Agenda

1. Welcome
2. About the Plan
3. Investment Options
4. Your Responsibilities
5. Options at Retirement
Welcome

Message from the Chair

Joost Blom, Chair
FPP Board of Trustees
About the Plan

UBC Faculty Pension Plan

Regulators:
- British Columbia Financial Institutions Commission *(Pension Benefits Standards Act)*
- Canada Revenue Agency *(Income Tax Act)*
About the Plan

• UBC Pension Administration Office
  ✓ Member services
  ✓ Co-administers the Plan with Sun Life Financial

• Sun Life Financial
  ✓ Recordkeeper and custodian
  ✓ Online access
  ✓ Sun Life Customer Care Centre

• FPP Board of Trustees
## Board of Trustees

<table>
<thead>
<tr>
<th>Appointed by the UBC Board of Governors</th>
<th>Elected by Plan Members</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mr. Joost Blom, Chair</strong>&lt;br&gt;Professor Emeritus, Peter A. Allard School of Law&lt;br&gt;Term expires December 31, 2020</td>
<td><strong>Dr. Joy Begley</strong>&lt;br&gt;Associate Professor, Sauder School of Business&lt;br&gt;Term expires December 31, 2021</td>
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<tr>
<td><strong>Dr. Joyce Boon</strong>&lt;br&gt;Associate Professor Emerita, Biology, UBC Okanagan&lt;br&gt;Term expires December 31, 2020</td>
<td><strong>Dr. Lorenzo Garlappi</strong>&lt;br&gt;Associate Professor, Sauder School of Business&lt;br&gt;Term expires December 31, 2021</td>
</tr>
<tr>
<td><strong>Dr. Murray Carlson</strong>&lt;br&gt;Divisional Chair/Professor, Finance Division&lt;br&gt;Sauder School of Business&lt;br&gt;Term expires December 31, 2022</td>
<td><strong>Dr. Robert L. Heinkel, Vice-Chair</strong>&lt;br&gt;Professor, Sauder School of Business&lt;br&gt;Term expires December 31, 2019</td>
</tr>
<tr>
<td><strong>Dr. R. Kenneth Carty</strong>&lt;br&gt;Professor Emeritus, Political Science&lt;br&gt;Term expires December 31, 2022</td>
<td><strong>Mr. Vijay Verma</strong>&lt;br&gt;Researcher Emeritus, TRIUMF&lt;br&gt;Term expires December 31, 2019</td>
</tr>
</tbody>
</table>
Pension Contributions

Employee:
5% up to YBE
3.2% between YBE & YMPE
5% above YMPE

Employer:
10% up to YBE
8.2% between YBE & YMPE
10% above YMPE

Defined Contribution Pension Plan

Year’s Basic Exemption (YBE) for 2019 = $3,500
Year’s Maximum Pensionable Earnings (YMPE) for 2019 = $57,400
Example of annual member pension contributions for a FPP member earning $96,000 per year in 2019:

- **Annual Member Contribution:**
  - $5\% \times $3,500
  - $3.2\% \times $53,900
  - $5\% \times $38,600
  
  \[\text{Annual member contribution} = $3,829.92^{*}\]
  \[\text{Per pay cheque contribution} = $159.58\]

- **Annual Employer Contribution:**
  - $10\% \times $3,500
  - $8.2\% \times $53,900
  - $10\% \times $38,600
  
  \[\text{Annual employer contribution} = $8,629.92^{*}\]
  \[\text{Per pay cheque contribution} = $359.58\]

* Payroll rounding error.
Plan's Mission Statement

The main purpose of the Plan is to provide a well-managed, cost-effective retirement plan, designed to assist members in meeting their financial responsibilities, both leading up to retirement and, if the member chooses, through retirement.
Plan Considerations

- Lower risk through broad diversification
  - 11 Managers
  - 13 Mandates

- Provide flexibility regarding contribution, investment, retirement and withdrawal options

- Low cost

- High level of member service

- One part of member’s overall retirement plan
## Statistics

<table>
<thead>
<tr>
<th>Year ending December 31, 2018</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Plan Membership</td>
<td>6297</td>
</tr>
<tr>
<td>- Active members</td>
<td>55%</td>
</tr>
<tr>
<td>- Deferred members</td>
<td>25%</td>
</tr>
<tr>
<td>- Retired members</td>
<td>20%</td>
</tr>
<tr>
<td>Total Contributions to the Plan</td>
<td>$65.6 million</td>
</tr>
<tr>
<td>Total Transfers into the Plan</td>
<td>$7.0 million</td>
</tr>
<tr>
<td>Total Retirement Benefits Paid</td>
<td>$53.5 million</td>
</tr>
</tbody>
</table>
FPP Annual Report

Visit our website:
faculty.pensions.ubc.ca > Plan Governance > Annual Reports & Financial Statements
What If…

- I take a leave of absence
  - Paid
  - Unpaid
  - Consult the HR benefits website for details, http://www.hr.ubc.ca/wellbeing-benefits/benefits/details/

- My marital status changes

- I need to change my beneficiary designation
What If...

- I am totally disabled before retiring
- I pass away before retiring
- I change jobs
  - appointed to an eligible position
  - appointed to a non-eligible position
- I leave the university before retirement
- I need to update my:
  - mailing address
  - FPP statement preferences
Am I able to...

- Make voluntary contributions?

  Yes, if you have room

  ✓ Sign in to your account online
  ✓ Under *Requests*
  ✓ Select *Contribute*
  ✓ Submit a Voluntary Contribution Form by campus mail or email to *fpp@hr.ubc.ca*
  ✓ For details visit *faculty.pensions.ubc.ca*. On the *Home* page, under *For Plan Members*, click *Learn More* and then under *Quick Links* click on *Voluntary Contributions*. 
Contribute

FPP contribution estimator

This tool will estimate your required and voluntary contributions to the Faculty Pension Plan (FPP) and if applicable, the UBC Supplemental Arrangement for the current tax year. The results provided by this estimator assume you are enrolled in the plan for the full calendar year.

Contributions made during your last pay period may not yet have processed on the Sun Life recordkeeping system. Your year to date contribution amounts may not include the latest contributions.

Salary details

<table>
<thead>
<tr>
<th>Contribution year</th>
<th>201X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual pensionable earnings</td>
<td>$</td>
</tr>
<tr>
<td>Maximum FPP contributions</td>
<td>$</td>
</tr>
</tbody>
</table>

Results

<table>
<thead>
<tr>
<th>Required contributions</th>
<th>Yearly amounts</th>
<th>Year-to-date contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member required contributions</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>UBC required contributions</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

**Available room**

<table>
<thead>
<tr>
<th>Voluntary contributions</th>
<th>Year-to-date contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

You may still have voluntary contribution room available!

Click here to receive verification of your contribution room from the UBC Pension Administration Office and/or to set up payroll deductions for Voluntary Contributions.

Send Request
Example for a FPP member earning $96,000 per year:

Money purchase limit:
18% of your earned income to a maximum of $27,230 (2019)

Employee Contributions = $3,829.92
- 5% up to YBE
- 3.2% between YBE & YMPE
- 5% above YMPE

Employer Contributions = $8,629.92
- 10% up to YBE
- 8.2% between YBE & YMPE
- 10% above YMPE

Voluntary Contribution Limit = $4,820.16
Example of annual member pension contributions for a FPP member earning $96,000 per year:

**CONTRIBUTIONS ESTIMATOR**

This calculator will estimate your Required and Voluntary contributions to the Faculty Pension Plan for the 2019 tax year and if applicable, the UBC Supplemental Arrangement.

All figures produced are for illustration purposes only.

**SALARY DETAILS**

| What is your Annualized (12 months) Salary Rate? (or enter an approximate amount) | $ 96000 |

**CALCULATION RESULTS**

<table>
<thead>
<tr>
<th>Maximum Contributions for 2019 (18% of Annual Salary to a maximum of $27,230.00)</th>
<th>$17,280.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required Contributions for 2019</td>
<td>$12,459.84</td>
</tr>
<tr>
<td>+ Member Contributions</td>
<td>$3,829.92</td>
</tr>
<tr>
<td>+ UBC Contributions</td>
<td>$8,629.92</td>
</tr>
<tr>
<td>Voluntary Contributions Room for 2019 (difference between Maximum and Required Contributions)</td>
<td>$4,820.16</td>
</tr>
<tr>
<td>*Note: These results assume 12 months of plan membership. They will need to be pro-rated if your membership will be less than 12 months this year</td>
<td></td>
</tr>
</tbody>
</table>

| UBC Supplemental Arrangement (for qualifying members) | $0.00 |

[Re-calculate]  [Clear Form]
Am I able to...

- Transfer in external registered plans?

Yes

- Registered plans held at an external Canadian financial institution (RRSP, LIRA, LIRRSP)
  - Transfer out fees
  - Application for Direct Transfer of Assets
- Registered Pension Plans from another Canadian employer
Am I able to...

- Take my account balance in cash if I leave the University before retiring?

  *Depends*

  - Small amount/benefits
  - Non-resident
Cost of Investing

- Management Expense Ratios (MER)
- Manager expertise, research, custodial charges, operating expenses, etc.
- How are these fees charged?
- Article: Why Fees Matter

Regardless of where you invest your money (your workplace plan, a financial institution, an investment dealer or mutual fund company), you will likely pay fees for the products and services that you receive. Fees have a significant impact on the value of your investments over time. Lower fees mean that more of your money stays invested and continues to grow.

This article describes the fees paid by members of the UBC Faculty Pension Plan (FPP) and compares them with fees paid for similar investments on a retail basis incurred at financial institutions (generally through mutual funds).
Impact of Fees

Example:
$100,000 @ 6.00% average annual return over 20 years

<table>
<thead>
<tr>
<th>Fee</th>
<th>0.50%</th>
<th>1.50%</th>
<th>2.50%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total fees paid</td>
<td>$28,938</td>
<td>$79,543</td>
<td>$121,735</td>
</tr>
<tr>
<td>Net value after fees</td>
<td>$291,776</td>
<td>$241,171</td>
<td>$198,979</td>
</tr>
</tbody>
</table>

BC Securities Commission Investment Fee Calculator
https://www.investright.org/investing-101/investment-fee-calculator
Fund Management Fees

The Fund Management Fees listed cover the costs of operations and investment expertise. They are also subject to applicable sales tax which is not included in the amounts below. See the Notes section listed after the table for a more detailed description of these fees.

Fund Management Fees As Of: 31 Mar 2019

<table>
<thead>
<tr>
<th>Fund</th>
<th>Annualized Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>UBC FPP Balanced Fund</td>
<td>0.45 %</td>
</tr>
<tr>
<td>UBC FPP Bond Fund</td>
<td>0.33 %</td>
</tr>
<tr>
<td>UBC FPP Cdn Equity Fund</td>
<td>0.42 %</td>
</tr>
<tr>
<td>☀ UBC FPP Foreign Eqty Fund</td>
<td>0.54 %</td>
</tr>
<tr>
<td>UBC FPP STIF</td>
<td>0.15 %</td>
</tr>
</tbody>
</table>

Review the my money @ work guide for useful, practical financial information that will help you get the most from your workplace plan.

Notes:
- Fund management fees include, but are not limited to, operating expenses for both the segregated fund and the underlying fund and investment management fees. Investment management fees pay for professional investment managers to select the underlying fund’s investments and build the fund’s portfolio. These fees pay for keeping records of your account, member servicing costs, and are subject to applicable sales tax. Operating expenses both for the segregated fund and underlying fund, are generally made up of expenses of buying and selling securities for a fund, and any expenses relating to the operation of a fund, including legal, audit, trustee, custodial and safekeeping fees, interest, operating and administrative costs (other than advertising, distribution and promotional expenses), member servicing costs and costs of financial and other reports used by the fund.
Investment Options

Investment Funds
- UBC FPP Balanced Fund
- UBC FPP Bond Fund
- UBC FPP Canadian Equity Fund
- UBC FPP Foreign Equity Fund
- UBC FPP Short Term Investment Fund

and GIC’s
- Sun Life Financial
- Terms - 1 to 5 years
- Redeemable, subject to market value adjustment

Fund rates of return and GIC rates are available by signing in to your FPP account online and selecting Accounts > Investment performance.
### Investment Policy Asset Mix

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Balanced Fund</th>
<th>Bond Fund</th>
<th>Canadian Equity Fund</th>
<th>Foreign Equity Fund</th>
<th>Short-Term Investment Fund (STIF)</th>
<th>GICs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian Equities</td>
<td>20%</td>
<td></td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign Equities</td>
<td>30%</td>
<td></td>
<td></td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real Estate (CAD)</td>
<td>10%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government, corporate and real return bonds</td>
<td>40%</td>
<td>100%</td>
<td></td>
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<td></td>
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<tr>
<td>Treasury bills and short-term paper</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td><strong>Assets ( Millions) December 31, 2018</strong></td>
<td><strong>$1,819.6</strong></td>
<td><strong>$55.4</strong></td>
<td><strong>$150.7</strong></td>
<td><strong>$153.8</strong></td>
<td><strong>$23.5</strong></td>
<td><strong>$33.1</strong></td>
</tr>
</tbody>
</table>
Long Term Asset Class Returns

Growth of $100 from December 1949 to December 2017

Value of $100 (Annualized Rate of Return)

US Equities in $C: $167,731 (11.5%)
Canada Equities: $57,057 (9.8%)
Bonds: $12,897 (7.4%)
T-Bills: $3,214 (5.3%)
Inflation: $1,074 (3.6%)
Diversification
Asset Allocation

Defined:

Asset allocation is an investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individual's goals, investment horizon and risk tolerance.
Your Responsibilities
Key Strategies

- Determine your investment objective(s)
- Take view consistent with your time horizon
- Take risk consistent with your tolerance
- Take a holistic view, consider your total assets
- Clearly document your strategy
- Asset allocation and rebalancing
- Seek professional advice if necessary
- Keep fees low
Establish the right mix

✓ The right mix depends on your personal profile and objectives

✓ Your profile reflects your age, time horizon, risk tolerance, investment knowledge and financial situation

✓ Optimal mix also reflects market expectations

✓ Consider the nature of the UBC Faculty Pension Plan investment options
Establish the right mix

<table>
<thead>
<tr>
<th>UBC FACULTY PENSION PLAN INVESTMENT OPTIONS MATRIX</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FUND STRUCTURE</strong></td>
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<tr>
<td><strong>BALANCED FUND</strong></td>
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<tr>
<td><strong>BOND FUND</strong></td>
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<tr>
<td><strong>CANADIAN EQUITY FUND</strong></td>
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<tr>
<td><strong>FOREIGN EQUITY FUND</strong></td>
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<tr>
<td><strong>SHORT TERM INVESTMENT FUND</strong></td>
</tr>
<tr>
<td><strong>GUARANTEED INVESTMENT CERTIFICATES</strong></td>
</tr>
</tbody>
</table>

Investment tools, rates, and other information can be found on the UBC FPP website at faculty.pensions.ubc.ca and at mysunlife.ca/ubcfpp.
Fund Info Sheets

- faculty.pensions.ubc.ca > Investments > Investment Options
- mysunlife.ca/ubcfpp > my financial centre > Accounts > Investment performance
Fund Performance

- faculty.pensions.ubc.ca > Investments > Investment Performance
- mysunlife.ca/ubcfpp > my financial centre > Accounts > Investment performance
One of the challenges of investing in a defined contribution plan is that you, the member, direct how to invest your monies. The decision on how to invest your assets will have a very significant impact on the amount of money you ultimately accumulate in your pension plan for retirement. This article examines some of the key concepts that are important in making your decision on what asset allocation is most appropriate for you. This includes the risk and return trade-offs that apply with different asset allocation choices using the investment options provided by the UBC Faculty Pension Plan (FPP).

KEY CONCEPTS:

- If you do not take on any risk, the chance of having sufficient assets at retirement significantly decreases.
- By investing in riskier assets, the long-term expected return is higher; however, there is no guarantee you will earn a higher return.
- Investing in the stock market may be a bumpy ride, but over the long term, stocks have mostly outperformed other investments asset classes.
- As your personal circumstances change (e.g. life events, aging, risk tolerance, other resources) it may be appropriate to adjust your asset allocation.
## Sample Life Cycle Investing

<table>
<thead>
<tr>
<th>Age</th>
<th>Asset Mix</th>
<th>Equity %</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-40</td>
<td>Balanced</td>
<td>75%</td>
</tr>
<tr>
<td></td>
<td>Canadian Equity</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>Foreign Equity</td>
<td>25%</td>
</tr>
<tr>
<td>40-50</td>
<td>Balanced</td>
<td>65%</td>
</tr>
<tr>
<td></td>
<td>Canadian Equity</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>Foreign Equity</td>
<td>15%</td>
</tr>
<tr>
<td>50-60</td>
<td>Balanced</td>
<td>45%</td>
</tr>
<tr>
<td></td>
<td>Bond Fund</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>Short-Term</td>
<td>10%</td>
</tr>
<tr>
<td>Over 60</td>
<td>Balanced</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>Bond</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>Short-Term</td>
<td>10%</td>
</tr>
</tbody>
</table>

FPP Article: Asset Allocation Choices, page 5
Asset Allocation Tool

Investment Risk Profiler

- Sign in to your account online
- Under *Resource Centre*:
  - select *my money tools*
  - *Asset allocation*
- Eight questions
- Five Risk Profiles
- Asset Allocation recommendations
Investment Risk Profiler

The Investment risk profiler will help you determine your comfort with investment risk and help you choose the investment options that are right for you.

Answer each of the following questions, keeping your objective for this plan in mind.

1. **Which statement best describes your comfort level with fluctuations in the value of your investments?**
   - I’d be very upset if my investments dropped in value over any period of time.
   - I’m willing to accept a lower, more predictable rate of return as long as fluctuations in the value of my investments are small.
   - I’m willing to accept some fluctuations in the value of my investments as I’m seeking a higher rate of return.
   - I want the highest rate of return possible, and understand the value of my investments can fluctuate significantly.

2. **How long will you leave this money invested before you’ll need a significant portion of it for your stated objective?**
   - Less than 5 years
   - 5-10 years
   - 11-20 years
   - More than 20 years

3. **How likely is it that you’ll need access to a large portion of this money earlier than expected?** (E.g. taking early retirement, which is defined by pension legislation and can vary by province).
   - Very likely
   - Somewhat likely
   - Unlikely
   - I won’t need access to any of the money in this plan early.
Investment Risk Profiler

4. Which of the following pattern of returns would you be most comfortable with? Assume an initial amount of $5,000 invested for 10 years.
   - Your investment grows without losses to $8,100. However, in one of the years the value of your portfolio does not increase.
   - Your investment grows to $10,100 in year 10, but slightly declines in value in two of the years.
   - Your investment grows to $12,400, but significantly declines in value in three of the years and was worth only $3,500 after the first year.

5. With the four results below, how would you invest $10,000?
   - A guaranteed return of $500.
   - The potential of earning $800 but the risk of earning only $300.
   - The potential of earning $1,200 but the risk of earning nothing.
   - The potential of earning $2,500 but the risk of losing $1,000.

6. If your investment dropped in value by 20% in one month, how would you react?
   - I’d cash in my investment immediately.
   - I’d make no changes until the value recovers and then re-evaluate.
   - I’d do nothing. I understand my investments will fluctuate from day to day, but believe they will grow over the long term.
   - I’d invest more while the prices are low.

7. How would you describe your investing personality?
   - I don’t like risk and can only tolerate moderate losses.
   - I’m willing to take some risk and can tolerate one year of poor returns.
   - I can tolerate more than one year of poor returns.

8. Which of the following statements best describes your investment knowledge?
   - I’m a novice investor.
   - I have some knowledge.
   - I have good working knowledge.
   - I consider myself an investment pro.
Your Results

My results

Step 2 of 4: [progress bar]

For plan: FPP Account (FPP)
Score: 200
Risk Profile: Aggressive

Your answers to the Investment risk profiler have determined your risk profile which represent your comfort level with investment risk. Selecting the risk profile link above will display a description of your risk profile. Viewing the information below will help you determine what investment mix is best suited to your risk profile.
Your Results

Investment risk profiles

The pie charts below show possible investment mixes for different Investment risk profiles.

For plan: FPP Account (FPP)
Score: 200
Risk Profile: Aggressive

Investment Profile

- **Conservative**: A score of 35 points or less
  - You have a need for a predictable flow of income or have a relatively short investment horizon. Your tolerance for volatility is low and your primary goal is capital preservation.
  - Mix by Investment Fund: 40% UBC FPP Balanced Fund, 30% UBC FPP Bond Fund, 5% UBC FPP Canadian Equity Fund, 5% UBC FPP Foreign Equity Fund, 20% UBC FPP STIF or GICs
  - Mix by Asset Class: 46% Fixed Income, 13% Canadian Equity, 17% Foreign Equity, 4% Real Estate, 20% Cash and Equivalents

- **Moderate**: A score of 36 to 85 points
  - You seek a regular flow of income and stability, while generating some capital growth over time. Your tolerance for volatility is moderate and your primary goal is capital preservation with some income.
  - Mix by Investment Fund: 50% UBC FPP Balanced Fund, 20% UBC FPP Bond Fund, 10% UBC FPP Canadian Equity Fund, 10% UBC FPP Foreign Equity Fund, 10% UBC FPP STIF or GICs
  - Mix by Asset Class: 40% Fixed Income, 20% Canadian Equity, 25% Foreign Equity, 5% Real Estate, 10% Cash and Equivalents

- **Balanced**: A score of 86 to 145 points
  - You’re looking for long-term capital growth and a stream of regular income. You’re seeking relatively stable returns, but will accept some volatility. You understand that you can’t achieve capital growth without some element of risk.
  - Mix by Investment Fund: 100% UBC FPP Balanced Fund
  - Mix by Asset Class: 40% Fixed Income, 20% Canadian Equity, 30% Foreign Equity, 10% Real Estate

- **Growth**: A score of 146 to 190 points
  - You can tolerate relatively high volatility. You realize that over time, equity markets usually outperform other investments. However, you’re not comfortable having all your investments in equities. You’re looking for long-term capital growth with some income.
  - Mix by Investment Fund: 70% UBC FPP Balanced Fund, 10% UBC FPP Canadian Equity Fund, 20% UBC FPP Foreign Equity Fund
  - Mix by Asset Class: 28% Fixed Income, 24% Canadian Equity, 41% Foreign Equity, 7% Real Estate

- **Aggressive**: A score of 191 points or over
  - You can tolerate volatility and significant fluctuations in the value of your investment because you realize that historically, equities perform better than other types of investments. You’re looking for long-term capital growth and are less concerned with shorter term volatility.
  - Mix by Investment Fund: 50% UBC FPP Balanced Fund, 20% UBC FPP Canadian Equity Fund, 30% UBC FPP Foreign Equity Fund
  - Mix by Asset Class: 20% Fixed Income, 30% Canadian Equity, 45% Foreign Equity, 5% Real Estate
Your Results

- Conservative:
  - 20% Cash and Equivalents
  - 50% Fixed Income
  - 15% Canadian Equity
  - 10% U.S. Equity
  - 5% International Equity

- Moderate:
  - 10% Cash and Equivalents
  - 40% Fixed Income
  - 20% Canadian Equity
  - 15% U.S. Equity
  - 15% International Equity

- Balanced:
  - 40% Fixed Income
  - 25% Canadian Equity
  - 20% U.S. Equity
  - 15% International Equity

- Growth:
  - 30% Fixed Income
  - 25% Canadian Equity
  - 25% U.S. Equity
  - 20% International Equity

- Aggressive:
  - 20% Fixed Income
  - 30% Canadian Equity
  - 25% U.S. Equity
  - 25% International Equity
Asset Mix Recommendation

**Investment Profile**

- **Conservative**
  - Mix by Investment Fund:
    - 40% UBC FPP Balanced Fund
    - 30% UBC FPP Bond Fund
    - 5% UBC FPP Canadian Equity Fund
    - 5% UBC FPP Foreign Equity Fund
    - 20% UBC FPP STIF or GIC's
  - Mix by Asset Class:
    - 46% Fixed Income
    - 13% Canadian Equity
    - 17% Foreign Equity
    - 4% Real Estate
    - 20% Cash and Equivalents

- **Moderate**
  - Mix by Investment Fund:
    - 50% UBC FPP Balanced Fund
    - 20% UBC FPP Bond Fund
    - 10% UBC FPP Canadian Equity Fund
    - 10% UBC FPP Foreign Equity Fund
    - 10% UBC FPP STIF or GIC's
  - Mix by Asset Class:
    - 40% Fixed Income
    - 20% Canadian Equity
    - 25% Foreign Equity
    - 5% Real Estate
    - 10% Cash and Equivalents

- **Balanced**
  - Mix by Investment Fund:
    - 100% UBC FPP Balanced Fund
  - Mix by Asset Class:
    - 40% Fixed Income
    - 20% Canadian Equity
    - 30% Foreign Equity
    - 10% Real Estate

- **Growth**
  - Mix by Investment Fund:
    - 70% UBC FPP Balanced Fund
    - 10% UBC FPP Canadian Equity Fund
    - 20% UBC FPP Foreign Equity Fund
  - Mix by Asset Class:
    - 28% Fixed Income
    - 24% Canadian Equity
    - 41% Foreign Equity
    - 7% Real Estate

- **Aggressive**
  - Mix by Investment Fund:
    - 50% UBC FPP Balanced Fund
    - 20% UBC FPP Canadian Equity Fund
    - 30% UBC FPP Foreign Equity Fund
  - Mix by Asset Class:
    - 20% Fixed Income
    - 30% Canadian Equity
    - 45% Foreign Equity
    - 5% Real Estate
My current portfolio mix:

Investment mix - chart

Select a plan to review:
FPP Account (FPP)

Investment Mix Summary

The investment mix summary shows how your assets in this plan are split between major asset classes. The assets within investment options that invest in more than one asset class, such as balanced funds, are allocated to the underlying major asset classes based on their benchmark asset mix.

NOTE: Your actual current asset mix may differ slightly from what is shown above because the percentages here are based on your funds' benchmark investment mix. Fund investments may differ from the benchmark asset mix.

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Value ($)</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; equivalents</td>
<td>$ 0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>Fixed income</td>
<td>$286.20</td>
<td>28.62%</td>
</tr>
<tr>
<td>Canadian equity</td>
<td>$518.60</td>
<td>51.86%</td>
</tr>
<tr>
<td>U.S. equity</td>
<td>$130.10</td>
<td>13.01%</td>
</tr>
<tr>
<td>International equity</td>
<td>$65.10</td>
<td>6.51%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1000.00</strong></td>
<td><strong>100 %</strong></td>
</tr>
</tbody>
</table>

NOTE: The values are subject to verification.
Asset Allocation Changes

- Online by signing in to your FPP account at mysunlife.ca/ubcfpp
- Contact the Sun Life Financial Customer Care Centre at 1-844-UBC-3131 (1-844-822-3131), select option 2
- Daily valuation:
  - Cut-off at 1:00pm Pacific Time
Asset Allocation Changes

- How often can I change my investment allocation?
- Short-term Trading Fee = 2%
- Online warning message:

**Short-term Trading**

You are moving money out of a segregated fund. If you previously moved money into the same segregated fund within the last 30 days, you may be charged a 2% short-term trading fee. As well, if applicable, the 2% fee will appear here the next business day after your transaction is processed.

Any contributions or withdrawals are exempt from this short-terms trading fee. To see a list of your recent moves, select Accounts > Transaction History. Any changes you have just made will not be saved if you navigate away from this page before clicking Submit.

For more information, see Jargon, the short-term trading Question & Answers and your plan rules.
Portfolio Rebalancing

- Resetting the proportions of each asset class back to their original percentage
- Stay on track
- Keeping your portfolio’s risk in check
- How do I rebalance my portfolio?
  - Move existing funds
  - Change allocation of future contributions
  - Auto rebalancing feature (end on January)
- How often and when should I rebalance my portfolio?
Changing your investments:

UBC Faculty Pension Plan
Account No: 360331234567-02

Change investments

**FPP**

**Plan Summary**
Plan: FPP Account (FPP)

**Asset Allocation**

View/Update: Incomplete
You should complete the asset allocation exercise; it will help you understand your risk tolerance regarding your investment instructions.

**Automatic Asset Mix Re-balance**
You are invested according to a desired asset mix (between e.g. stocks, segregated funds and guaranteed funds). Periodically re-balancing will help maintain this mix. Your current re-balancing instructions are:

- **Frequency:** Annually
- **Contributions:** Member: No  Employer: No

Update

I want to:
- Both move my money to different funds and change how my future contributions will be invested
- Change how my future contributions will be invested
- Move my money to different funds

View Only:
- See how my future contributions will be invested
Seeking Professional Advice

- Investment and Retirement planning
- Tax planning
- Estate planning
- Debt management
- Knowledge and experience with employee benefit plans
- Assist you in pension decisions in the context of an overall financial plan

Financial Consumer Agency of Canada website:

Choosing a financial advisor
2019 Faculty Pension Plan Forum

Date: Wednesday, May 15, 2019
Time: 10:30am to 1:00pm

Location: Robert H. Lee Alumni Centre

- Details and registration information available online at faculty.pensions.ubc.ca/pensionforum
- Registration is open until May 3, 2019
Retirement...

- Early retirement from age 55
- Mandatory retirement age abolished
- Canada Revenue Agency regulations allows you defer your decision to elect a retirement income option from the Plan until December 1st of the year in which you reach 71 years of age
Options at Retirement

Faculty Pension Plan
Retirement Income Options

Choice and Flexibility

- You may use all or part of your account balance for any of the retirement options

UBC Retirement Income Options:

- Variable Payment Life Annuity (VPLA)
- Non-locked funds: RRIF-Type Payment Account
- Locked-in funds: LIF-Type Payment Account
- Transfer out of the Plan
  - Purchase External Life Annuity
  - Non-locked funds: Cash, RRSP, RRIF
  - Locked-in funds: LIRA, LIF

Retirement Income Estimator:

- mysunlife.ca/ubcfpp
Old Age Security

- OAS maximum benefit = $601.45 per month at age 65*
- Residency requirements
- Indexed quarterly
- Clawback on OAS income
  - Starting at $77,580**
  - Ending at $125,696**

*OAS payment amounts – January to March 2019
**Income year: 2019

Canada Pension Plan

- CPP maximum benefit = $1,154.58 per month at age 65*
- Indexed annually
- Available from age 60
- Split payment with your spouse

* CPP payment amounts – January to December 2019

www.servicecanada.gc.ca
Resources

- Member Services at the UBC Pension Administration Office
- FPP Website: faculty.pensions.ubc.ca
- E-mail fpp@hr.ubc.ca
Resources

• mysunlife.ca/ubcfpp
External Resources

- investRIGHT - BC Securities Commission
  https://www.investright.org/

- Ontario Securities Commission
  www.getsmartaboutmoney.ca

- The Globe and Mail
  www.theglobeandmail.com/globe-investor/personal-finance

- Financial Planning For Canadians
  https://www.financialplanningforcanadians.ca/

- Choosing a Financial Advisor