

The primary purpose of this report is:

- \* to review investments and investment performance of the Plan in 2014
- \* to provide membership data information
- \* to report on the activities of the Research Pension Plan Committee

### **▣ INVESTMENTS of the PENSION PLAN at December 31, 2014**

#### **Market Value of Pension Plan Assets**

| <b>By Investment Fund</b>           | <b>2014<br/>(\$000)</b> | <b>% of Market<br/>Value</b> |
|-------------------------------------|-------------------------|------------------------------|
| <i>Money Market Fund</i>            | \$ 622                  | 0.8                          |
| <i>Universe Bond Index Fund</i>     | 1,594                   | 2.2                          |
| <i>Conservative Life Cycle Fund</i> | 1,738                   | 2.3                          |
| <i>Balanced Life Cycle Fund</i>     | 59,489                  | 80.0                         |
| <i>Aggressive Life Cycle Fund</i>   | 3,966                   | 5.3                          |
| <i>Canadian Equity Fund</i>         | 3,402                   | 4.6                          |
| <i>U.S. Equity Index Fund</i>       | 2,328                   | 3.1                          |
| <i>International Equity Fund</i>    | 1,265                   | 1.7                          |
| <b>Total Market Value</b>           | <b>\$ 74,404</b>        | <b>100.0</b>                 |

| <b>By Investment Manager</b>       | <b>2014<br/>(\$000)</b> | <b>% of Market<br/>Value</b> |
|------------------------------------|-------------------------|------------------------------|
| <i>Sun Life – Money Market</i>     | \$ 622                  | 0.8                          |
| <i>BlackRock Asset Management</i>  | 51,155                  | 68.8                         |
| <i>Mawer Investment Management</i> | 14,248                  | 19.1                         |
| <i>Triasima</i>                    | 8,379                   | 11.3                         |

#### **International Equity Fund – Investment Manager Changes**

The International Equity Fund of the Research Pension Plan was managed by Sky Investment Counsel through a subsidiary arrangement with Phillips, Hager and North Investment Management Company. Effective August 13, 2014, the funds are managed by **Mawer Investment Management Company**. Please see the communication from the Research Pension Committee *International Equity Fund – Investment Manager Changes* dated July 31, 2014 at the following link:

[www.usask.ca/fsd/faculty\\_staff/pension\\_plans/whats\\_new/pension\\_news\\_research.php](http://www.usask.ca/fsd/faculty_staff/pension_plans/whats_new/pension_news_research.php)

## **Investment Performance**

As Plan members have differing risk preferences, the Plan makes several investment options available to members. These options allow members to select segregated funds with a mix of underlying assets that meets their investment needs.

**Members are reminded of their responsibility to review periodically the portfolio structure of their participation in the Plan and to revise it as appropriate given their needs.**

The investment risk profile, provided on the Sun Life member website, helps to determine the type of investor you are, and provides information to help you understand risk, the benefits of diversification and develop an investment mix to match your goals.

The benchmark portfolios for each of the funds have been determined using the actual returns of the market indexes such as the FTSE TMX 91-Day Treasury Bills, the FTSE TMX Universe Bond Index, the S&P/TSX Capped Composite Index, Standard and Poor's 500 U. S. Stock Index and Morgan Stanley's Europe, Australia and Far East Index. The following is a summary of the Plan's annual investment performance as at December 31, 2014 exclusive of Plan expenses:

| <b>Investment Performance by Fund</b> | <b>2014</b> | <b>Last 4 years</b> |
|---------------------------------------|-------------|---------------------|
| <b>Money Market</b>                   |             |                     |
| Return                                | 1.0%        | 1.1%                |
| Benchmark                             | 0.9%        | 1.0%                |
| <b>Bond Fund</b>                      |             |                     |
| Return                                | 8.8%        | 5.1%                |
| Benchmark                             | 8.8%        | 5.1%                |
| <b>Conservative Life Cycle Fund</b>   |             |                     |
| Return                                | 9.6%        | 6.5%                |
| Benchmark                             | 9.5%        | 6.4%                |
| <b>Balanced Life Cycle Fund</b>       |             |                     |
| Return                                | 11.3%       | 8.9%                |
| Benchmark                             | 11.1%       | 8.9%                |
| <b>Aggressive Life Cycle Fund</b>     |             |                     |
| Return                                | 12.1%       | 10.0%               |
| Benchmark                             | 11.8%       | 10.1%               |
| <b>Canadian Equity</b>                |             |                     |
| Return                                | 9.0%        | 7.1%                |
| Benchmark                             | 10.6%       | 5.1%                |
| <b>U.S. Equity</b>                    |             |                     |
| Return                                | 23.9%       | 20.0%               |
| Benchmark                             | 23.9%       | 20.1%               |

This communication, future communications and other pension plan information are available online at:  
[www.usask.ca/fsd/faculty\\_staff/pension\\_plans](http://www.usask.ca/fsd/faculty_staff/pension_plans)

|                             |      |      |
|-----------------------------|------|------|
| <b>International Equity</b> |      |      |
| Return                      | 6.0% | 6.4% |
| Benchmark                   | 3.7% | 8.8% |

### ❖ MEMBERSHIP DATA at December 31, 2014

|   |              |
|---|--------------|
| <b>Plan Member distribution:</b>                      |              |
| Active members  | 677          |
| Other members (inactive, deferred, pending transfers) | 329          |
| <b>Total Plan Membership</b>                          | <b>1,006</b> |

|  |     |
|--|-----|
| <b>Plan Member distribution by Fund:</b> |     |
| Money Market Fund                        | 41  |
| Universe Bond Index Fund                 | 88  |
| Conservative Life Cycle Fund             | 85  |
| Balanced Life Cycle Fund                 | 901 |
| Aggressive Life Cycle Fund               | 171 |
| Canadian Equity Fund                     | 171 |
| U.S. Equity Index Fund                   | 98  |
| International Equity Fund                | 98  |

### ❖ EDUCATION and COMMUNICATION to MEMBERS

As part of the University's ongoing education and communication strategy, the Pensions and Treasury Office together with Sun Life organized four **enrolment and investment information sessions** (including one webinar), two interactive investment workshops, as well as one on one consultation sessions in November, 2014 to familiarize members with the structure of the Plan and the principles of building an investment portfolio, respectively. The Pensions & Treasury Office also partnered with Sun Life to hold five **retirement planning workshops** in March, 2015, as well as one-on-one consultation sessions with a qualified Sun Life Retirement Specialist to offer in-person individual pre-retirement support to the members.

Members were also invited to a general meeting on February 6, 2015 that provided them with the opportunity to discuss the annual performance of the Plan with our Investment Consultant. A Sun Life representative also provided a presentation on the University of Saskatchewan Group Retirement Fund; a custom PRIF available to University of Saskatchewan Plan members.

## ❖ RETIREMENT PLANNING SEMINARS – April & May 2015

The University of Saskatchewan, supported by the Pensions & Treasury Office offered 7 full day retirement planning seminars, available to employees age 55 and over who are members of a University of Saskatchewan Pension Plan. The sessions, facilitated by Aon Hewitt, covered a variety of topics such as university pension plans, lifestyle planning, legal and estate planning, and tax and financial strategies. As a result of the overwhelming demand and positive feedback received to date, the sessions will be offered again in 2016.

## ❖ RESEARCH PENSION COMMITTEE

### **Committee Members**

#### **Plan Member Representatives:**

Giselle Camm, Plant Sciences  
Keith DeMong, CLS  
Lorne Vanin, VIDO

#### **Board of Governor Representatives:**

Steve Laycock, Human Resources  
Olena Schemenauer, SESD  
Jeff Hepp, Human Resources

### **Meetings of the Committee**

The Research Pension Plan Committee met 5 times during the year. Acting in its capacity as managing fiduciary; the Committee is responsible for the oversight of the Research Pension Plan operations, including investments, administration, and overall governance of the Plan. The Committee activities over the past year in fulfilling these responsibilities are outlined in the following table.

| <b>Meeting Date</b>       | <b>Time allocated</b> | <b>Purpose</b>   |
|---------------------------|-----------------------|--|
| <i>September 30, 2014</i> | <i>2.0 hour</i>       | <i>*Quarterly Investment Performance Review to Jun 30<sup>th</sup><br/>* Investment Manager Presentation: Triasima</i> |
| <i>November 25, 2014</i>  | <i>0.5 hour</i>       | <i>*Quarterly Investment Performance Review to Sept 30<sup>th</sup><br/>*2014 Investment Policy Review</i>             |
| <i>March 16, 2015</i>     | <i>2.0 hours</i>      | <i>*Quarterly Investment Performance Review to Dec 31<sup>st</sup><br/>*Investment Manager Presentation: Mawer</i>     |
| <i>May 21, 2015</i>       | <i>2.0 hours</i>      | <i>*Quarterly Investment Performance Review to Mar 31<sup>st</sup><br/>*Investment Manager Presentation: BlackRock</i> |
| <i>June 10, 2015</i>      | <i>0.5 hour</i>       | <i>*Financial Statements at December 31, 2014 Review</i>   |



## **RESEARCH PENSION PLAN INFORMATION**

### ***Plan Documents***

Copies of the following documents are on file in the Pensions and Treasury office (Financial Services). They are available for inspection by any member of the Plan during regular working hours by prior arrangements.

- \* Plan Text
- \* Financial Statements
- \* Auditor's Report
- \* Committee meeting agendas and minutes

### ***Sun Life Financial Member web site:***

**[www.mysunlife.com](http://www.mysunlife.com)**

- \* Investment risk profile
- \* Detailed investment performance information
- \* Account balance
- \* Asset allocation and transaction decisions
- \* Quarterly statements

### ***Other Agents of the Plan***

Investment Consultant: Aon Hewitt  
Record Keeper: Sun Life Financial

### ***Pension Administration & Support***

Pensions and Treasury Office, Financial Services  
Room 220, Research Annex, 105 Maintenance Road  
306-966-6633

[pensions.inquiries@usask.ca](mailto:pensions.inquiries@usask.ca)

[www.usask.ca/fsd/faculty\\_staff/pension\\_plans](http://www.usask.ca/fsd/faculty_staff/pension_plans)

***Please contact the Pensions and Treasury Office at 306-966-6633 or any member of the Research Pension Plan Committee if you have any questions about the items covered in this newsletter.***