

Communiqué

Summer 2017

First Quarter 2017 Returns

The UAPP Fund experienced a gain of 3.86% in the first quarter of 2017.

Summary of Investments as at March 31, 2017

Total Market Value \$4,489.0 Million

Market Value and Asset Mix	31-Mar-17		31-Dec-16	
	(\$million)	Actual Mix (%)	(\$million)	Actual Mix (%)
Cash & Short-term	25.5	0.6	33.9	0.8
Universe Bonds & Mortgages	744.8	16.6	501.3	11.6
Real Return Bonds	310.0	6.9	308.4	7.1
Long Bonds	509.8	11.4	403.6	9.3
Total Cash & Fixed Income	1,590.1	35.4	1,247.2	28.8
Canadian Equities	562.5	12.5	836.2	19.3
Global Equities	1,763.5	39.3	1,665.9	38.5
Total Equities	2,325.9	51.8	2,502.1	57.8
Real Estate	347.5	7.7	354.7	8.2
Infrastructure & Private Debt	140.2	3.1	138.7	3.2
Timberland & Other Alternatives	85.2	1.9	86.6	2.0
Total Alternative Investments	572.9	12.8	580.0	13.4
Total Investments	4,489.0	100.0	4,329.3	100.0

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

Investment Performance of the Fund	Quarter ending 31-Mar-17	One Year ending 31-Mar-17	Four Year ending 31-Mar-17
Cash and Short-term	0.2	0.9	1.0
<i>FTSE TMX 91-Day T-Bill Index</i>	0.1	0.5	0.7
Fixed Income	1.1	1.8	3.2
<i>Fixed Income Investments Indices</i>	0.9	1.3	3.4
Canadian Equity	2.5	17.8	9.4
<i>S&P/TSX Composite Capped Index</i>	2.4	18.6	8.3
Global Equity	7.2	20.5	15.5
<i>MSCI World & Emerging Markets Indices</i>	6.8	18.9	14.6
Real Estate	0.9	5.7	7.3
<i>IPD Large Institutional All Property Index</i>	0.9	5.7	7.8
Alternative Investments	1.2	6.7	7.9
<i>Alternative Investments Indices</i>	1.4	6.4	7.5
Total Investment Return	3.9	12.7	10.0
<i>Policy Benchmark Return</i>	3.3	11.2	8.9

2016 Member Statements Available

The 2016 member statements have now been uploaded to the Retirement Planner for active members and mailed for retired members. Please call Conduent Human Resource Services at 1.866.709.2092 if you need help accessing the Retirement Planner, or for login or password inquiries.

Preparing for Retirement

It is never too early to think about retirement but as you approach retirement age, you will likely have many important questions in your mind about things like financial planning, estate planning, will preparation, and, of course, pensions. When you think about pensions, you need to consider the UAPP, Canada Pension Plan (CPP), Old Age Security (OAS), personal savings including a Registered Retirement Savings Plan (RRSP), and perhaps pensions with prior employers. A financial planner can help you answer many questions and Service Canada provides great resources for CPP and OAS.

With respect to your UAPP pension, there are some great resources listed on our website www.uapp.ca to answer any questions you have. These resources include a video member seminar, Information Sheets, annual Member Handbook, quarterly Communiqués, and contact information. To help make the commencement of your UAPP pension as smooth as possible, the following check list has been prepared for your information.

1 Inform Your Employer

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.

2 Get Your Documents Ready

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, if applicable, 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.

3 Spousal Protection

A member who has a spouse, as defined under the UAPP and described later in this Communiqué, at the time of 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, Conduent Human Resource Services, 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.

4 Designation of Beneficiary

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.

5 Matrimonial Property Order

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 Conduent Human Resource Services, at 1.866.709.2092.

6 Prior Service Payments

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.

7 Choosing a Pension Option

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](#)).

It is important to note that, under all pension options, your UAPP pension is payable for your lifetime and, if you choose a joint-life option, your spouse's lifetime. The guaranteed period applies only upon the death of you and your spouse.

8 Making a Choice and Providing Banking Information

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.

9 Keep Your Mailing Address Current

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.

Feature on UAPP Website

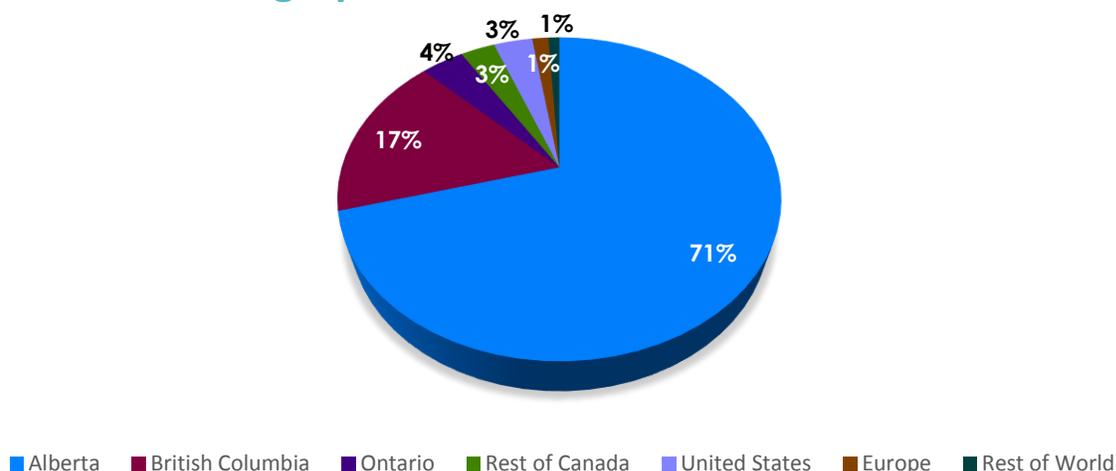
Included in the Contact Us section of our website, www.uapp.ca/contact-us/, is a section called Frequently Asked Questions. Here, you will find answers to some of the most often-asked member questions with respect to the UAPP as received by the Trustees Office and Conduent Human Resource Services. Included are questions on membership, life changes, Retirement Planner access, and financial situations.

A link to this section is also included under Key Information on the UAPP homepage www.uapp.ca. The list of questions is reviewed and updated regularly. If you have a question not answered there, let the Trustees Office know at board@uapp.ca. Very often, a question asked by one member is a question wondered by many members.

Membership Trends

Even though the participating employers of the UAPP are all based in Alberta so members accrue UAPP pensions while living in the province, members have proven to be very mobile upon retirement. A recent analysis of the geographical distribution of pensioners shows approximately 71% have remained in Alberta after retiring, 24% have moved elsewhere in Canada, and 5% have left the country entirely.

Geographical Distribution of Pensioners



UAPP pensioners currently reside in all Canadian provinces and territories except Nunavut, in 37 U.S. states plus the District of Columbia, and in 28 other countries around the world!

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.

Questions About Your Pension?

Call Conduent Human Resource Services 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 (Conduent Human Resource Services, 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”.

Getting Ready for Retirement?

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

Questions About the Retirement Planner?

Call Conduent Human Resource Services 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.



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.

The Board of Trustees ■ Universities Academic Pension Plan
#1002, Park Plaza ■ 10611- 98 Avenue ■ Edmonton AB T5K 2P7