

Communiqué

Winter 2015/16

Third Quarter 2015 Returns

The UAPP Fund experienced a loss of 2.39% in the third quarter of 2015.

Summary of Investments as at September 30, 2015

Total Market Value \$3,863.6 Million

Market Value and Asset Mix	30-Sep-15		31-Dec-14	
	(\$million)	Actual Mix (%)	(\$million)	Actual Mix (%)
Cash & Short-term	12.9	0.3	12.2	0.3
Universe Bonds & Mortgages	521.6	13.5	509.5	13.6
Real Return Bonds	274.7	7.1	243.9	6.5
Long Bonds	385.8	10.0	383.0	10.2
Total Cash & Fixed Income	1,195.0	30.9	1,148.7	30.6
Canadian Equities	677.0	17.5	656.3	17.5
Global Equities	1,475.1	38.2	1,492.6	39.9
Total Equities	2,152.1	55.7	2,148.9	57.4
Real Estate	328.2	8.5	275.5	7.4
Total Alternative Investments*	516.4	13.4	450.9	12.0
Total Investments	3,863.6	100.0	3,748.5	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	One Year ending	Four Year ending
	30-Sep-15	30-Sep-15	30-Sep-15
Cash and Short-term	0.2	1.0	1.2
<i>FTSE TMX 91-Day T-Bill Index</i>	0.1	0.8	0.9
Fixed Income	-0.3	4.6	4.3
<i>Fixed Income Investments Index</i>	-0.2	5.8	4.3
Canadian Equity	-7.1	-7.7	9.1
<i>S&P/TSX Composite Capped Index</i>	-7.9	-8.4	6.6
Global Equity	-3.4	11.5	18.2
<i>MSCI ACWI & Emerging Markets Index</i>	-3.9	10.1	16.3
Real Estate	0.5	4.8	13.4
<i>REALpac/IPD Large Institutional All Property Index</i>	0.5	6.2	10.5
Alternative Investments	0.7	6.6	11.0
<i>Alternative Investments Index</i>	1.0	6.4	9.2
Total Investment Return	-2.4	5.7	11.5
Policy Benchmark Return	-2.7	5.1	9.9

Contribution Rate Increase Reminder

Just a reminder that, effective July 1, 2016, the contribution rates are increasing 1.44%, to be shared equally between employers and employees.

See the Fall 2015 Communiqué for more information...

2016 COLA for UAPP Pensioners is 0.72%

The 2016 cost-of-living adjustment (COLA) for pensioners who retired prior to January 1, 2015 is 0.72%. For persons who retired in 2015, the COLA increase is prorated based on the number of complete months the person was on pension in the year. The increase is applied to the base pension, including any bridge benefit that is being paid. COLA is not applied to any coordination amounts. The COLA increase will be included with the January 2016 payment.

The COLA is set at 60% of the increase in the Consumer Price Index (CPI) (Alberta) as reported by Statistics Canada. The CPI increase for the relevant period was 1.2%. The percentage increase in CPI is derived by comparing the average CPI for the 12 months ending in October 2015 with the corresponding figure for the previous year.

Tax withholdings starting in January will reflect the 2016 rates applicable to the province or country of the recipient's residence. CIBC Mellon will be issuing 2015 T4A slips in mid-February 2016.

CIBC Mellon can be contacted at 1.800.565.0479 (English) or 1.800.268.1629 (French). Pensioners residing in the United States can contact CIBC Mellon by calling 1.800.263.4497 or writing CIBC Mellon at CIBC Mellon Pension Benefits Department, PO Box 5858, Station B, London, ON N6A 6H2. Pensioners outside Canada and the United States can contact CIBC Mellon by calling collect 1.519.873.2218.

The CIBC Mellon website, www.CIBCMellon.com, is also available to assist pensioners with current information, frequently asked questions, as well as the "Retiree Assistance Online Inquiry" to submit address changes, specific questions, etc.

Video Presentation

A link to a video presentation of a member information seminar has been added to the UAPP website. The presentation is derived from in-person information sessions provided to staff at our sponsor universities. By viewing the video, a member can learn about the governance structure of the plan but also many details about how the benefit is determined, what the options are for a pension at retirement, and the process for retiring. Information is also presented on termination and pre-retirement death benefits. A summary of the UAPP website and a sample estimate is prepared using the Retirement Planner. We strongly encourage members to view the video and then contact us with questions and feedback. The video can be found in the middle of the UAPP website homepage www.uapp.ca under Key Information. The link will direct you to <https://youtu.be/cJoFNgwaxjg>.

Federal Programs - 2016 Facts

Canada Pension Plan

Contributions

Employer/Employee Contribution Rate (each)	4.95%
Year's Maximum Pensionable Earnings (YMPE)	\$54,900
Year's Basic Exemption (YBE)	\$3,500
Maximum Annual Employer/Employee Contribution (each)	\$2,544.30

Maximum Monthly Benefits

Retirement Pension (Age 65)	\$1,092.50
Survivor's Pension -Under age 65	\$593.62
-Age 65 and over	\$655.50
Disability Pension	\$1,290.81
Children of disabled or deceased contributors benefit	\$237.69

Old Age Security Benefits

For First Quarter Commencing January 1, 2016
Benefits are indexed quarterly to reflect CPI changes

Maximum Old Age Security Pension	\$570.52
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Note: Pensioners with individual net incomes above \$73,756 must repay all or part of the maximum OAS pension amount. The repayment amounts are normally deducted from their monthly payments before they are issued. The full OAS pension is eliminated when a pensioner's net income is \$119,398 or above.

For more information, visit www.servicecanada.gc.ca, or call 1.800.277.9914.



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 should contact CIBC Mellon directly by telephone at 1.800.565.0479 or on the internet at https://www.cibcmellon.com/Contents/en_CA/English/RetireeCentre/Forms/ChangeOfAddress.html to update their information. Other terminated members should contact Buck Consultants at 1.866.709.2092 in this regard.

Getting ready for retirement?

Consult the Information Sheet "Preparing for Retirement". It is available at www.uapp.ca under "Publications".

Mission and Values of the UAPP Board of Trustees' Office

The Board of Trustees of the UAPP (Board) regularly review its Mission and Values. They are disclosed annually in the Business Plan as posted on the UAPP website:

Mission

The mandate of the Board is described in the Sponsorship and Trust Agreement. The Board's mission is to deliver on its mandate in a manner that is consistent with:

- high quality services to the UAPP members and stakeholders,
- prudent investment of the Fund,
- seeking stable contribution rates within the funding requirements of the EPPA,
- best practices in pension plan governance and management, and
- all applicable rules, laws and regulations.

Values

In carrying out its mission, the Board is guided by the following values:

- work in full partnership with Sponsors,
- be member/stakeholder focused,
- be open, accountable and responsible for its actions,
- conduct UAPP business with trust, fairness and integrity,
- adhere to the highest ethical standards,
- value and treat its employees as a vital resource, and
- learn, adapt, and change to conduct the UAPP business better.

Keeping its Mission and Values in mind, the Board has adopted the following for the strategic direction of the UAPP Board of Trustees' Office:

Provide Quality Pension Benefits Administration Services

Systems and processes shall be maintained and expanded to provide efficient and accurate benefits administration on a cost-effective basis. Benefits administration should be supported by new technologies to promote member self-service through the expansion of web-based services and information.

Optimize Long-Term Investment Returns

Investment policies and guidelines shall be regularly reviewed and adjusted to optimize investment returns within established risk tolerances. The pension fund's risk tolerance should be reassessed regularly.

Provide Effective Communications

A comprehensive communication program shall be provided on an ongoing basis to promote an understanding of the pension plan among members and employers. Sufficient information must be provided to allow members to make informed decisions concerning their benefits. To reduce the use of hard copy and promote member self-service, web-based services should be expanded whenever possible.

Practice Effective Governance

Sound governance practises shall be maintained and expanded to support the effective and efficient operation of the plan. Operations of the plan shall be regularly reviewed to ensure sufficient checks and balances are in place to safeguard the data and assets.

New to the UAPP?

We strongly encourage you to spend some time reviewing our website, www.uapp.ca. In particular, you will find lots of useful information in the Publications section, including our Member Handbook and Annual Report. Of course, if you have any questions about UAPP, please contact the UAPP Trustees' Office at 780.415.8868.

Keep your Beneficiary Information updated

If you leave employment and leave your funds with the UAPP, keep your *Designation of Spouse and Non-Spouse Beneficiary* form, available at www.uapp.ca under Forms, 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.



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, CIBC Mellon, Human Resources Department at your institution, or the 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 board@uapp.ca. Other contact information is available on our website, www.uapp.ca, under Contact Us.

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