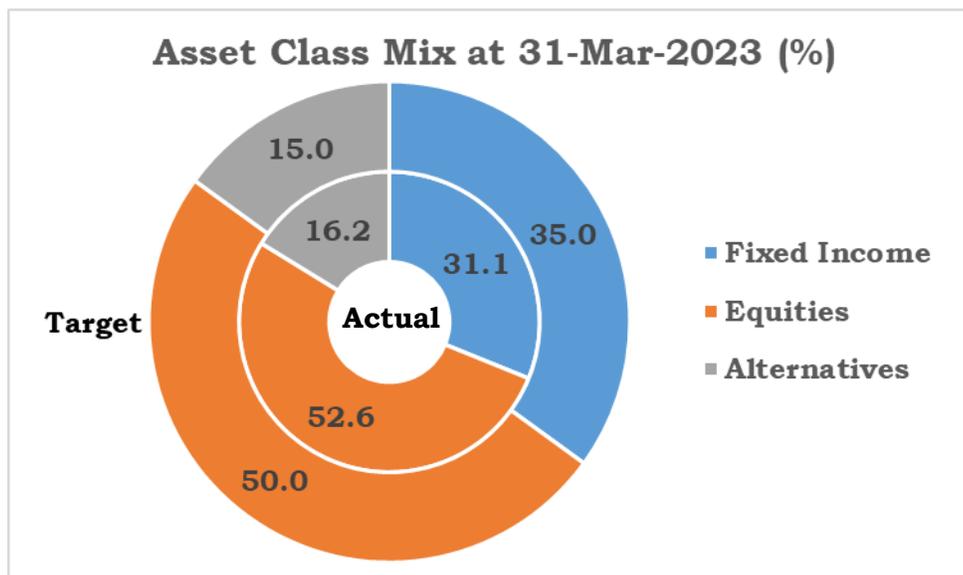


INVESTMENTS

The UAPP Fund experienced a gain of 4.1% in the first quarter of 2023.

Market Value and Asset Mix of the Fund	31-Mar-2023		31-Dec-2022	
	(\$million)	Actual Mix (%)	(\$million)	Actual Mix (%)
Cash & Short-term	21.2	0.3	13.7	0.2
Universe Bonds	654.0	10.5	685.8	11.4
Mortgages	257.9	4.1	250.1	4.2
Real Return Bonds	355.2	5.7	355.6	5.9
Long Bonds	647.9	10.4	617.7	10.3
Total Cash & Fixed Income	1,936.3	31.1	1,922.9	32.1
Canadian Equities	277.3	4.5	265.2	4.4
Global Equities	1,967.5	31.6	1,839.6	30.7
Emerging Market Equities	364.9	5.9	350.9	5.9
Private Equity	664.9	10.7	648.4	10.8
Total Equities	3,274.6	52.6	3,104.1	51.8
Real Estate	536.8	8.6	518.0	8.6
Infrastructure	422.2	6.8	399.6	6.7
Timberland	50.5	0.8	48.6	0.8
Total Alternative Classes	1,009.6	16.2	966.2	16.1
Total Investments	6,220.4	100.0	5,993.2	100.0

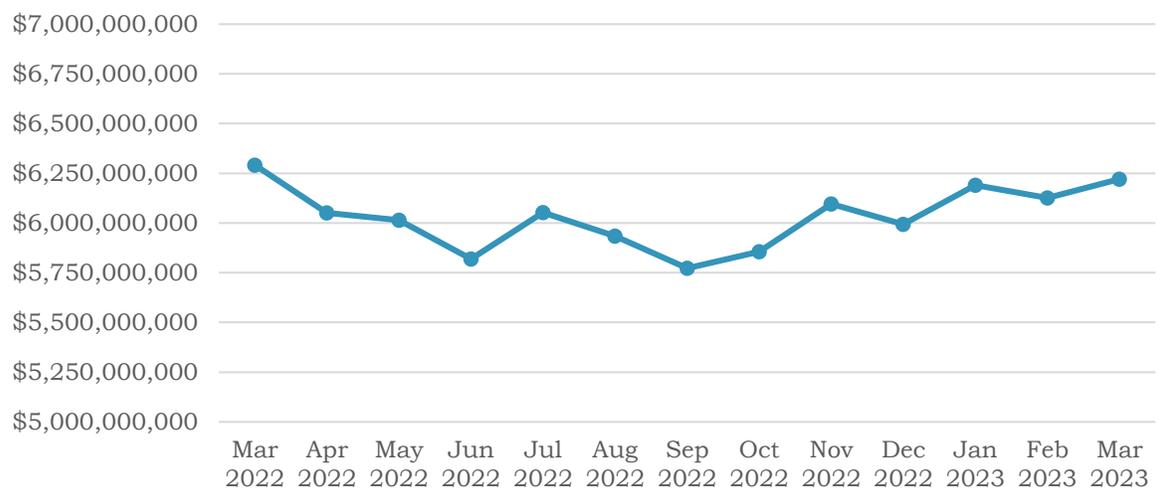
Totals may not add up due to rounding





Rates of Return of the Fund (%)	Quarter ending 31-Mar-2023	One Year ending 31-Mar-2023	Four Year ending 31-Mar-2023
Total Investment Return	4.1	0.2	6.0
Policy Benchmark Return	4.4	-0.1	4.7
Cash & Short-Term	1.5	3.8	1.4
<i>FTSE Canada 91 Day T-Bill Index</i>	1.1	2.8	1.3
Universe Bonds	3.7	-1.6	0.4
<i>FTSE Canada Universe Bond Index</i>	3.2	-2.0	-0.2
Mortgages	3.3	0.7	2.9
<i>FTSE Short/Mid-Term Bond Index + 75 bps</i>	2.8	1.2	2.2
Real Return Bonds	-0.1	-5.4	0.5
<i>FTSE Canada Real Return Bond Index</i>	-0.2	-5.7	0.3
Long Bonds	4.9	-7.1	-1.7
<i>FTSE Canada Overall Long-Term Bond Index</i>	4.7	-7.2	-2.0
Canadian Equities	4.5	-5.2	6.9
<i>S&P/TSX Capped Composite Index</i>	4.6	-5.2	9.0
Global Equities	7.7	1.1	7.7
<i>MSCI World Total Return Net Index</i>	7.6	0.7	9.4
Emerging Market Equities	4.0	-3.1	-0.7
<i>MSCI Emerging Markets Net Index</i>	3.8	-3.3	1.1
Private Equity	1.5	0.9	26.7
<i>CPI + 650 bps</i>	3.0	11.1	10.2
Real Estate	0.3	4.6	2.7
<i>MSCI/REALpac Canadian Property Index</i>	0.3	-0.2	1.9
Infrastructure	0.5	16.2	14.2
<i>CPI + 600 bps</i>	2.9	10.5	9.7
Timberland	2.2	40.9	16.3
<i>CPI + 400 bps</i>	2.4	8.5	7.6

Market Value of the Fund (Month-End)





PLAN DEMOGRAPHICS

Metrics				
Member Type	31-Mar-2023	31-Dec-2022	31-Mar-2022	31-Dec-2021
<i>Number of Members at Quarter End</i>				
Active Members	7,888	7,868	7,834	7,814
Deferred Members	2,724	2,631	2,575	2,551
Pensioners	6,674	6,720	6,445	6,424
Total	17,286	17,219	16,854	16,789
<i>Average Age of Members at Quarter End</i>				
Active Members	49.4	49.3	49.5	49.4
Deferred Members	51.8	51.4	51.3	51.2
Pensioners	74.8	74.6	74.6	74.5
<i>Number of Events during Quarter</i>				
Retirements	55	153	52	109
Lump Sum Payouts	44	77	63	73
Deaths	71	52	27	35
Retirement Planner Accesses	2,946	1,603	3,030	2,323

Statement of Investment Policies and Goals

During 2022, the UAPP Board of Trustees and its Investment Committee engaged in several discussions about formalizing the importance of responsible investing in the Plan's governing documents. The Board seriously considers its fiduciary duty to act in good faith and in the best interest of the Plan's members and beneficiaries. Given the long-term nature of defined benefit pensions, the Fund benefits from enhanced investment returns and risk mitigation when responsible investing principles are adopted.

Effective January 1, 2023, UAPP adopted a [new Statement of Investment Policies and Goals](#) (SIP&G) which incorporated a significant number of responsible investing provisions. Because the Fund utilizes pooled funds managed by third party investment managers, the UAPP has limited ability to influence the selection of specific investments. However, the Board maintains the responsibility to select investment managers that factor responsible investing into their fund management approach.

Some of the roles and responsibilities of the Investment Committee were also revised within the new SIP&G.

The primary changes to the SIP&G included the addition of three new investment beliefs which highlight the importance of responsible investing as part of UAPP's process.



The added investment beliefs are:

- 4.4 Responsible investing involves incorporating financially material environmental, social, and governance (“ESG”) considerations into investment decisions. The Board believes that organizations that identify and appropriately manage ESG risks and opportunities are more likely to represent good long-term investments. The types of ESG factors that may have material effects on investment returns include, but are not limited to the following:
- Environmental factors: pollution, resource depletion, climate change, deforestation, and land use.
 - Social factors: labour standards, workplace health and safety, diversity, and consumer protection.
 - Governance factors: shareholder rights, conflicts of interest, board structure and diversity, corruption, executive compensation, and tax strategy.
- 4.5 The Board utilizes pooled funds offered by Investment Managers and recognizes that there is limited ability to directly influence the selection of specific investments or the degree to which ESG factors are considered by the Investment Managers. However, the Board shall only select Investment Managers with robust responsible investing approaches that appropriately consider ESG factors in their investment decisions.
- 4.6 Specific investments should not be excluded solely based on ESG factors. The Board encourages its Investment Managers to actively engage with investee companies on the full range of ESG considerations.

The SIP&G is reviewed annually by the Investment Committee with changes approved by the Board of Trustees.

Infographics

The UAPP Board of Trustees office created three [Infographics](#) to provide a quick overview of topics that may be of interest to Plan members. These Infographics cover the following topics:

1. [Action Ideas by Generation](#) which highlights some ideas for ways members at different age levels may want to interact with the Plan.
2. [Key Plan Highlights](#) which summarizes key features of the Plan.
3. [Pension Facts and Figures](#) which details interesting numbers about the Plan.

The Infographics are intended to be brief summaries about the Plan and are not intended to replace any of its governing documents.



Canada Pension Plan Enhancements Reminder

In 2019, the Government of Canada began the process of enhancing the Canada Pension Plan (CPP). These enhancements reach a milestone in 2023 so a reminder of these changes may be useful.

The primary design features of the enhancements include the increase of the income replacement level from 25% to one-third of pensionable earnings and the introduction of additional benefits earned above the Year's Maximum Pensionable Earnings (YMPE).

Current base CPP contributions result in a tax credit, but a tax deduction was created for employee contributions associated with the enhanced portion of the CPP.

The first additional component was phased in between 2019 and 2023. Between these years, an increase in the contribution rate for employees was phased in by 1 percentage point from 4.95% to 5.95% on earnings between \$3,500 and the YMPE (the original earnings limit). The contribution rate is expected to remain at 5.95% after 2023 as the gradual increase in the rate has now ended.

The second additional component will be phased in between 2024 and 2025. Starting next year, a second, higher earnings limit will be introduced, allowing the CPP to provide pension from a higher portion of your earnings. This new limit, known as the Year's Additional Maximum Pensionable Earnings (YAMPE), will not replace the original limit (YMPE). Rather, it creates two different ranges of earnings that are covered by CPP:

- the original range, which goes up to the YMPE, and
- an additional range for earnings between the YMPE and the YAMPE.

This additional range of earnings covered by the CPP will start at:

- the YMPE (\$66,600 in 2023 but projected to be higher in 2025)

and go to:

- the YAMPE which will be 14% higher than the YMPE in 2025 and after.

Like the YMPE, the YAMPE will increase each year to reflect wage growth. This additional range will only affect you in years when your annual earnings are above the YMPE.

With higher contribution rates in the CPP, Canadians will receive a higher pension from the program.

The enhancements to the Canada Pension Plan have no bearing whatsoever on the contribution rates or pension accrual under the UAPP. Just as it has since January 1, 1994, the original YMPE will continue to impact 1) the UAPP contributions remitted by members and their employers through the split contribution rates and 2) the UAPP pension accrued by Plan members through the integrated benefit formula. **These CPP enhancements, including the introduction of the YAMPE, will not impact the UAPP pension calculation at all.**



MORE INFORMATION

Retirement Planner

Active members of UAPP have automatic access to the Retirement Planner, only needing to register. The link is on [UAPP's home page](#), scrolling down to Key Information:



Frequently Asked Questions

The Frequently Asked Questions and Answers section provides a list of often-asked member questions with respect to the Universities Academic Pension Plan (UAPP). Included here are questions on membership, life changes, Retirement Planner access, and financial situations.

> [CLICK HERE](#)



Member Seminar

The Board of Trustees' Office for the UAPP has prepared a resource to provide an outline of the plan. Included in the presentation is a brief high level overview of the governance structure of the UAPP, detailed information on the plan provisions that most impact members, and a summary of the uapp.ca website and Retirement Planner.

> [CLICK HERE](#)



Retirement Planner

On your first visit to the Retirement Planner, please click Register Now after selecting the link below. You can prepare retirement estimates that use your actual data and you can access your annual member statement. For assistance, please call the UAPP Administration Centre at 1.866.709.2092 between 6 a.m. and 6 p.m. Alberta time during business days.

> [CLICK HERE](#)

Within the Retirement Planner, you can perform retirement calculations by running an unlimited number of pension estimates, adjusting for important details like retirement dates and future salary adjustments. You can also access your Annual Member Statement. If you have questions about your pension or the Retirement Planner, please call the UAPP Administration Centre toll-free at 1.866.709.2092.

Publications

The UAPP website includes a host of publications intended to assist members in understanding their pension plan. In addition to this [Communique](#), these publications include the [Member Handbook](#), [Annual Report](#), and several [Information Sheets](#), covering a range of topics such as New Member Basics, Pension Options, Death or Leaving the Plan Before Retirement, Preparing For Retirement, and the Retired Member Guide.

Contact Us

If you terminate employment and leave your funds in UAPP, ensure we have your current address and beneficiary information. [Email us](#) to update your address. Beneficiaries can be updated by using the [UAPP Designation of Spouse and Non-Spouse Beneficiary form](#). Make sure your family and executor know you are entitled to a benefit from the UAPP.

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