains outstanding after due notice risk having their payments suspended.



Questions About the Retirement Planner? Call Buck Consultants at 1.866.709.2092 if you need help accessing the Retirement Planner, or for login or password inquiries. Your Member Statement can be accessed through the Retirement Planner.

Questions About Your Pension? Call Buck Consultants at 1.866.709.2092, the Human Resources Department at your institution, or contact the UAPP Trustees' Office at 780.415.8868.

Questions About Purchasing Prior Service or Periods of Leaves of Absence? Call the Human Resources Department at your institution or the UAPP Trustees' Office at 780.415.8868.

Comments? If you recently used the services of any group (Buck Consultants/ Human Resources Department at your institution/UAPP Trustees' Office) on a matter related to the UAPP and would like to comment on the service you received, please feel free to write to us at www.uapp.ca through the Contact Us link.

The Board of Trustees ■ Universities Academic Pension Plan
#504, Park Plaza ■ 10611 98 Avenue ■ Edmonton AB T5K 2P7