



University
of Regina



Pension Plan for the Academic & Administrative
Employees of the University of Regina
Defined Contribution (DC)
2020 Annual Report to Members

Plan Overview

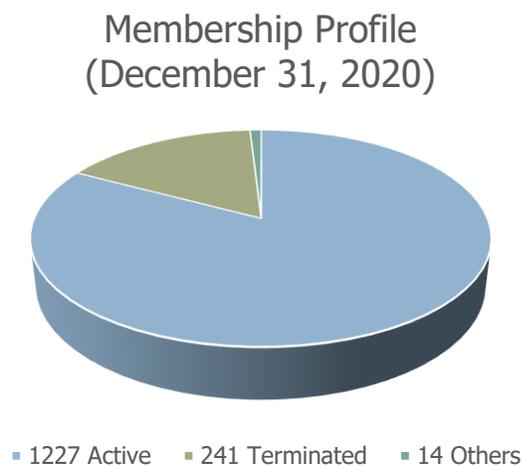
The Academic and Administrative Pension Plan was established on July 1, 1965. Until January 1, 2000, the plan was solely a defined benefit (DB) plan. The University closed the DB component of the pension plan to new members and introduced a defined contribution (DC) component for eligible members who 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, 2020 along with the membership movement over the past five years has been illustrated below.



Pension Contributions

2020	Pensionable Earnings
Employee Paid	7.5%
Employer Paid	7.5%
Total Combined	15.0%
As negotiated during the collective bargaining process, pension contributions for Academic members in the DC component increased from 7.5% to 8.0% of pensionable earnings, matched by the employer, effective January 1, 2021.	

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.
Sun Life Mobile App	The app makes it possible to access your account on the go, and: 1) Check your balances 2) view your most recent plan activity 3) try some financial planning tools The app is free of charge. To learn more, visit sunlife.ca/mobile .
Pension Statement	In addition to viewing detailed account information on-line, Sun Life Financial provides an annual statement at December 31 st 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 available throughout the year to provide education and information. Online webinars, videos and articles are also 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 .
Sun Life Retirement Consultant	Available to answer your retirement income questions and assist in helping you make a plan on any business day between 8 a.m. and 6 p.m. ET at 1-866-244-3906 (option 1) .
Pension & Benefits, HR, UofR	For questions about your eligibility for retirement, phased retirement or other non-pension related questions, please contact 306-585-4808 or email pension.benefits@uregina.ca

Your Responsibilities

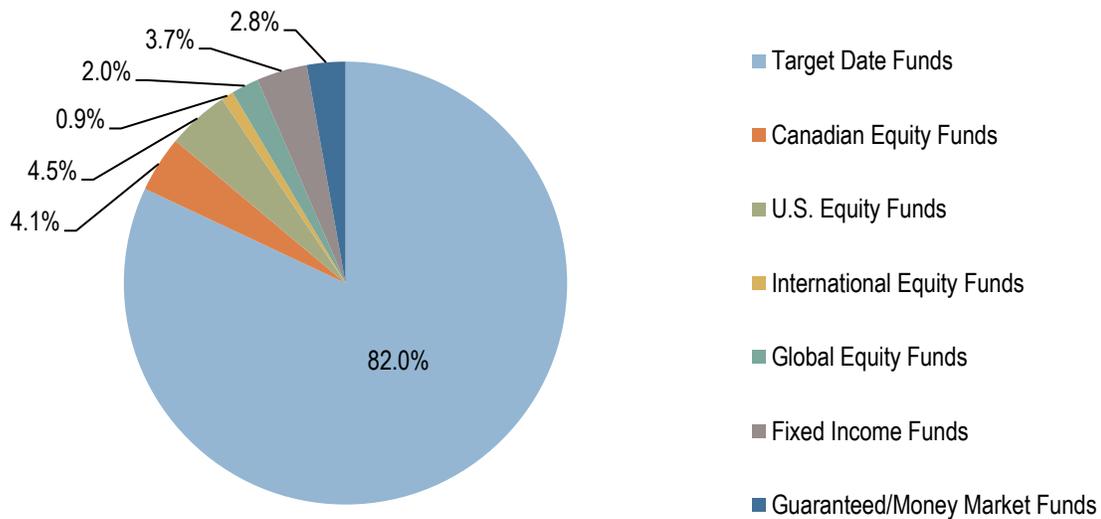
- Understanding and choosing investments
- Monitoring your savings and investments
- Choosing a retirement date
- Choosing a retirement income vehicle
- Designating beneficiaries
- Seeking financial advice as needed

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. 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, 2020



Market Value

The market value of the DC component of the **Academic and Administrative Pension Plan** assets at the end of 2020 totalled **\$238 million**.

The Markets

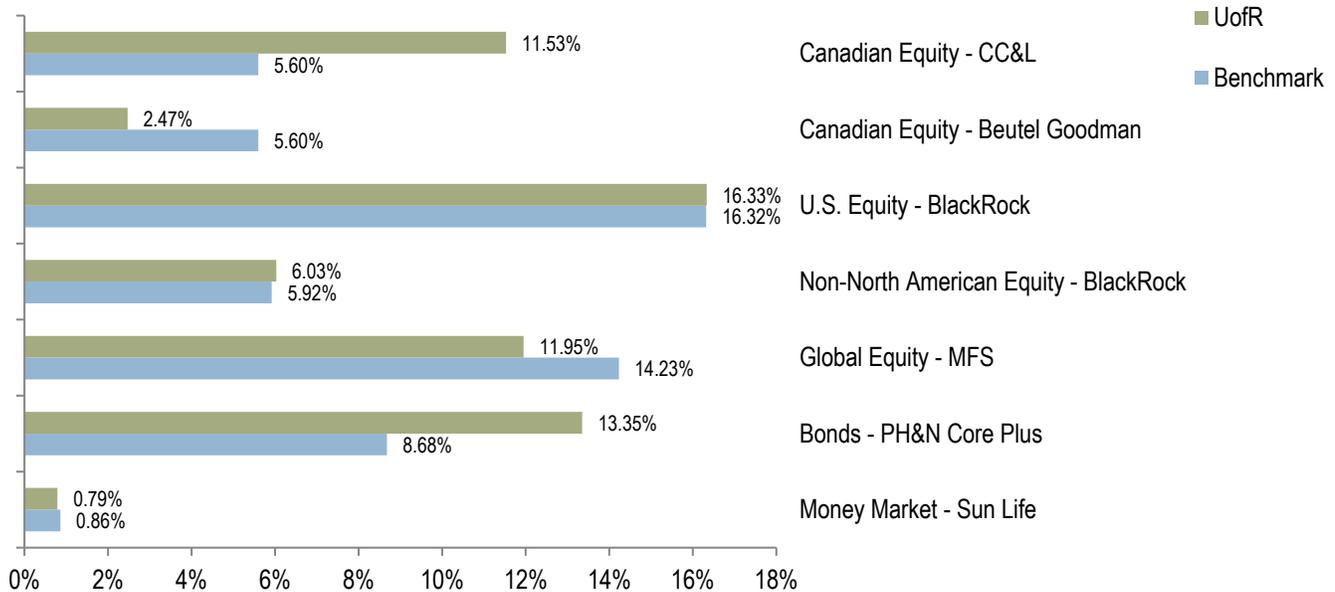
Global capital markets experienced tremendous volatility in 2020. The year began with equity markets showing continued momentum on gains experienced through most of 2019. The gains slowed by mid to late January as the world came to grips with the rapid spread of the COVID 19 virus. In mid-February, equity markets declined rapidly, marking the shortest bear market (+20%) decline ever witnessed in North American equity markets; equity markets bottomed on March 20th. Unprecedented bond market interventions by the Federal Reserve Bank of the U.S. and the Bank of Canada, in combination with extreme fiscal and monetary stimulus measures around the globe, resulted in a sharp rebound. Despite the 13.7% (CAD) first quarter decline for the MSCI All Country World Index (a proxy for global equities, including emerging markets), the equity market rebound continued through 2020 and the MSCI All Country World Index closed out the year with a 14.2% (CAD) annual return. Buried in the equity market recovery, was the very narrow leadership of certain Info Tech, Consumer Staples and Consumer Discretionary stocks that benefited from the “stay-at-home” measures necessitated by the COVID 19 pandemic.

The Canadian fixed income market also enjoyed strong returns in 2020, benefiting by demand for federal government bonds, and stimulus that gave confidence around investing in credit securities. As measured by the FTSE Canada Universe Bond Index, Canadian bonds returned 8.7%, their strongest annual return since 2014. The bond market benefited from a fall in market yields to historically low levels. Investment grade and non-investment grade corporate bonds benefited from investors search for yield, as the Government of Canada 10-year bond offered a yield (interest rate) below 1.0%. The low bond yields and easy credit environment in the marketplace provided a valuation lift to most asset classes, including residential and industrial real estate. However, retail and office real estate values suffered in the year, as tenant demand dropped off due to stay-at-home orders and the work from home movement.

Investment Performance

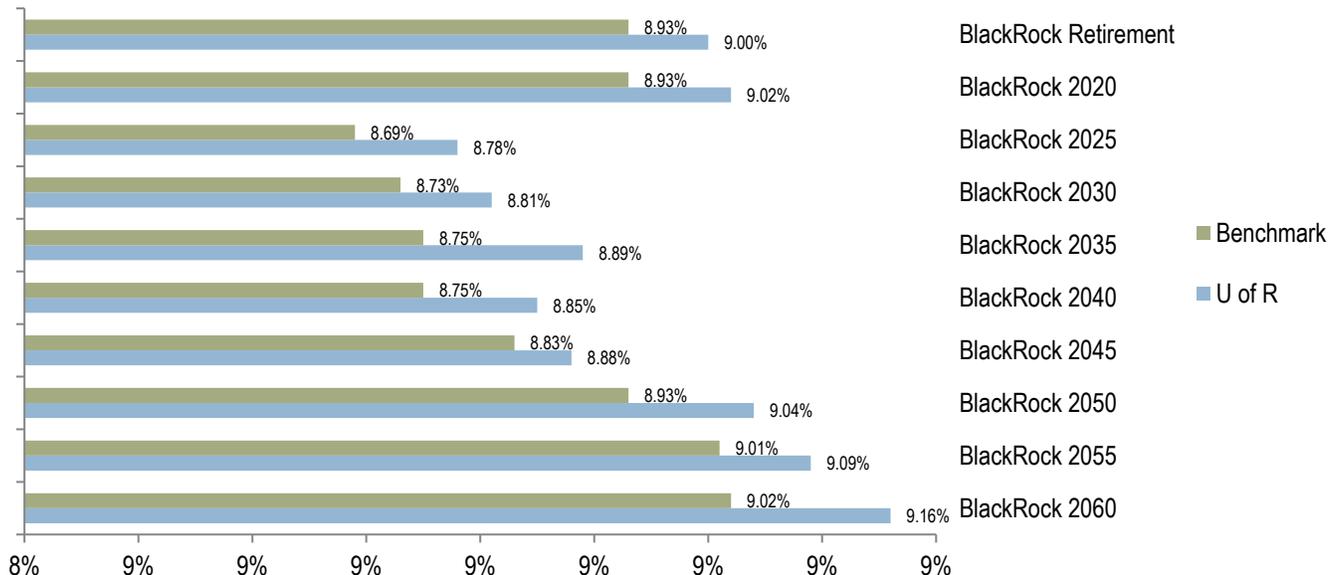
Your investment returns have a direct impact on the income you can generate at retirement. Your return is based on the performance of the investments you have chosen less fees. Fund management fees include, but are not limited to, fund operating expenses and investment management fees plus applicable 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, 2020 was 0.01% of plan assets plus a \$30 annual flat rate fee per member.

Asset Class Investment Performance For the Year Ended December 31, 2020



Approximately 82% of the plan membership was invested in the “help me do it” BlackRock LifePath Funds at December 31, 2020. The BlackRock LifePath Fund investment performance is illustrated below.

BlackRock LifePath Fund Investment Performance For the Year Ended December 31, 2020



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 1-866-244-3906 (option 1).

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, 2020**, the AABC consisted of the following members.

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

Meetings of the Committee

The Committee relies on the expertise of numerous consultants and investment managers in their oversight role. The AABC met on six occasions (excluding the Joint Pension Investment Committee meetings) throughout 2020. The key DC pension plan activities have been outlined in the following table.

➤ Semi-Annual Investment Performance Review and Investment Manager Evaluation	➤ Reviewed the Administrative Expense Levy
➤ Approved the 2019 Pension Plan Expenses	➤ Reviewed and Approved the 2020 Budget and Workplan.
➤ Recommended the Board approve a new code of conduct policy, meeting procedures policy, agenda & minute taking standards, committee member education standards, plan member minimum communication standards and expense standards	➤ Recommended the Board approve Amendment 2020-1

Other Agents of the Plan

Actuaries and Pension Consultants	Robert Vandersanden and Jacob Schwartz, Aon Hewitt (Vancouver, Saskatoon)
Performance Measurement Consultants	John Myrah, Erin Achtemichuk (on leave) and Jeffrey King, 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, 2020
- review investment options and investment performance in 2020
- report on the 2020 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, 2020. Full details contained in the legal plan documents as well as applicable legislation will govern in all cases.