



# UBC SUPPLEMENTAL ARRANGEMENT 2016 ANNUAL REPORT

This report provides a summary of highlights and figures as at December 31, 2016 for the University of British Columbia Supplemental Arrangement (SA).

## General Information on the SA

As at December 31, 2016, the SA had 971 members and \$87.4 million in total assets. The plan is administered by Sun Life Assurance Company of Canada.

As the timing and amount of contributions to each member's account are unique, each member's return will be dependent on the actual contributions and the timing of subsequent investment in the manager's fund.

For the year 2016, the *Income Tax Act* allowed maximum registered pension contributions in the amount of \$26,010. Members who earned more than \$185,736 reached their pension contribution limit and excess employer contributions were redirected to their SA accounts.

For the year 2017, the *Income Tax Act* has raised the pension contribution limit to \$26,230 and members will not reach their aggregate maximum until they have earned \$187,298.

## Administrative Matters

Members who have general inquiries regarding the SA, such as beneficiary designation and withdrawal procedures, should contact Lorraine Heseltine at 604-822-3485 or [lorraine.heseltine@ubc.ca](mailto:lorraine.heseltine@ubc.ca) in the UBC Pension Administration Office.

Sun Life Financial has been retained to administer the SA accounts, apply investment earnings (losses), deduct investment fees and administration expenses, produce quarterly statements and pay benefits to the members or beneficiary(s) according to the provisions of the arrangement.

## Asset Allocation as at December 31, 2016

UBC has given investment responsibility to UBC Investment Management Trust (IMANT). At December 31, 2016, investments for the SA were invested in the BlackRock Balanced Moderate Index Fund. The Fund consists of a combination of Canadian and global equity, bond and real estate income trust (REIT) index funds.

Asset Class	SA Fund Market Value (\$)	% of Total Assets	Major Market Indices	1 Year Return (in CAD)
Canadian Equity	17,562,555	20.1	S&P/TSX Composite	21.1%
Global Equity	30,494,188	34.9	MSCI All Country World ex-Canada	3.7%
Canadian Fixed Income & Cash	34,862,983	39.9	FTSE TMX Universe Bond	1.7%
Real Estate	4,456,171	5.1	FTSE TMX Return Return Bond	2.9%
			S&P/TSX Capped REIT	17.6%
Total Portfolio	87,375,897	100.0	Dow Jones US Real Estate	3.7%

## Investment Returns to December 31, 2016

Investment results are gross of investment management fees. The SA returned 6.4% during the year, slightly ahead of the policy benchmark.

	1 Year	2 Year	3 Year	4 Year
Supplemental Arrangement	6.4%	6.6%	8.4%	9.0%
Benchmark	6.2%	6.5%	8.3%	9.0%
Difference	0.2%	0.1%	0.1%	0.0%

## Summary of Operating Results

For the year January 1 to December 31, 2016, the operating results of the SA Fund are as follows:

### Investment returns

1-year return (gross of fees) 6.4%

### Expenses

Administrative fees (internal and external) 0.11%

Investment management fees 0.11%

Total Expenses 0.22%

Administrative fees primarily include custody and recordkeeping charges.