University of Regina

Pension Plan for the Academic & Administrative Employees of the University of Regina Defined Contribution (DC)

2019 Annual Report to Members

Plan Overview

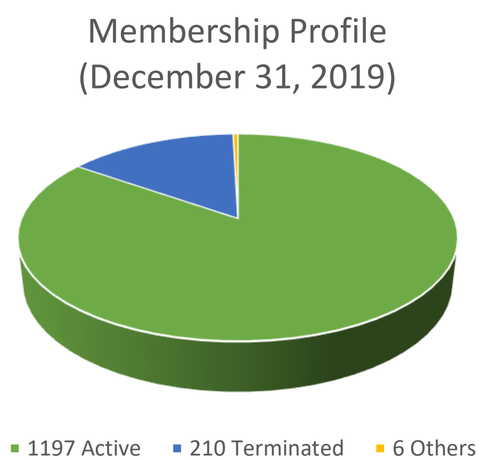
The Academic and Administrative Pension Plan was established on July 1, 1965. Until January 1, 2000, the plan was solely a defined benefit (DB) plan. The University closed the DB component of the pension plan to new members and introduced a defined contribution (DC) component for eligible members who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

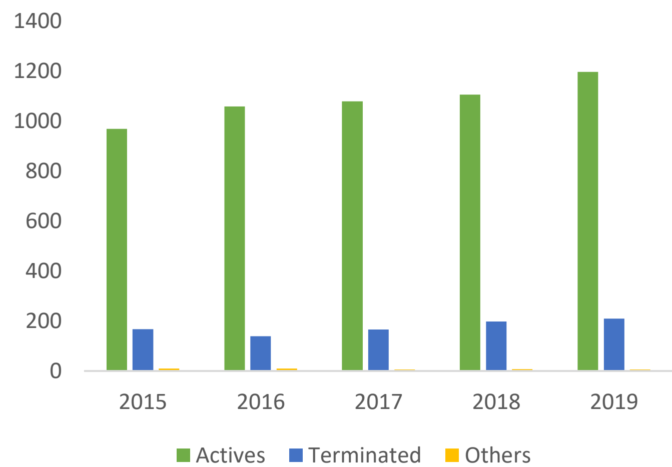
Effective July 1, 2011, DC members were provided a choice of two investment approaches: a hands-off "help me do it" portfolio made up of target date funds and a "let me do it" portfolio that allows you to create your own portfolio from a list of specially selected funds.

Your pension income at retirement is determined by your contributions, employer contributions plus any return on investment. The Plan provides resources designed to support you with your retirement savings objectives.

Plan Membership

The membership profile at December 31, 2019 along with the membership movement over the past five years has been illustrated below.





Resources Available

A wide variety of resources are available to help you map your journey and reach your financial destination at retirement. You are encouraged to take advantage of the following resources:

Account Information	Secure online pension account information at **sunlife.ca/uregina** lets you view your account balance 24/7 and review and make changes to your investments. You can make changes on-line or over the phone.
Pension Statement	In addition to viewing detailed account information on-line, Sun Life Financial provides a hard copy statement at December 31st each year.
sunlife.ca/uregina	**sunlife.ca/uregina** is one of the best resources. The site hosts a wealth of information on all aspects of the Plan. Morningstar, a highly respected tool containing details about each investment is made available to you in the Plan. You can access the Asset allocation tool which is designed to help determine risk tolerance and help you make investment decisions. Tools are also available to help you project your retirement income.
Education Sessions	Sun Life Financial will be on campus a couple of times throughout the year providing education and information. As well, online webinars, videos, articles and other tools are available.
Sun Life Customer Care Centre	Available to answer your questions and assist on any business day from 8 a.m. to 8 p.m. E.T. by calling **1-866-733-8612**.

Your Responsibilities

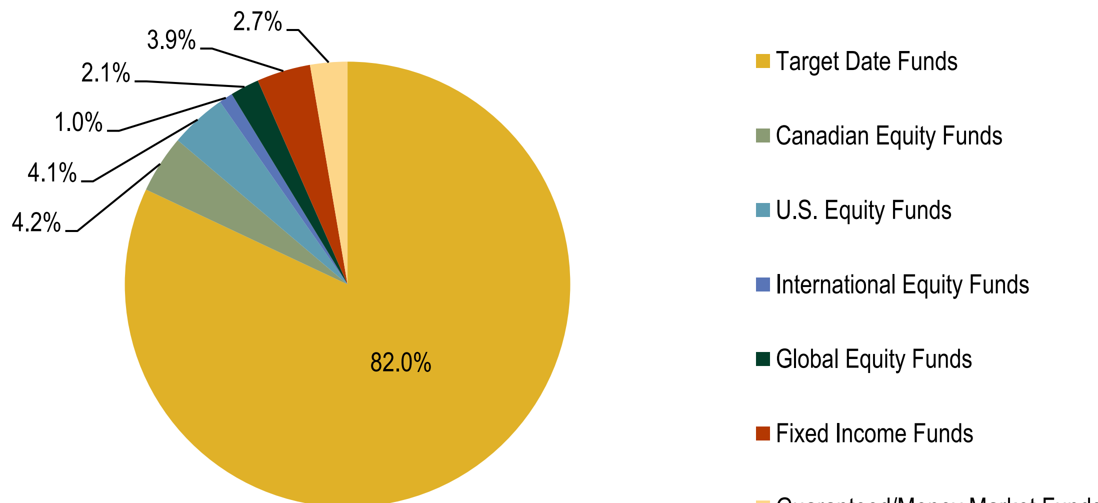
- Understanding and choosing investments
- Monitoring your savings and investments
- Choosing a retirement date
- Choosing a retirement income vehicle
- Designating beneficiaries
- Seeking financial advice as needed

Pension Plan Investment Options

The Plan offers a suite of target date funds, six investment funds covering the major asset classes and four guaranteed/money market funds offered through the Plan's record keeper, Sun Life Financial. You determine your own investment mix by selecting from the range of options as reviewed and recommended by the Academic and Administrative Benefits Committee (AABC). The investment options offer varying risk/return profiles.

If you do not make an election, contributions will automatically be deposited to the Plan's default fund. The default fund is the BlackRock LifePath Index Segregated Fund with the maturity date closest to, without exceeding, your normal retirement date. Your normal retirement date, as per the Plan, is June 30th coincident with or next following your 65th birthday.

Distribution of Assets by Investment Option as of December 31, 2019



Market Value

The market value of the DC component of the **Academic and Administrative Pension Plan** assets at the end of 2019 totalled **$210.6 million.**

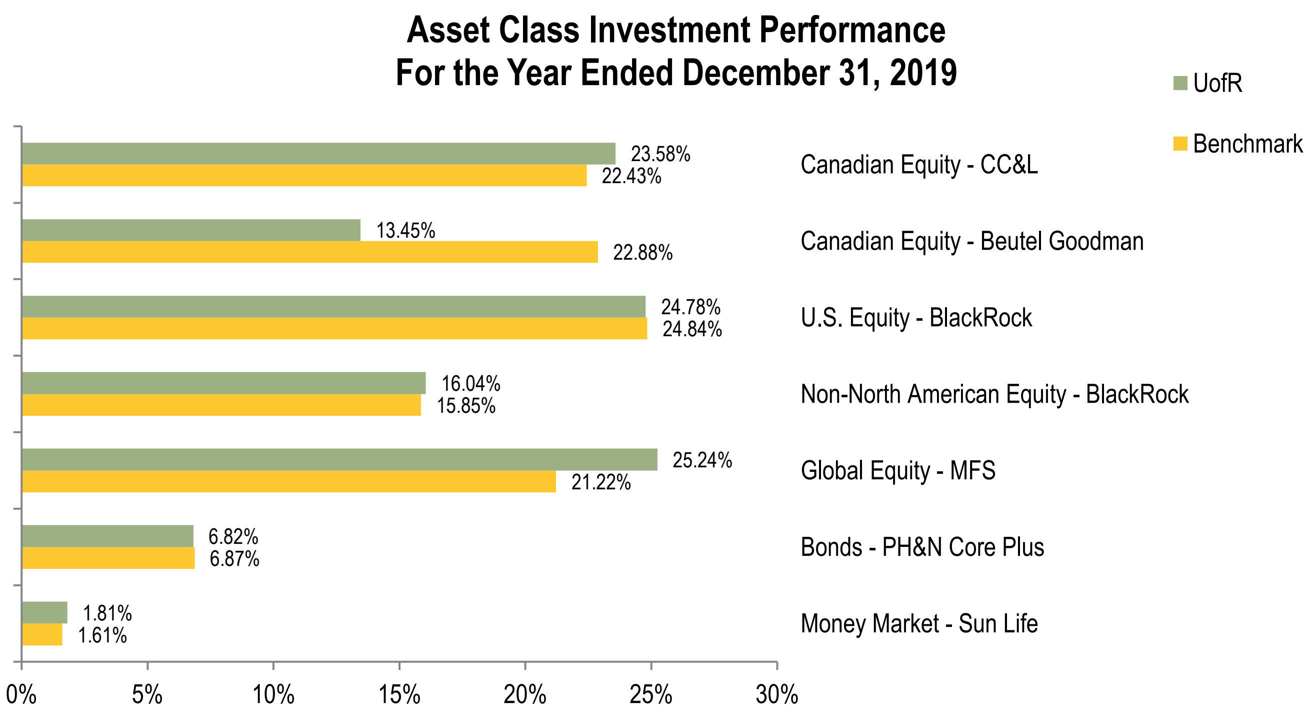
The Markets

Following a sharp sell-off in late 2018, global equity markets were strong in 2019, with the MSCI All Country World Index (a proxy for global equities including emerging markets) returning 20.2% in Canadian dollar terms. Concerns around slowing global growth and trade wars contributed to volatility, but signs of increasingly accommodative central bank policies and positive steps towards a U.S./China trade resolution late in the year supported global equities.

The fixed income market, as represented by the FTSE Canada Universe Bond Index, returned 6.9% in the year. The Bank of Canada left interest rates on hold throughout 2019, retaining a positive outlook on the Canadian economy. The yield curve flattened over the year, with yields falling sharply at longer maturities compared to the short end of the curve, causing longer dated bonds to outperform shorter dated securities.

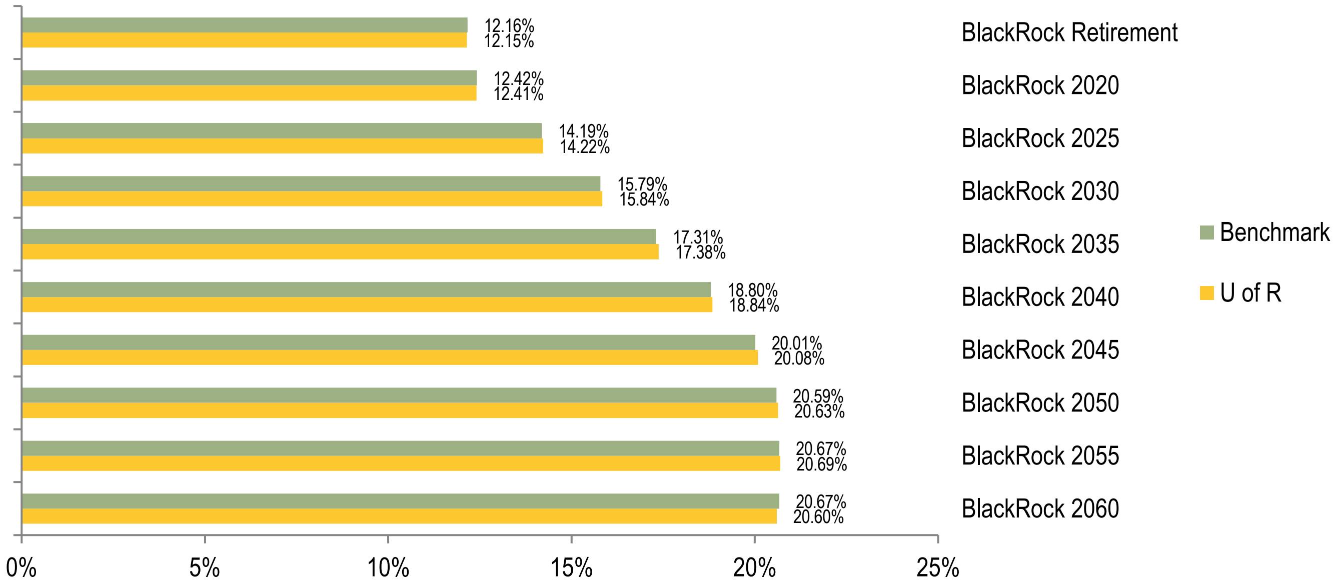
Investment Performance

Your investment returns have a direct impact on the income you can generate at retirement. Your return is based on the performance of the investments you have chosen less fees. 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 your account to cover administrative and consulting costs. The levy charge at December 31, 2019 was 0.01% of plan assets plus a $30 annual flat rate fee per member.



Approximately 82% of the plan membership was invested in the "help me do it" BlackRock LifePath Funds at December 31, 2019. The BlackRock LifePath Fund investment performance is illustrated below.

BlackRock LifePath Fund Investment Performance
For the Year Ended December 31, 2019



University of Regina Group Retirement Fund

When the time comes to convert your retirement savings to retirement income, you can choose to direct your money to the University of Regina customized prescribed retirement income fund (PRIF). You will benefit from paying lower fees that would generally not be available as an individual investor at a mutual fund company or other financial institution.

You also enjoy access to a licensed retirement consultant at no cost. The Sun Life retirement consultant will provide advice and guidance on the investment funds included in the Plan and assist in meeting your unique retirement goals. Contact a Sun Life retirement consultant for additional information at 1-855-864-5989.

Governance Structure

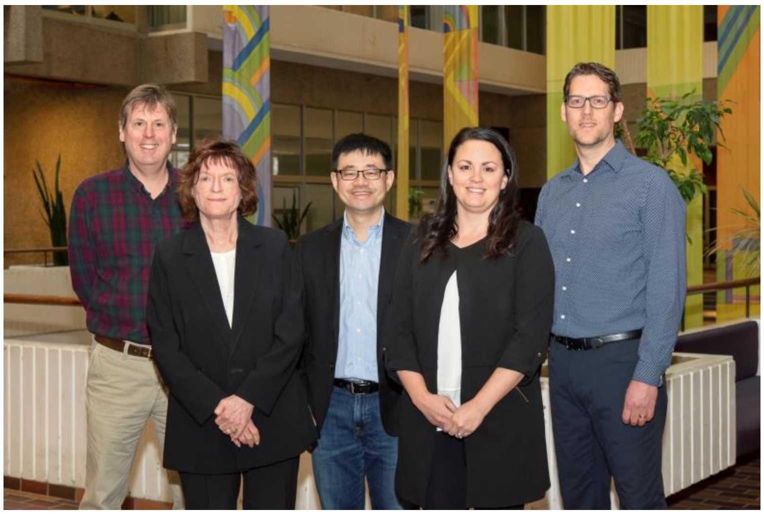
The Board of Governors is the Plan's legal administrator and as such accepts the associated fiduciary responsibilities associated with the Plan.

The Board delegates the majority of the governance duties associated with the pension plan to University administration and the Academic and Administrative Benefits Committee (AABC), both of which report on a regular basis back to the Board through the Human Resources Committee.

Academic and Administrative Benefits Committee (AABC)

The AABC is a Board of Governors appointed Committee. Its mandate is to advise the Board on pension and benefit related matters. The AABC consists of three members recommended by URFA, one retired member and three University representatives. At **December 31, 2019**, the AABC consisted of the following members.

Gregory Bawden, Centre for Continuing Education	Peter Douglas, Mathematics and Statistics (Chair)
Kelly Kummerfield, Human Resources	Gaynor Kybett, URAAPA
Dr. Zhou (Joe) Zhang, Business Administration	Nola Joorisity, Business Administration
Dr. R. J (Jim) Tomkins, President Emeritus	*Recording Secretary: Temple Maurer, Human Resources*



Left to Right: Peter Douglas, Kelly Kummerfield, Dr. Joe Zhang, Temple Maurer and Gregory Bawden
Missing: Nola Joorisity, Gaynor Kybett and Dr. Jim Tomkins

Meetings of the Committee

The Committee relies on the expertise of numerous consultants and investment managers in their oversight role. The AABC met on 6 occasions (excluding the Joint Pension Investment Committee meetings) throughout 2019. The key DC pension plan activities have been outlined in the following table.

➢ Semi-Annual Investment Performance Review and Investment Manager Evaluation	➢ Reviewed and Recommended the Statement of Investment Policies and Goals (SIP&G)
➢ Approved the 2018 Pension Plan Expenses	➢ Reviewed the Administrative Expense Levy
➢ Participated in a Pension Governance Review	➢ Reviewed and Approved the 2020 Budget and Workplan.
➢ Reviewed Retirement Program Data	➢ Received Retirement Income Projections
➢ Replaced the Templeton International Stock Trust Segregated fund with the BlackRock EAFE Equity Index Segregated Fund	➢ Reviewed and Approved changes to the PRIF/RRIF fund management fees (FMF's)

Other Agents of the Plan

Actuaries and Pension Consultants	Robert Vandersanden and Jacob Schwartz, Aon Hewitt (Vancouver, Saskatoon)
Performance Measurement Consultants	John Myrah and Erin Achtemichuk, Aon Hewitt (Regina)
Asset Servicing Provider	CIBC Mellon Global Securities Services (Calgary)
Record Keeper/Service Provider	Sun Life Financial

The primary purpose of this report is to:

- provide defined contribution plan members an overview of the Plan at December 31, 2019
- review investment options and investment performance in 2019
- report on the 2019 activities of the Academic & Administrative Benefits Committee (AABC)

Please contact the Pension and Benefits unit in Human Resources or any member of the AABC if you have any questions about the items covered in this report.

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The information provided in this report is designed to give you an overview of the Academic & Administrative Pension Plan (defined contribution component) at December 31, 2019. Full details contained in the legal plan documents as well as applicable legislation will govern in all cases.