Academic and Administrative Pension and Benefit Plans

2016 Report to Members
Message to the Members

I am pleased to present to members the 2016 Annual Pension and Benefits Report: 2016 Year in Review.

The report is available on the Human Resources website. This online format allows members to find information easily, and as part of the University’s sustainability commitment, allows members to select and print specific areas of the report, as required.

The Academic and Administrative Pension Plan for eligible Academic, Administrative, Professional & Technical (APT) and Out-of-Scope members was established on July 1, 1965. Until January 1, 2000, the plan was solely a defined benefit (DB) plan. The University closed the DB component of the pension plan to new members and introduced a defined contribution (DC) component for eligible individuals who joined the University on or after January 1, 2000.

Academic & Administrative Pension Plan
(Defined Contribution Component – DC)

The DC component of the Plan includes many features designed to support members with their retirement savings objectives. A member's contributions and Employer contributions, plus any return on investment, are used to provide a member with income based upon the account balance he or she has built at retirement.

Members are reminded of their responsibility to periodically review their investment portfolio and to revise it as appropriate given their needs. Resources are available on the Sun Life website at www.mysunlife.ca/uregina and from the Sun Life Financial customer care centre (1-866-896-6976). We strongly encourage members to seek independent professional financial guidance.

If you are formulating your retirement plans or near retirement, you may want to contact a Sun Life Retirement Consultant who can assist with planning. When the time comes for members to convert their retirement savings to retirement income, they have the option to transfer their funds into the University of Regina Group Prescribed Retirement Income Fund (PRIF). This product is available exclusively to members of the Academic & Administrative Pension Plan.

Academic & Administrative Pension Plan
(Defined Benefit Component – DB)

The DB component of the Plan has been closed to new members since 2000 but the ongoing obligation to active and retired members remains. While recent years have provided positive returns, finding the right balance between acceptable risk and adequate returns continues to be a challenge.

Assets for members of the DB component of the Plan (including pensioners) are invested as part of the Master Trust. The following table outlines the Master Trust Performance.

<table>
<thead>
<tr>
<th>Investment Performance</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>Last 10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Master Trust gross return</td>
<td>6.2%</td>
<td>6.8%</td>
<td>10.0%</td>
<td>18.8%</td>
<td>6.55%</td>
</tr>
</tbody>
</table>
The Plan last filed an actuarial valuation report with the regulators at December 31, 2014. The following tables outline the financial position of the Plan under the going-concern and solvency basis.

### Going-Concern Position at December 31, 2014.
The going-concern valuation provides an assessment of the Plan’s financial position at the valuation date on the premise that the Plan will continue on into the future indefinitely.

<table>
<thead>
<tr>
<th>Actuarial value of assets</th>
<th>$269,662,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial liability</td>
<td>$269,662,000</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

Note: The going-concern valuation included a liability to support future cost of living increases. The total reserve set aside for all members was estimated to be funded 84%.

### Solvency Position at December 31, 2014.
The solvency valuation examines whether the Plan would be in a deficit or surplus position if it were closed as of the valuation date.

<table>
<thead>
<tr>
<th>Actuarial value of assets</th>
<th>$256,057,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial liability</td>
<td>$256,057,000</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

Note: The solvency valuation is based on the premise that future cost of living increases would be scaled back on plan windup to eliminate/reduce any deficit.

### Joint Pension Investment Committee (JPIC)
The JPIC, with the assistance of external consultants, oversees all investment aspects related to assets for the defined benefit component of the pension plan. The JPIC met on four occasions in 2016. The key activities have been outlined below:

- Reviewed the investment performance with the assistance of Aon Hewitt.
- Met with investment managers who provided their observations and updates on the investment landscape.
- Participated in a seminar on responsible investing, environmental, social & governance (ESG) investing and fossil fuel divestment.
- Recommended the Board of Governors approve the 2016 Statement of Investment Policies and Goals.
Academic & Administrative Benefits Committee (AABC)

The AABC is a committee appointed by the Board of Governors. It relies on the expertise of numerous consultants and investment managers in its oversight role of the pension and benefits plans. The Committee met on six occasions throughout 2016. The key activities have been outlined below:

- Approved the 2015 pension plan expenses.
- Approved the 2016 expense rate for the DB component of the pension plan.
- Reviewed the semi-annual investment performance of the DC component of the pension plan with the assistance of Aon Hewitt.
- Reviewed the investment options available to members in the DC component of the pension plan with the assistance of Aon Hewitt and Sun Life Financial.
- Reviewed data in respect to the DC retirement program and approved the 2016 communication strategy in partnership with Sun Life Financial.
- Reviewed the financial position of the DB component of the pension plan with the assistance of Aon Hewitt.
- Assessed benefit plan costs and member utilization to obtain information and benefit trends with the assistance of Aon Hewitt and Sun Life Financial.
- Discussed governance requirements and the opportunity to review.
- Analyzed the risks in the DB component of the pension plan with the assistance of Aon Hewitt.
- Reviewed the 2016 pension plan expenses and approved the 2017 budget/workplan.

We lost an exemplary actuary and friend, Don Ireland, in 2016. Don was a respected professional that served the University for over 17 years and will be dearly missed by all. Aon Hewitt has set up a scholarship, the Don Ireland Memorial Award, at the University of Regina in his honour.

The AABC is supported by the Pension and Benefits unit in Human Resources who have responsibility for the day-to-day operations. The Pension and Benefits team remains focused on providing excellent service to faculty and staff.

In closing, I would like to thank my fellow committee members, our consultants, investment managers and Human Resources staff for their support over the past year.

Larry Miller, Chair
Academic and Administrative Benefits Committee
Co-Chair, Joint Pension and Investment Committee

March 2017
Table of Contents

GOVERNANCE OF THE ACADEMIC AND ADMINISTRATIVE BENEFITS COMMITTEE (AABC) ................................................................. 5
Members of the AABC at December 31, 2016 ........................................ 5

THE ACADEMIC AND ADMINISTRATIVE PENSION PLAN .......................................................... 6
Profile of the Pension Plan ........................................................................ 6
  Plan Membership ................................................................................. 6
  Market Value of Assets of the Academic and Administrative Pension Plan ............................................................................. 6
Your Defined Benefit Pension ............................................................... 7
  Plan Investments ................................................................................. 7
  Plan Expenses .................................................................................... 7
  Plan Interest Rate .............................................................................. 7
  Cost of Living Increases for Pensioners ............................................. 7
Your Defined Contribution Pension ..................................................... 8
  Pension Plan Investment Returns ....................................................... 8
  Annual Pension Plan Disclosure Statements ..................................... 8

REVIEW OF 2016 INVESTMENT PERFORMANCE ......................................................... 9
The Markets .......................................................................................... 9
  Equities ............................................................................................. 9
  Fixed Income ..................................................................................... 9
University Plans Overview .................................................................. 9
  Investment Performance ................................................................... 9
  Investment Performance – Rolling Four-Year Returns .................. 10
  Investment Performance – Relative to Peers .................................. 11
Investment Performance Objectives .................................................. 12
  Benchmark Portfolio Return and Asset Mix ................................. 12

THE MASTER TRUST ......................................................................................... 13
Academic and Administrative Pension Plan Market Value .................. 13
Master Trust Asset Mix Summary ....................................................... 13
Distribution of Master Trust Assets by Manager .................................. 14
Distribution of Defined Contribution Component Assets by Investment Option .......................................................... 14

STATEMENT OF INVESTMENT POLICIES AND GOALS ........................................... 15

PENSION PLAN FINANCIAL STATEMENTS ......................................................... 15

BENEFIT PLANS UPDATE ............................................................................ 16
The Academic and Administrative Benefits Committee (AABC) is a Board of Governors appointed Committee.

Members of the AABC Committee at December 31, 2016

The AABC consists of seven members, three members who are recommended by the University of Regina Faculty Association (URFA), two of whom are members of the Academic Staff and one who is a member of the Administrative, Professional and Technical Employees Staff; one member who has retired and in receipt of a lifetime pension from the Plan and who is recommended by the University of Regina Academic and Administrative Pensioners Association (URAAPA) and three additional members other than those described above.

- Peter Douglas – Mathematics and Statistics
- Kelly Kummerfield – Human Resources
- Gaynor Kybett – University of Regina Academic and Administrative Pensioners Association (URAAPA)
- Larry Miller – Mathematics and Statistics (Chair)
- Gregory Bawden – Centre for Continuing Education
- Dale Schoffer – Financial Services
- Dr. R. J. (Jim) Tomkins – President Emeritus

Recording Secretary
- Temple Maurer – Human Resources

Actuaries and Pension Consultants
- Don Ireland and Troy Milnthorp – Aon Hewitt, Calgary and Saskatoon

Performance Measurement Consulting
- John Myrah and Erin Achtemichuk, Aon Hewitt, Regina

Benefits Consulting Services
- Kim Siddall, Aon Hewitt, Winnipeg

Investment Management Firms
- Bentall Kennedy
- BlackRock Asset Management Canada Ltd.
- Franklin Templeton Investments
- Grantham, Mayo, Van Otterloo & Co (GMO)
- Mawer Investment Management Ltd.
- Phillips, Hager and North Investment Management Ltd. (PH&N, owned by RBC)

Asset Servicing Provider (DB Component)
- CIBC Mellon Global Securities Services Company, Calgary

Service Provider (DC Component)
- Sun Life Financial
The Academic and Administrative Pension Plan

Profile of the Pension Plan

The Academic and Administrative Pension Plan was established on July 1, 1965. Until January 1, 2000, the plan was solely a defined benefit (DB) plan, meaning that a member’s pension was calculated using a formula based on the member’s salary history and years of service at retirement. The plan also allows the transfer of entitlements – including the portion of an individual's account arising from the accumulated contributions from the Employer – out of the plan upon retirement, death or resignation.

As of January 1, 2000, the University closed the DB component of the pension plan to new members and introduced a defined contribution (DC) component for eligible individuals who joined the University on or after January 1, 2000. Members of the DB component were allowed to choose between remaining with the DB component or transferring either future service or past and future service to the DC component.

Effective July 1, 2011 DC members were provided a choice of two investment approaches: a Pre-built Portfolio made up of target date funds and a Build Your Own Portfolio that allows members to create their own portfolio from a list of specially selected funds.

Plan Membership

Membership in the plan is compulsory for eligible employees. Information on the membership movement over the last three years is illustrated below.

<table>
<thead>
<tr>
<th>Year End</th>
<th>Number of Active Defined Benefit Members</th>
<th>Number of Active Defined Contribution Members*</th>
<th>Number of Pensioners &amp; Beneficiaries</th>
<th>Other Members**</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>145</td>
<td>962</td>
<td>296</td>
<td>141</td>
<td>1,544</td>
</tr>
<tr>
<td>2015</td>
<td>137</td>
<td>969</td>
<td>295</td>
<td>186</td>
<td>1,587</td>
</tr>
<tr>
<td>2016</td>
<td>122</td>
<td>1051</td>
<td>302</td>
<td>157</td>
<td>1,632</td>
</tr>
</tbody>
</table>

* This includes 7 members who have both a defined contribution/defined benefit (for pre-2000 service)
** This includes former members and beneficiaries entitled to, but not yet in receipt of a benefit.

The membership of both the DB and DC components of the plan at December 31, 2016 consists of 1632 members. Pensioners and beneficiaries of the DB component constitute 69% percent of the membership in that component of the plan.

Market Value of Assets of the Academic and Administrative Pension Plan

The market value of the Academic and Administrative Pension Plan assets at the end of 2016 totalled $406.8 million.

<table>
<thead>
<tr>
<th>Year End</th>
<th>Defined Benefit Component</th>
<th>Defined Contribution Component</th>
<th>Total Plan Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$263.1 million</td>
<td>$143.7 million</td>
<td>$406.8 million</td>
</tr>
<tr>
<td>2015</td>
<td>$261.1 million</td>
<td>$127.6 million</td>
<td>$388.7 million</td>
</tr>
</tbody>
</table>
Your Defined Benefit (DB) Pension

**Plan Investments**

For investment purposes, the assets of the DB component of the Academic and Administrative Pension Plan are combined with those of the Non-Academic Pension Plan into a single fund, called the Master Trust Fund. The investment of funds in the Master Trust Fund is overseen by the Joint Pension Investment Committee (JPIC), which is comprised of all members of the AABC and the Non-Academic Benefits Committee (NABC). The DB component has its own investment policy statement and a separate accounting for its assets.

**Pension Plan Expenses**

Plan expenses for 2016 were 0.39% of the average market value of the assets within the Master Trust attributed to the DB component of the Academic and Administrative Pension Plan. The plan is charged for expenses related to actuarial and consulting services, administration, investment manager fees and asset servicing fees. The 2016 expense rate is slightly less than the four year average expense rate of 0.44%.

**Pension Plan Interest Rate**

For members with DB entitlements, on December 31, 2016, an interest rate of 10.41% was credited on account balances on that date. As required by the plan document, this rate reflects the annualized return over the prior four years, less 0.5%, less administrative expenses. The 2017 annualized rate of return calculated over four years to December 31, 2017 is 9.40%.

**Cost of Living Increases for Pensioners**

The DB component of the Plan provides for indexing of pensions to be granted each year at a rate that is equal to the increase in the previous year’s rate of inflation as measured by the Consumer Price Index. However, in years that the Actuary is of the opinion that the full increase would impair the Plan’s financial integrity, a lesser increase may be provided.

A cost of living adjustment (COLA) of 1.13% was provided to eligible retired members commencing July 1, 2016.

As reported in the Funding Valuation of the Plan for the year ending December 31, 2014, the plan did not have enough assets to fully support future indexing for pensions (ie cost of living pension increases). The reserve would be sufficient to provide cost of living increases at a rate of 84% of the increase in the Consumer Price Index.
Your Defined Contribution (DC) Pension

Pension Plan Investment Returns
The DC component has 19 investment options available to members. This includes 9 Target Date Funds (BlackRock LifePath Index Funds), 2 Canadian equity funds, 3 Foreign equity funds, 1 fixed income fund and 4 Guaranteed/Money Market funds.

Approximately 80% of the plan membership was invested in the pre-built target date BlackRock LifePath funds at December 31, 2016.

DC pension plan returns are based on the performance of the members’ investment choices less fund management fees, which are charged to members’ accounts monthly. Fund management fees include, but are not limited to, fund operating expenses and investment management fees plus applicable sales tax. A University of Regina levy charge is also deducted from members’ accounts to cover administrative and consulting costs. The levy charge is 0.06% of each member’s total plan assets plus an annual flat fee of $60 per member.

Annual Pension Plan Disclosure Statements
In January 2017, Sun Life Financial provided DC members of the plan with a paper copy statement of their pension benefit entitlements at December 31, 2016. DC plan members also have on-line access 24/7 to view their account balances and other retirement information at www.mysunlife.ca/uregina.
The Markets

Global equity markets finished 2016 on a broadly positive note with the MSCI All Country World Index (a proxy for global equities including emerging markets) returning 4.1% in Canadian dollar terms. Despite the positive returns, markets were highly volatile over the year, resulting from slow global growth, Brexit, rising interest rates, rising commodity prices, and the U.S. election.

Equities

For the year ending December 31, 2016, foreign equity returns were stronger in local dollar terms, but weaker in Canadian dollar terms, as the appreciation of the Canadian dollar versus other currencies decreased returns for Canadian investors. The Canadian market, as represented by the S&P/TSX Composite Index, posted a strong return of 21.1%. The U.S. equity market, as represented by the S&P 500, returned 12.0% in U.S. dollar terms. The appreciation of the Canadian dollar versus the U.S. dollar decreased returns for Canadian investors by 3.9% over the year. Non-North American equities, as represented by the MSCI EAFE Index, were up 5.3% in local dollar terms. The appreciation of the Canadian dollar versus the basket of EAFE currencies subtracted 7.8% from the Index, leaving Canadian investors with a -2.5% return. Across equity markets, the Energy and Materials sectors had the strongest returns for the year as oil and commodity prices rebounded. The Health Care and Consumer sectors were generally weaker in foreign markets.

Fixed Income

The Canadian bond market, as measured by the FTSE Universe Bond Index, was up 1.7% in the year ending December 31, 2016. Yields decreased throughout most of the year, however rose sharply in the fourth quarter after the U.S. presidential elections. The rise in yields caused negative returns in the fourth quarter, with longer dated bonds losing the most value, however still outperforming shorter maturities over the year. By sector, corporate bonds outperformed government and provincial bonds, as credit outperformed in 2016.

University Plans Overview

Investment Performance – 2016

The University of Regina Master Trust return was 6.2% in 2016. This return is applicable to the DB component of the Academic and Administrative Pension Plan. The returns for members of the Defined Contribution component are driven by the performance of the investment options chosen by the members.

The Total Fund return for the Master Trust matched the benchmark return. Value added by strong relative returns in bonds and international equities was offset by weak relative returns in Canadian and emerging market equities. Asset mix was slightly negative. Trends by asset class included:

- Mixed relative performance in Canadian equities, with PH&N adding value and Mawer subtracting. PH&N added 2.5% to the 21.1% Index, while Mawer’s 17.4% return was 3.7% below the S&P/TSX Composite Index. Both managers were underweight gold stocks over the year, a position which detracted as gold surged in the first half of 2016.
• In the U.S. equity market, BlackRock’s performance tracked very close to the S&P 500, which is the objective for this passive strategy. The Master Trust has partial hedging within the U.S. equity portfolio; as the Canadian dollar appreciated relative to the U.S. dollar over the year, the hedged component tracked above the unhedged portfolio.

• The non-North American equity manager, Franklin Templeton, beat the MSCI EAFE Index by 1.5% in the year, returning -1.0%. Templeton’s value bias and 15% allocation to emerging markets added value in the year.

• GMO’s global equity mandate was slightly above the 4.1% benchmark (net of fees), generating a 4.2% return. A double the Index weight in emerging market names added value, but was offset by a 20% underweight in U.S. names.

• GMO’s emerging markets equity mandate was weak, returning 0.4% and subtracting 6.9% from the 7.3% MSCI Emerging Market Index in the year.

• Real estate returned 5.2% net of fees in the year. This return consists of a 4.3% income component and a 0.9% capital appreciation component. Generally, properties in B.C. and Ontario contributed positively to returns, while lower property appraisals in Alberta detracted value.

• PH&N manages the Master Trust’s Fixed Income, consisting of a Universe Bond mandate, a Core Plus Bond mandate, and mortgages. Over the year, total bonds returned 4.0%, outperforming the FTSE TMX Universe Bond Index by 2.3%, due to positioning in corporate bonds and the high yield bond allocations. Mortgages were subdued in the year, returning 2.1% versus the 1.0% FTSE TMX Short Term Bond Index.

The Total Fund average return over the past four years was 11.4%, outpacing the benchmark by 1.3%.

Investment Performance – Rolling Four-Year Returns
The Plan’s primary investment objective is to exceed the benchmark return over rolling four-year periods. The Total Fund return over the past four years was 10.3%, outpacing the benchmark by 1.1%. The following chart provides the longer-term track record of the Fund, with each period a rolling four-year result. The most recent result shows a strong absolute return led by equities. Over the past 10 years, the Total Fund average return was 6.2% per year, which tracked 0.8% ahead of the benchmark return.
Investment Performance – Relative to Peers

In addition to monitoring performance relative to the benchmark return, the Fund performance can be put into perspective by comparing the result against those of a universe of institutional funds. The table below shows the Total Fund return and individual asset class returns relative to other funds in the Aon Hewitt Universe for pooled funds over the past year and four-year periods.

The 2016 Total Fund result of 6.2% placed below the 7.8% earned by the median balanced pooled fund. Over the past four years, the Total Fund return of 10.3% exceeded the 9.7% median manager result.

<table>
<thead>
<tr>
<th>2016 Relative Performance Asset Class</th>
<th>2016 Quartile ¹</th>
<th>4-Year Quartile ¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian equities</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Total U.S. equities incl. Hedging</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Non-North American equities</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Global equities</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Emerging Market equities</td>
<td>4</td>
<td>n/a</td>
</tr>
<tr>
<td>Real Estate</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Bonds</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Mortgages</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total Fund</strong></td>
<td><strong>4</strong></td>
<td><strong>2</strong></td>
</tr>
</tbody>
</table>

¹ Indicates the placement of the return relative to the Aon Hewitt Universe for institutional pooled funds. Quartile 1 include the top 25% of funds by return, Quartile 2 represents firms in the 26-49% range, M is the median return, and so on.
By asset class, bonds placed in the first quartile over the year, while emerging market equities and real estate placed in the fourth quartile. Developed market equities (Canadian, U.S., non-North American and Global) all placed in the second quartile of managers. Over four years, Canadian equities and bonds tracked in the top quartile, while the U.S., non-North American and Global equity mandates were below median manager results relative to their respective peer groups.

**Investment Performance Objectives**

A number of performance objectives are set out for the pension plan. As noted above, the primary objective is that the Total Fund return exceeds a benchmark portfolio return over a rolling four-year period.

**Benchmark Portfolio Return and Asset Mix**

The benchmark portfolio return is calculated by using index returns and target asset class weights. The current policy asset mix is shown below. Within the various asset classes, the objective is to exceed the relevant index return for actively managed mandates, and to track within 0.10% or 0.20% (dependent upon whether the mandate is hedged or unhedged) of the relevant index for passively managed mandates. In addition, the returns are evaluated on a relative basis to a universe of other pension plan returns.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>2016 Benchmark Portfolio (Market Value %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian equities</td>
<td>16</td>
</tr>
<tr>
<td>U.S. equities</td>
<td>6.5</td>
</tr>
<tr>
<td>U.S equities – Hedged</td>
<td>6.5</td>
</tr>
<tr>
<td>Non-North American equities</td>
<td>14</td>
</tr>
<tr>
<td>Global equities</td>
<td>8</td>
</tr>
<tr>
<td>Emerging Market equities</td>
<td>4</td>
</tr>
<tr>
<td>Real estate</td>
<td>15</td>
</tr>
<tr>
<td>Bonds</td>
<td>26</td>
</tr>
<tr>
<td>Mortgages</td>
<td>4</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>0</td>
</tr>
</tbody>
</table>
The assets of the DB component of the Academic and Administrative Plan and the Non-Academic Plan assets are jointly invested in a Master Trust, which in turn are invested by the various managers under different mandates. Each of the Plans buy (sell) units in the Master Trust based on the net inflows (outflows) for that plan. At the end of 2016, the Master Trust assets had a market value of $359.7 million. This is up from $353.8 million at the end of 2015 as income and capital market gains more than offset net cash outflows from the plans.

**Academic and Administrative Pension Plan Market Value**

The market value of the DB component of the Academic Pension Plan assets was $263.1 million at year-end. The distribution of assets for the Master Trust is shown below. The combined member balances of the DC component were $143.7 million at year-end. The distribution of assets for the DC component is shown on page 14.

**Master Trust Asset Mix Summary**

![Bar chart showing the distribution of assets for the Master Trust for 2016 and 2015.](chart)

Distribution of Assets (as a percentage of year-end assets)

At the end of 2016, the Master Trust assets had a market value of $359.7 million.
Distribution of Master Trust Assets by Manager

At the end of 2016, Phillips, Hager & North managed approximately 34% of the Master Trust assets in a domestic balanced mandate (Canadian equities and fixed income). Mawer manages a Canadian equity mandate for the Master Trust as well. Franklin Templeton manages non-North American equities, and Grantham, Mayo and Van Otterloo (GMO) manages the Fund’s Global and Emerging Market equities. BlackRock manages all of the Master Trust’s U.S. equities on a passive basis in two funds, one hedged and one unhedged. Bentall Kennedy oversees the investment in real estate.

<table>
<thead>
<tr>
<th>Manager</th>
<th>Mandate</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phillips, Hager &amp; North</td>
<td>Domestic Balanced</td>
<td>33.9%</td>
<td>35.0%</td>
</tr>
<tr>
<td>Mawer</td>
<td>Canadian equities</td>
<td>10.4%</td>
<td>10.6%</td>
</tr>
<tr>
<td>BlackRock</td>
<td>U.S. equities</td>
<td>15.4%</td>
<td>16.4%</td>
</tr>
<tr>
<td>GMO</td>
<td>Global &amp; Emerging equities</td>
<td>13.2%</td>
<td>13.0%</td>
</tr>
<tr>
<td>Franklin Templeton</td>
<td>Non North American equities</td>
<td>13.3%</td>
<td>17.0%</td>
</tr>
<tr>
<td>Bentall Kennedy</td>
<td>Real Estate</td>
<td>13.8%</td>
<td>8.0%</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Distribution of Defined Contribution Component Assets by Investment Option

<table>
<thead>
<tr>
<th>December 31, 2016</th>
<th>Market Value</th>
<th>% of Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sun Life GICs</td>
<td>1.7</td>
<td>1.2%</td>
</tr>
<tr>
<td>Sun Life Money Market</td>
<td>2.4</td>
<td>1.7%</td>
</tr>
<tr>
<td>PH&amp;N Bonds</td>
<td>6.8</td>
<td>4.7%</td>
</tr>
<tr>
<td>BlackRock Target Date Funds (^1)</td>
<td>114.7</td>
<td>79.8%</td>
</tr>
<tr>
<td>BlackRock Canadian Equity</td>
<td>2.2</td>
<td>1.5%</td>
</tr>
<tr>
<td>CC&amp;L Group Canadian Equity</td>
<td>5.2</td>
<td>3.7%</td>
</tr>
<tr>
<td>BlackRock U.S. Equity</td>
<td>6.0</td>
<td>4.2%</td>
</tr>
<tr>
<td>Franklin Templeton International Equity</td>
<td>1.8</td>
<td>1.2%</td>
</tr>
<tr>
<td>MFS Global Equity</td>
<td>2.9</td>
<td>2.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>143.7</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

\(^1\) Default fund.
Statement of Investment Policies and Goals (SIP&G)

The AABC has a requirement to review annually and have the Board of Governors approve the Statement of Investment Policies and Goals. The Statement of Investment Policies and Goals was reviewed with the assistance of the plan consultant, Aon Hewitt, and approved on December 13, 2016.

Pension Plan Financial Statements

The Provincial Auditor audits the financial statements of the pension plan each year. The Provincial Auditor provided an unqualified opinion of the 2015 financial statements of the University’s pension plans. Any member who would like to receive a copy of any of the audited statements should visit the Financial Services website at: http://www.uregina.ca/fs/statements/pension-plan.html.

The audited statements for 2016 should be available in August 2017.
Sun Life Financial continues to be the University of Regina’s insurance provider for the group benefit plans. Sun Life continually develops their online services to make it easier for plan members to access and submit information. Accessing your benefit information online is just a click away mysunlife.ca/uregina.

Members benefit from the single log-in feature to access information on their benefits as well as retirement information for DC pension plan members.

Sun Life Financial provides members with:
• a pay direct prescription drug card;
• streamlined health and dental claims processing under one policy number;
• the ability to submit health and dental claims electronically;
• access to an on-line Wellness Center.

On an annual basis the University, in consultation with its benefits consultant, Aon Hewitt, review benefit plan premium rates for the upcoming year. The outcome of the review resulted in the following changes effective July 1, 2016.

### PREMIUM RATES

<table>
<thead>
<tr>
<th>Plan</th>
<th>Change</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Life Insurance</td>
<td>Decreased</td>
<td>9.3%</td>
</tr>
<tr>
<td>Optional Life Insurance</td>
<td>No Change</td>
<td>0.0%</td>
</tr>
<tr>
<td>Dental</td>
<td>No Change</td>
<td>0.0%</td>
</tr>
<tr>
<td>Extended Health (including vision)</td>
<td>Increased</td>
<td>7.7%</td>
</tr>
<tr>
<td>Long Term Disability (LTD)</td>
<td>Decreased</td>
<td>12.0%</td>
</tr>
</tbody>
</table>

### ADMINISTRATIVE/POOLING EXPENSE

<table>
<thead>
<tr>
<th>Plan</th>
<th>Change</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dental</td>
<td>Increased</td>
<td>0.05%</td>
</tr>
<tr>
<td>Extended Health (including vision)</td>
<td>Increased</td>
<td>1.69%</td>
</tr>
<tr>
<td>Health/Personal Spending Accounts</td>
<td>Increased</td>
<td>0.05%</td>
</tr>
</tbody>
</table>

The University currently pays the premiums associated with dental, extended health/vision, basic life insurance, health/personal spending account, short-term disability and long term disability while employees pay the cost of optional life insurance.
Disclosure:
The information in this report is intended as a guide in understanding the pension and benefit plans, and in no way constitutes a representation with respect to the benefits and pension available in any particular case. Should any questions arise concerning the interpretation or administration of the pension and benefit plans, the official plan documents will govern in all cases.