

Communiqué

Fall 2016

Second Quarter 2016 Returns

The UAPP Fund experienced a gain of 2.48% in the second quarter of 2016, resulting in a year-to-date return of 1.40%.

Summary of Investments as at June 30, 2016 Total Market Value \$4,080.4 Million

Market Value and Asset Mix	30-Jun-16		31-Dec-15	
	(\$million)	Actual Mix (%)	(\$million)	Actual Mix (%)
Cash & Short-term	14.4	0.4	15.6	0.4
Universe Bonds & Mortgages	525.2	12.9	517.6	12.8
Real Return Bonds	296.9	7.3	275.9	6.9
Long Bonds	424.9	10.4	392.2	9.7
Total Cash & Fixed Income	1,261.5	30.9	1,201.3	29.8
Canadian Equities	766.4	18.8	677.8	16.9
Global Equities	1,539.0	37.7	1,554.8	38.6
Total Equities	2,305.4	56.5	2,232.6	55.5
Real Estate	341.2	8.4	338.7	8.4
Total Alternative Investments*	513.6	12.6	590.6	14.7
Total Investments	4,080.4	100.0	4,024.5	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-Jun-16	30-Jun-16	30-Jun-16
Cash and Short-term	0.2	0.9	1.1
<i>FTSE TMX 91-Day T-Bill Index</i>	<i>0.1</i>	<i>0.5</i>	<i>0.8</i>
Fixed Income	3.9	6.8	4.4
<i>Fixed Income Investments Indices</i>	<i>3.9</i>	<i>6.9</i>	<i>4.4</i>
Canadian Equity	4.6	0.7	9.7
<i>S&P/TSX Composite Capped Index</i>	<i>5.1</i>	<i>-0.2</i>	<i>8.2</i>
Global Equity	1.2	-1.2	15.2
<i>MSCI World & Emerging Markets Indices</i>	<i>1.4</i>	<i>-0.9</i>	<i>14.3</i>
Real Estate	0.6	5.3	8.8
<i>IPD Large Institutional All Property Index</i>	<i>0.6</i>	<i>7.1</i>	<i>9.0</i>
Alternative Investments	0.5	8.0	8.4
<i>Alternative Investments Indices</i>	<i>1.3</i>	<i>7.1</i>	<i>8.3</i>
Total Investment Return	2.5	3.3	10.3
<i>Policy Benchmark Return</i>	<i>2.9</i>	<i>3.0</i>	<i>9.3</i>

Information Sheets

The UAPP's website has a series of Information Sheets, written to provide members with important information on a variety of topics. The Information Sheets can be found at www.uapp.ca/publications/information-sheets/.

Combined Pensionable Service

If you move to the UAPP from the Public Service Pension Plan (PSPP) or vice versa without changing your employer and without a break in service, the Combined Pensionable Service (CPS) provisions may apply to you. When you terminate or retire and have CPS, you will receive benefits from each plan separately. CPS will be used to calculate your highest average salary and early retirement eligibility for your pensions from both the UAPP and the PSPP.

Death Before Retirement

If you die before you start to receive your pension, the UAPP pays a benefit to either your spouse or other named beneficiaries. If you were a contributing member of the UAPP on or after January 1, 2001 and die, the benefit that will be paid is illustrated in detail in this Information Sheet.

Division and Distribution of Pension Entitlement on Marriage Breakdown

As of January 1, 2001, the UAPP became subject to the *Employment Pension Plans Act and Regulations* (EPPA) of Alberta. Under the EPPA, the right of any person to receive a benefit is subject to the rights of a non-member spouse or former spouse under a Matrimonial Property Order (MPO) or an agreement under the *Matrimonial Property Act*, providing for the division and distribution of a pension benefit.

The EPPA sets out the rules for division and distribution of a pension entitlement when a marriage breaks down.

While the specific legislative requirements for division and distribution of pension entitlements are as described in the EPPA, Alberta Treasury Board and Finance has produced Interpretive Guideline #05 which provides a good general explanation of these provisions and is available on their website at www.finance.alberta.ca/publications/pensions/interpretive-guidelines/IG-05-Marriage-Breakdown.pdf.

Establishing Pension Credit for Leave Periods

If you continue to contribute the required amounts to the UAPP while you are on leave, you are establishing pension credits. If you stop contributing while on leave, you can decide when you return to work whether you want to establish pension credits for the leave period, provided you meet the conditions specified in this Information Sheet.

Leaving the Plan - Age 55 and Over

This Information Sheet applies to you if you leave the UAPP and if you are age 55 or over on your date of termination. On your termination, your employer will notify the UAPP's administration services provider, Buck Consultants, and you will receive Retirement Options that outline in detail the options available to you.

Leaving the Plan - Under Age 55

This Information Sheet applies to you if you leave the UAPP and if you are under age 55 on your date of termination. On your termination, your employer will notify the UAPP's administration services provider, Buck Consultants, and you will receive Termination Options that outline in detail the options available to you.

New Member Basics

This Information Sheet is designed to provide general information to members who are enrolling in the UAPP. It includes a brief summary of some of the important things to keep in mind to help you as a member get to know your pension plan.

Pension Appeal Process

If a member has a concern with a decision made by the administration services provider, the member's first step would be to seek an explanation from the administration services provider. If the member is not satisfied with the explanation and wishes to pursue it further, the next step would be an Administrative Review, as outlined in the Information Sheet.

Pension Options - Member With a Spouse

This Information Sheet applies to you if, on the date your pension commences, you have a spouse as defined by the UAPP, and he or she has not signed a valid [Pension Partner Waiver to Entitlement to a Death Benefit After Pension Commencement from a Pension Plan](#) form in the 90-day period before your pension commences.

Pension Options - Member Without a Spouse

This Information Sheet applies to you if, on the date your pension commences:

- you do not have a spouse, as defined by the UAPP, or
- you do have a spouse, as defined by the UAPP, but your spouse has signed a valid [Pension Partner Waiver to Entitlement to a Death Benefit After Pension Commencement from a Pension Plan](#) form in the 90-day period before your pension commences.

Preparing For Retirement

In order to help make the commencement of your UAPP pension as smooth as possible, this Information Sheet provides a check list to help you prepare for retirement.

Purchasing Prior Service

This Information Sheet is designed to provide general information on the purchase of prior service under the UAPP. Prior service refers to a period of service with the current or previous employer for which a member wishes to establish pension credits in the UAPP. It does not include approved periods of leaves during which the member did not contribute to the Plan. Leave periods are covered under a separate Information Sheet "*Establishing Pension Credits for a Period of Leave*".

Prior service is sometimes also called optional service because the purchase of eligible prior service is done solely at the discretion of a member. However, the *Income Tax Act* imposes many restrictions and conditions on the purchase of prior service. This Information Sheet provides a brief summary of the main provisions.

Retired Member Guide

This Information Sheet is designed to provide general information to members who are receiving a monthly pension from the UAPP. The Information Sheets contains a brief summary of some of the important things to keep in mind during your retirement.

Feature on UAPP Website

The most popular feature of the UAPP website is the link to the Retirement Planner on the right hand side of the home page www.uapp.ca. Access to the Retirement Planner is maintained by UAPP's administrative services provider, Buck Consultants. All active members of the plan are issued a User ID and password. Through the Retirement Planner, members can prepare an unlimited number of pension estimates to assist them with retirement planning. Members can also obtain copies of their annual member statement issued as at the end of the prior year. Questions about access to the Retirement Planner can be directed to the Buck Call Centre at 1.866.709.2092.

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.

Getting Ready for Retirement?

Read the Information Sheet "Preparing for Retirement", available at www.uapp.ca under "Publications".

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 the UAPP Trustees' Office at 780.415.8868.



Comments?

If you recently used the services of any group (Buck Consultants, CIBC Mellon, the 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".

Keep Your Beneficiary Information Updated

If you leave employment and leave your funds with the UAPP, it will be important to ensure the UAPP has your most up-to-date beneficiary information. Use the UAPP Designation of Spouse and Non-Spouse Beneficiary form, available at www.uapp.ca under "Forms". Doing so will help expedite any required payment to your beneficiaries. Make sure your family and your executor know you are entitled to a benefit from the UAPP.



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