

2026-2028

BUSINESS PLAN

UNIVERSITIES ACADEMIC PENSION PLAN



December 1, 2025

MISSION AND VALUES

MISSION

The mandate of the UAPP Board of Trustees (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 Employment Pension Plans Act,
- ▣ 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
- ▣ strive to adopt best business practices.

STRATEGIC DIRECTION

PROVIDE HIGH QUALITY, COST-EFFECTIVE PENSION BENEFITS ADMINISTRATION SERVICES

Systems and processes will be maintained and expanded to provide efficient and accurate benefits administration on a cost-effective basis. Benefits administration will 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, guidelines, and asset mix will be regularly reviewed and adjusted to optimize investment returns within established risk tolerances. The Fund's risk tolerance will be reassessed on a regular basis.

PROVIDE EFFECTIVE COMMUNICATIONS

A comprehensive communication program will be provided on an ongoing basis to promote an understanding of the pension plan among members and employers. Sufficient information will 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 will be expanded whenever possible.

PRACTICE EFFECTIVE GOVERNANCE

Sound governance practises will be maintained and expanded to support the effective and efficient operation of the Plan. Operations of the Plan will be regularly reviewed to ensure effective internal controls are in place to safeguard the data and assets.

PLAN INITIATIVES

To give effect to the Board's Strategic Direction, the following initiatives are planned.

IMPROVE THE DELIVERY OF PENSION BENEFITS ADMINISTRATION SERVICES

Some of the regular tasks related to Plan administration are:

- Maintain effective partnership with service providers.
- Monitor performance and update standards, as necessary.
- Enhance systems to make user interface with pension administration more efficient, such as making annual data reconciliation easier, building more complete data on members who have breaks in in-year service, readjusting edits for the annual data upload, and providing employers with extra data requirements for costing of spanned and other leaves of absence.
- Enhance member self-service by expanding information available on the website, promoting feedback through the Communiqué and the website and promoting direct contact between members and service providers.
- Strengthen internal controls, processes and reporting systems by providing trend reports on a quarterly basis to the Board, reconciling Plan member data, updating key policy documentation and processes, and meeting with the User Group at least twice a year or as often as required to discuss administration issues and develop common understanding.
- Perform annual pensioner audits in accordance with established guidelines to reduce the risk of over-payments.

PLAN INITIATIVES

Specific key tasks planned for the next 3 years to improve the delivery of pension benefits administration services:

2026

- Complete the Pension Administration Transformation Project.
- Evaluate effectiveness of the pension administration services solution.
- Participate in pension administration benchmarking study to baseline insourcing arrangement.
- Evaluate effectiveness of updated annual pensioner audit guidelines.
- Launch the Call Centre for in-house pension administration.
- Implement missing person project for members with deferred pensions and Amounts-Held-On-Deposit.
- Review workforce capabilities of the pension administration team.

2027

- Participate in pension administration benchmarking study to review costs and performance.
- Implement improvements to annual statements for members with deferred pensions and Amounts-Held-On-Deposit.
- Review potential improvements to pension administration services solution.
- Evaluate the effectiveness of the pension administration process workflow.

2028

- Enhance the evaluation framework for the Call Centre and plan administration performance metrics.
- Increase operational efficiency by leveraging use of member (active and inactive) self-service portals for member communication.
- Develop plan for Call Centre feedback loops with members.

REVIEW AND ENHANCE INVESTMENT STRATEGIES

Some of the regular tasks related to Plan investments are:

- Optimize long-term investment returns by monitoring the implementation of changes to the asset mix and the associated costs and assessing the actual performance of the Fund against expected outcomes at the time of the asset/liability modelling study.
- Monitor and adjust risk exposures by adopting risk policy guidelines as determined by the Board.
- Measure and monitor investment performance by monitoring investment managers' performance and implementing identified changes.
- Explore appropriateness of the current investment manager mandates and make changes, as necessary.
- Work with the investment managers to improve quarterly reporting to the Investment Committee.
- Review and update the Statement of Investment Policies and Goals (SIP&G) as necessary.

PLAN INITIATIVES

Specific key tasks planned for the next 3 years to review and enhance investment strategies:

2026

- Research portfolio construction and risk analytics system.
- Review and approve asset mix changes derived from the asset/liability modelling study.
- Plan implementation of strategies informed by asset/liability modelling study, including manager searches.
- Implement changes to investment processes stemming from review of CAPSA Guideline No. 10.
- Review workforce requirements for the Trustees' Office investment department.

2027

- Plan implementation of portfolio construction and risk analytics system.
- Implement strategies informed by asset/liability modelling study, including manager searches.
- Evaluate changes to investment processes stemming from review of CAPSA Guideline No. 10.
- Evaluate workforce status of Trustees' Office investment department.

2028

- Internalize control of core investment functions, including performance and risk monitoring, manager underwriting, and portfolio construction.
- Review and update investment manager selection process.

ENHANCE COMMUNICATION PROGRAMS

Some of the regular tasks related to communications are:

- Provide effective communications programs by updating the website as necessary, reviewing the Annual Member Statements for enhancements to aid members' understanding of the Plan, providing one-on-one sessions as requested, updating the annual Member Handbook, and producing the quarterly Communiqué and Annual Report.
- Strengthen relationship with stakeholder groups by meeting with Sponsors and other groups on issues related to the UAPP, providing pension administrators training as necessary, and making available on request, pension information seminars.
- Continue ongoing communication with other public-sector pension plans, particularly Local Authorities Pension Plan, Public Service Pension Plan, Special Forces Pension Plan, and Alberta Teachers' Retirement Fund.

PLAN INITIATIVES

Specific key tasks planned for the next 3 years to enhance communication programs:

2026

- Implement communication tactical plan for the Pension Administration Transformation project.
- Finalize and implement complete corporate branding initiative.
- Evaluate communication strategy for dealing with unlocatable members with deferred pensions and Amounts-Held-On-Deposit.
- Research potential improvements to Information Sheets.
- Develop video strategy for employers' and members' communication.
- Research the use of social media as a communication tool.
- Research potential improvements in investment information reported on the website.

2027

- Implement improvements to Information Sheets.
- Implement video strategy for employers' and members' communication.
- Gather feedback on improvements in investment information reported on the website.

2028

- Implement improvements in investment information reported on the website.
- Evaluate effectiveness of video strategy for employers' and members' communication.
- Evaluate effectiveness of social media communication strategy.

EFFECTIVE AND EFFICIENT PLAN GOVERNANCE

Some of the regular tasks related to Plan governance are:

- Monitor the financial position of the UAPP and related risks.
- Analyze the Sponsorship and Trust Agreement and propose changes for Plan Sponsors' consideration.
- Collaborate with Plan Sponsors on Plan design changes.
- Keep Plan Sponsors informed about developments of relevance to UAPP.
- In collaboration with Plan Sponsors, work with Alberta Treasury Board and Finance officials on any issues that arise, including the Plan's unfunded liability.
- Provide Board members with ongoing pension governance education.
- Continue to explore solutions on issues surrounding the pre-1992 unfunded liability.
- Conduct annual reviews of cybersecurity strategies to ensure UAPP remains aligned with emerging technologies and maintains compliance with NIST standards.
- Prepare triennial assessment of plan activities.
- Review Board's internal policies at least every five years or as required by legislation.
- Complete annual risk assessment.
- Prepare Board skills matrix self-assessment every other year or if there is a significant change in Board members.
- Maintain cash management policy.
- Enhance talent acquisition, development, retention, and succession planning to support UAPP's strategic direction.

PLAN INITIATIVES

Specific key tasks planned for the next 3 years for effective and efficient plan governance:

2026

- Identify vision for the Trustees' Office finance department.
- Finalize the establishment and implementation of UAPP Risk Management Framework as per CAPSA Guideline No.10.
- Evaluate accounting software upgrade for the Trustees' Office.
- Complete triennial assessment of plan activities.
- Complete annual risk assessment.
- Implement Trustees' Office total rewards program.

2027

- Commence implementation of vision for the Trustees' Office finance department.
- Implement accounting software upgrade for the Trustees' Office.
- Implement changes from triennial assessment of plan activities.
- Undertake an actuarial valuation as of December 31, 2026.
- Undertake retirement, termination, and salary experience study.
- Complete annual risk assessment.
- Design a review framework to evaluate employee performance.

2028

- Evaluate status of vision for the Trustees' Office finance department.
- Update Cash Management Policy for new investment managers.
- Evaluate effectiveness of Trustees' Office total rewards program.
- Complete annual risk assessment.
- Implement framework for evaluating employee performance.