UNIVERSITY OF VICTORIA COMBINATION PENSION PLAN

ANNUAL REPORT TO MEMBERS

2012

This page intentionally left blank

Contents

The information in this report is provided for the general information of members. The precise terms and conditions of the Plan are provided in the relevant plan documents. If there is a discrepancy between this report and the plan documents, the plan documents apply.

Letter from the Chair

Starting this letter, I was somewhat amazed to see eleven previous versions residing on my computer! This time has been enjoyable and profoundly educational for me and I would like to thank all of you, especially those who have contributed directly to the work of the Trustees, for your continued help and support without which my role would have been impossible.

This was a good year for the Pension Plan with a gross return of 9.98% and expenses of 0.27% for a net return of 9.71%. This placed us in the 23rd percentile (i.e. 77% of plans had lower returns) of RBC Investor Services data set for plans with assets from $250 million to $1 billion. I noticed recently that the huge Ontario Municipal Employees Retirement System (OMERS) considered a 10.03% gross return worthy of national headlines and we estimate their expenses at about 0.7% so we have reason to feel good about our plan. Over longer periods, which is how one should view the health of a pension plan, our gross returns have been second quartile (i.e. at least 50% of plans had lower returns) with annualized gross returns of 3.69% over the volatile 5 years 2008-2012 and 7.28% over the 10 years 2003-2012.

As you probably know, 2012 was a good year for investors in general, seemingly despite many lingering problems in the global economy. Many countries remain burdened with excessive debt, the euro-zone is in economic and financial turmoil, and political dysfunction is preventing the U.S. from dealing with its large fiscal deficits. There is no immediate solution to these problems and there may be more stormy weather ahead. We can only hope that the forces (strong corporate profitability and low interest rates) which drove equity markets higher in 2012 will remain in place this year and that the global economy will improve rather than worsen.

For those of you interested in a more detailed breakdown of our assets: as of 31st December 2012, the Plan's Balanced Fund investments totalled $655 million. These assets were divided among the following classes (with returns for 2012 in brackets): Canadian equity, $189.1 million (9.2%); non-Canadian equity, $171.9 million (15.0%); bonds and mortgages, $199.1 million (5.0%); real estate, $80.4 million (17.2%); plus $14.9 million in short-term and cash investments.

2012 was an eventful year for some of our money managers. Members may recall that our Canadian equity investments with Phillips, Hager & North were moved to Sceptre Investment Counsel in 2009. In 2010 Sceptre merged with Fiera Capital and in 2012 made three acquisitions from National Bank, Canadian Wealth Management and UBS Global Asset Management. The firm is now known as Fiera Capital Corporation and its assets under management have grown from $7 billion in 2009 to $63 billion. To date these changes do not seem to have impacted the management style or performance of the company, but it is no longer the small nimble firm the Trustees thought they had chosen and we are keeping a careful watch on the situation. More worrying were the events at Jarislowsky-Fraser (JF), our other Canadian equity manager. In recent years, several senior and influential members of their investment teams left the firm, including our account representative. Then in early November 2012, it was announced the President and Chair of the Investment Strategy Committee had resigned effective the end of that month along with another senior partner and member of the Executive Committee. These strong indications of internal turmoil at JF were added to reports that some large investors were withdrawing their funds, potentially creating a liquidity problem as JF has very large holdings in a comparatively small number of stocks. Moreover, the Trustees had already placed JF on watch for performance problems, for example noting they were below median in 6 of the last 12 quarters and 4th quartile in 4 of the 12 quarters. Finally a question to our consultants, Towers Watson, confirmed that they would recommend withdrawal from JF. Consequently, the Trustees acted immediately at their November meeting to withdraw all funds from JF and transfer the assets to BC Investment Management Corporation (bcIMC). The latter was chosen because of our existing relationship with them and the consequent ease of transfer. In the event, the transfer was achieved over a period of about one week at minimal cost and with excellent co-operation from bcIMC; the funds going mainly to an actively managed Canadian equity fund.

Except for the move from JF to bcIMC, our fund management remains unchanged with the follow-

...cont'd

ing approximate distribution of assets as percentages of the total Plan: Fiera (Canadian Equity, 14.2%); Phillips, Hager & North (fixed income, 32.6%); bcIMC (Canadian equity, 14.8%; global equity, 26.2%; real estate through "Realpool" 12.2%).

The year was a very busy period for the Trustees. Apart from the investment management issues, there were two new initiatives. The first was a retreat to study the current law and best practices related to plan governance. The University and the Plan are now required to adopt formal policies for Funding and for Governance, and it may also be advisable for the University and the Plan to have discussions on their relative powers to recommend, draft and adopt funding or benefit changes to the Plan. It is also worthy of note that the law on Trustees fiduciary duty remains focussed on the best "financial" interests of the members and no new case law is available in this area.

The second initiative is an asset liability study of the Defined Retirement Benefit Fund, using stochastic methodology with thousands of possible economic scenarios rather than the simpler sets of assumptions normally used. This study was prompted in part by the need to raise contributions after our last valuation (Dec 31, 2009) and by the complexity of our defined benefit option, where the element of choice renders valuation difficult. The methods and results are too complex to deal with in this short letter, but the study will be very valuable in our forward planning and to integrate into our next valuation, currently in progress and effective Dec 31, 2012. This process generates a heavy work-load for our Actuarial Valuation Committee, chaired by Bob Worth with Kristi Simpson and Ken Stewart as the other members. We all owe them a vote of thanks for their efforts on this complex problem.

2012 also saw the introduction of two pieces of new legislation which will affect our policies and procedures. A new *Pension Benefits Standards Act (BC)* was passed in 2012 and will become fully effective when the associated regulations are produced, probably in 2014. There is also a new *Family Law Act* which comes into force in 2013 to replace the previous *Family Relations Act* with some significant changes to regulations governing division of pensions in cases of family breakup.

In Trustee news, the membership of the Board of Trustees is unchanged from last year. I was re-elected as Chair at the January meeting of the Trustees and would like to extend my personal thanks to the Trustees for their continued confidence and support. I will be ably assisted in the role of Chair by Michael Miller who has kindly agreed to continue as Vice-Chair for 2013. I look forward to his support and wise counsel. Our committee Chairs are Kristi Simpson (Investment), Deborah George (Policy and Procedure), Bob Worth (Valuation) and myself (Governance and Communications).

Finally, I look forward to meeting many of you at our Annual General Meeting on April 4th.

This year (2013) will be my 13th as Chair so let us hope the double whammy superstition does not prevail!

Best Wishes to All,

K R Dixon

Keith R. Dixon
Chair, Board of Pension Trustees

Annual General Meeting

4:30 p.m. Thursday, 4 April 2013
Room A104
Bob Wright Centre

This is an informal meeting at which the Pension Board reports to the membership and answers questions. This year's meeting will include a brief presentation. The Pension Board hopes members will be able to attend.

Governance

The Plan is governed by a Board of Trustees (the "Pension Board"). There are eight trustees on the Pension Board, four elected by plan members for terms of up to three years and four appointed by the University.

The Pension Board oversees investment of the pension fund, financial management of the Plan and ensures the Plan is administered in accordance with the trust agreement, the *Income Tax Act (Canada)* and *Pension Benefit Standards Act (BC)*.

As at 31 December 2012, the Trustees were:

Mr. Martin Barnes
Chief Economist, BCA Research
Appointed term from 1 July 2012 to 30 June 2015

Dr. Keith Dixon – CHAIR
Professor Emeritus, Department of Chemistry
Elected term from 1 January 2012 to 31 December 2014

Dr. Deborah George
Appointed term from 1 July 2011 to 30 June 2014

Dr. Michael Miller—VICE-CHAIR
Associate Vice-President, Research
Elected term from 1 January 2011 to 31 December 2013

Professor Martha O'Brien
Professor, Faculty of Law
Elected term from 1 January 2012 to 31 December 2014

Dr. Kenneth Stewart
Associate Professor, Department of Economics
Elected term from 1 January 2011 to 31 December 2013

Ms. Kristi Simpson
Associate Vice-President, Financial Planning & Operations
Appointed ex-officio

Mr. Robert Worth
Appointed term from 1 July 2012 to 30 June 2014

COMMITTEES

Actuarial Valuation Committee
Mr. Robert Worth—CHAIR
Ms. Kristi Simpson
Dr. Kenneth Stewart

Governance and Communications Committee
Dr. Keith Dixon—CHAIR
Dr. Deborah George
Ms. Kristi Simpson

Investment Committee
Ms. Kristi Simpson—CHAIR
Dr. Martin Barnes
Dr. Michael Miller
Mr. Robert Worth

Policy and Procedures Committee
Dr. Deborah George—CHAIR
Professor Martha O'Brien
Dr. Kenneth Stewart

Investments and Returns	2010		2011		2012	
Market value of investments						
Balanced Fund	$606,685,818		$602,828,769		$655,370,014	
Defined Retirement Benefit Fund	69,138,639		74,913,440		88,768,934	
Balanced Fund		%		%		%
Gross returns	$53,089,894	9.56	$5,665,161	0.92	$60,095,200	9.98
Expenses	1,478,468	(0.26)	1,661,221	(0.27)	1,633,285	(0.27)
Net returns distributed to accounts	51,611,426	9.30	4,003,940	0.65	58,461,915	9.71
Defined Retirement Benefit Fund						
Gross returns (losses)	$6,355,127	10.12	$ (60,807)	(0.08)	$7,808,820	10.14
Expenses	207,252	(0.33)	226,137	(0.28)	308,083	(0.40)
Net returns (losses)	6,147,875	9.79	(286,944)	(0.36)	7,500,737	(9.74)

Benefit Payments	2010	2011	2012
Lump sum payments and transfers	$ 7,161,433	$10,027,827	$7,453,666
Pensions			
3.5% internal variable annuities	$ 1,252,822	$ 1,568,827	$1,968,368
5% internal variable annuities	343,508	377,105	350,902
Defined benefit pensions	212,350	179,644	181,632
Defined benefit supplements	129,886	173,338	255,412
Variable benefits	11,682,940	13,079,992	14,181,481

In 1990 defined benefit pensions were replaced with a combination of the 3.5% internal variable annuity and defined benefit supplement; in 1997, the variable benefit was added; and, at the end of 2011, the 5% annuity ceased to be offered.

Contributions	2010	2011	2012
Members' required	$ 5,522,639	$ 6,920,824	$ 7,716,152
University required	11,895,016	14,846,215	16,504,099
Members' voluntary	118,622	137,597	124,060
Transfers from other plans	1,535,196	1,563,497	1,421,061

Adjustments to Pensions	2010	2011	2012
	%	%	%
Defined benefit pensions and supplements	1.4	3.0	2.9
3.5% internal variable annuities (reduction)	4.4	3.6	(4.7)
5.0% internal variable annuities (reduction)	2.9	2.1	(6.1)

Full audited financial statements are available online at: http://web.uvic.ca/vpfin/financialplanning/pension/pensionmain.htm A print copy may also be requested from the Pension Office at (250) 721-7030 or by email at pensions@uvic.ca with the subject line "Combination Plan Financial Statements Print Copy".

Investments

Objectives

Plan assets are distributed over two funds: the Balanced Fund and the Defined Retirement Benefit Fund. Individual member accounts (Combined Contribution Accounts, Variable Benefit Accounts and Additional Voluntary Contribution Accounts of active and inactive members) are held in the Balanced Fund, together with member accounts from the Money Purchase Pension Plan. The Defined Retirement Benefit Fund holds the assets of the Defined Retirement Benefit Account from which defined benefit pensions and supplements are paid.

The main long-term investment objectives set by the Pension Board and accepted by the Plan's investment managers (refer to Appendix E) are to secure the obligation of the Plan and the University for pension benefit payments. In recognition of the Plan's current characteristics, an average degree of risk in terms of short-term variability of returns may be tolerated in the Balanced Fund's investments in pursuit of longer term returns. A higher degree of risk in terms of short-term variability of returns may be tolerated in the Defined Retirement Benefit Fund's investments in pursuit of longer term returns.

The primary objective for the Funds is to achieve a rate of return, net of investment fees and based on a four-year moving average, which is above a benchmark rate of return associated with asset mix policy. The **table below** shows each Fund's actual asset mix at 31 December 2012, and the policy benchmark and range.

Asset Mix Policy

		Balanced Fund		*Defined Retirement Benefit Fund*	
	Representative index	**Actual weight (%)**	**Benchmark (Range) (%)**	**Actual weight (%)**	**Benchmark (Range) (%)**
Cash & equivalents	DEX 91-day T-Bill Index	2.3	0 (0-18)	4.3	3 (0-20)
Universe bonds	DEX Universe Bond Index	30.4	36 (24-48)	4.1	0 (0-10)
Real return bonds	DEX RRB Overall Index	-	-	17.2	22 (17-27)
Canadian equities	S&P/TSX Capped Composite	28.8	27 (17-37)	38.6	38 (28-48)
Foreign equities	MSCI World	26.2	27 (23-31)	25.7	27 (22-32)
Real estate	CPI + 4%	12.3	10 (5-15)	10.1	10 (5-15)

Investment returns are measured on a time-weighted basis. The return objectives include realized and unrealized capital gains or losses, plus income from all sources.

The Investment Committee monitors and reviews performance and reports to the Pension Board on a quarterly basis. While short-term results are of interest, it is important to recognize that an investment strategy ought to provide good results over the longer term. As a consequence, the Pension Board focuses on evaluating investment performance over rolling four-year periods. Over rolling four-year periods, the domestic managers are expected to meet the benchmark plus 0.5% per annum, plus investment management and pooled fund custodial fees. The global manager is expected to meet the standard plus 1.0% per annum, plus investment management and pooled fund custodial fees. The real estate manager is expected to return the Canadian Consumer Price Index plus 4%.

Balanced Fund—annualized returns

The table below shows the annualized rates of return on the Balanced Fund portfolio over the last ten calendar years. "Gross Gain (Loss)" are returns before expenses. "Net Gain (Loss)" are returns after all investment and operating expenses. "Net Gain (Loss)" is the rate of return credited to members' individual Combined Contribution Accounts, Variable Benefit Accounts and Voluntary Contribution Accounts.

	1 year		4 year		10 year	
Year ended 31 December	**Gross Gain (Loss)**	**Net Gain (Loss)**	**Gross Gain (Loss)**	**Net Gain (Loss)**	**Gross Gain (Loss)**	**Net Gain (Loss)**
	%	%	%	%	%	%
2012	9.98	9.71	8.98	8.71	7.28	7.03
2011	0.92	0.64	2.17	1.90	5.86	5.59
2010	9.56	9.30	2.68	2.42	6.00	5.76
2009	16.01	15.72	3.44	3.18	6.31	6.07
2008	(15.05)	(15.29)	2.75	2.49	5.81	5.57
2007	2.94	2.69	10.05	9.81	8.49	8.23
2006	12.87	12.60	13.12	12.88	9.12	8.85
2005	12.91	12.63	8.70	8.47	9.69	9.41
2004	11.81	11.63	6.04	5.83	9.97	9.68
2003	14.91	14.68	6.28	6.06	8.91	8.59

Balanced Fund—expense ratio detail

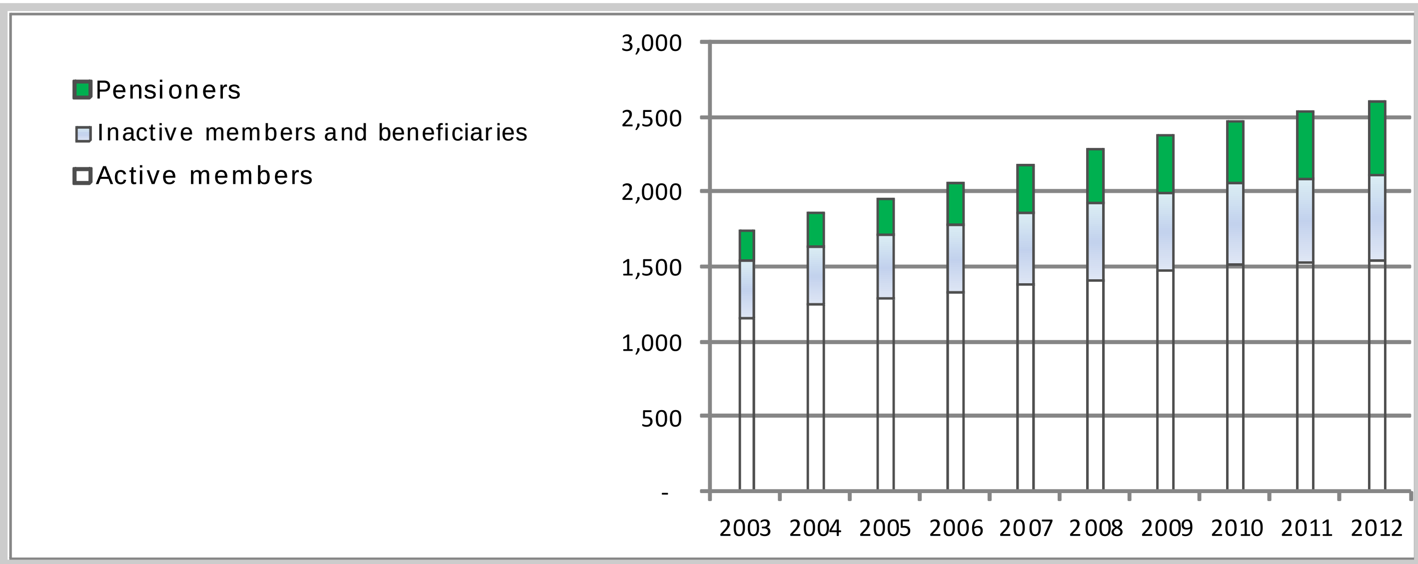
The table below provides the detail of all expenses incurred in investing and operating the pension plan. Expenses are deducted from gross gain (loss) to determine net gain (loss). Due to the effect of compounding, over extended periods of time expenses can have a material impact on final account balances. Expenses are often described as expense ratios and expressed as basis points; 0.27% is 27 basis points.

	2010		2011		2012	
Balanced Fund		%		%		%
Investment management expenses	$1,084,122	0.19	$1,187,864	0.19	$1,203,691	0.20
Custodial and consulting expenses	103,437	0.02	116,874	0.02	145,569	0.03
Actuarial expenses	-	-	-	-	-	-
Office and administration expenses	261,671	0.05	322,868	0.05	255,241	0.04
Audit and legal expenses	29,238	-	33,615	0.01	28,784	-
Total expenses	$1,478,468	0.26	$1,661,221	0.27	$1,633,285	0.27

Membership statistics

The table and chart below show the growth in plan membership over the past ten years. Active members are members who are still employed by the University and contributing to the Plan. Inactive members are members who have terminated employment but have not yet elected a benefit; the category also includes a small number of accounts held by surviving spouses of members who died before retirement. Pensioners are members and beneficiaries who are drawing a monthly pension from the Plan.

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Active members	1,160	1,251	1,297	1,339	1,393	1,416	1,480	1,519	1,538	1,544
Inactive members	393	393	420	448	472	517	522	530	556	580
Pensioners	188	217	246	284	321	353	382	414	448	484
Total	1,741	1,861	1,963	2,071	2,186	2,286	2,384	2,463	2,542	2,608



Pensions

The number of members receiving variable benefits continued to grow in 2012. The variable benefit was selected in whole or in part by 16 (31%) of the 51 members over age 55 who selected a benefit from the Plan. The table below shows the types of pensions being paid by the Plan.

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Defined benefit pensions	23	21	20	19	17	15	14	12	11	10
Defined benefit supplements	7	9	8	8	13	16	36	41	47	76
Internal variable annuities	43	51	54	59	68	73	84	99	109	135
Variable benefits	126	151	179	216	247	277	297	320	347	362
Adjust for combinations	(11)	(15)	(15)	(18)	(24)	(28)	(49)	(58)	(66)	(99)
Total pensioners	188	217	246	284	321	353	382	414	448	484

In 1990 defined benefit pensions were replaced with a combination of the 3.5% internal variable annuity and defined benefit supplement; in 1997, the variable benefit was added; and, at the end of 2011, the 5% annuity ceased to be offered.

What are the contributions?

Members and the University share the cost of the Plan.

Combined Contribution Account (defined contribution): For 2013, members' contributions are 4.35% of basic salary up to the YMPE (Year's Maximum Pensionable Earnings, the contributory earnings upper limit under the Canada Pension Plan) of $51,100 plus 6.35% of basic salary in excess of that amount. Members' contributions are credited to members' individual Combined Contribution Accounts (CCAs).

The University contributes to individual CCAs an amount equal to 6.02% of basic salary up to the $51,100 plus 7.65% in excess of that amount.

Total contributions to individual members' CCAs are therefore 10.37% of salary up to the $51,100 plus 14% in excess of that amount, subject to the limit that they may not exceed the lesser of 18% of the member's earnings and the annual defined contribution maximum set under the *Income Tax Act* ($24,270 in 2013).

Defined Retirement Benefit Account: The defined benefit minimum is funded by University contributions equal to 5.05% of earnings in 2013.

Voluntary: Subject to *Income Tax Act* maximums, members may elect to make additional contributions to a voluntary contribution account through payroll deduction or by transfer from another registered plan (RRSP or Canadian registered pension plan). Transfers from spousal RRSPs are not permitted.

Example of 2013 pension contributions based on an annual salary of $88,000

	Member Amount (%)		University Amount (%)		Total Amount (%)	
Combined Contribution Account	$4,566	(5.19)	$5,899	(6.70)	$10,465	(11.89)
Defined Retirement Benefit Account	-		4,444	(5.05)	4,444	(5.05)
Canada Pension Plan	2,356	(2.68)	2,356	(2.68)	4,712	(5.36)
Total pension contributions	$6,922	(7.87)	$12,699	(14.43)	$19,621	(22.30)

When are members eligible for a retirement benefit?

The Combination Pension Plan provides immediate vesting, which means there are no minimum service requirements for a pension. However, there are age requirements.

Normal retirement date for a member of the Combination Pension Plan is the last day of the month in which the member attains 65 years of age. This is the date at which the defined benefit minimum is calculated without reduction.

Early retirement A member may elect to take early retirement on or after the end of the month in which the member attains 55 years of age. In this case, the defined benefit minimum (described on page 12) is reduced to its actuarial equivalent. The reductions are shown in the table on page 16.

Deferred retirement A member may defer commencement of retirement benefits until the end of the calendar year in which the member attains 71 years of age.

What are the options at retirement?

A member has a range of options designed to allow tailoring of retirement income to suit his or her individual situation, preferences, and financial plan. The detailed selection of any one option or a combination of options is a matter for the individual member and his or her private financial advisor, and the Plan cannot provide this type of advice. Spousal consent is required for some options. Subject to some restrictions, options may be combined for maximum flexibility.

With minor variations, there are basically two options available directly from the Plan and essentially the same two options outside the Plan. Within the Plan, a member may choose between a lifetime annuity and a variable benefit (basically similar to an external life income fund). Alternatively the member may remove his or her funds from the Plan, and choose between an external annuity, for example from an insurance company, or a registered retirement/ life income fund. Whether within the Plan, or external to it, an annuity is purchased with a member's Combined Contribution Account (CCA) balance, which means that control and ownership of the account balance is relinquished in exchange for the promise of a future lifetime income. This is in contrast to the variable benefit or a retirement income fund, where the member retains control and ownership of the account balance, and makes withdrawals within statutory limits.

If a member wishes to defer commencement of benefits, this can be accomplished (to age 71) by leaving the money within his or her CCA, or external to the Plan by making use of (locked-in) registered retirement savings plans (RRSPs).

Options at a Glance

- Purchase an internal variable annuity from the Plan (with defined benefit minimum)
- Start a variable benefit (RRIF/LIF-type option) from the Plan
- Purchase a life annuity from an insurance company
- Transfer CCA to a RRIF/LIF
- Transfer CCA to a (locked-in) RRSP
- Transfer CCA to another registered pension plan
- Leave CCA on deposit for a future pension (default option)

1. Internal Variable Annuity (with defined benefit minimum)

An internal variable annuity is purchased with the balance in a member's CCA. It is basically similar to an external annuity, with the initial amount payable depending on the available CCA balance, the age of the member, and the survivor option selected. There are three main differences between an internal annuity and an external annuity.

Firstly, internal annuity payments are adjusted each 1st July to reflect the investment performance of the Plan during the prior calendar year, or that portion of the year that the annuity was being paid, relative to the 3.5% underlying earnings assumption. If the Plan earned more or less than 3.5%, the payments are adjusted accordingly. For example, if the Plan earned 6% the annuity would increase on the following 1 July by approximately 2.5%; if the Plan lost 3%, the annuity would decrease by approximately 6.5%. The performance adjustment means that the internal annuities carry somewhat more risk than an external annuity, but also the potential for benefit if the Plan does well.

Secondly, internal annuities are adjusted to reflect the longevity experience of the group of annuitants.

Thirdly, provided the member was not previously on the variable benefit, payments under the internal variable annuity option cannot fall below the minimum calculated on a defined benefit basis.

The **defined benefit minimum** at normal retirement is the sum of (A) and (B) below:

(A) 1.3% of the average of the highest consecutive five year's salary ("Final Average Earnings") up to the three year average Year's Maximum Pensionable Earnings ("Average YMPE") defined by the Canada Pension Plan
MULTIPLIED by years of credited service

(B) 2% of Final Average Earnings in excess of the Average YMPE
MULTIPLIED by years of credited service.

...cont'd

The defined benefit minimum is currently limited to $2,696.67 per year of service credited after 1990 and is actuarially reduced for early retirement. The resulting single life pension is converted into the same survivor option that was selected for the variable annuity. An individualized sample calculation (single life) is provided to each member as part of the annual member statement. After retirement, the defined benefit minimum is indexed each 1 July based on the annual change in the Canadian Consumer Price Index, to a maximum of 3% per year.

If only a fraction of a member's CCA is applied to this option, there is a minimum of three times the YMPE (in 2012 the figure is 3 x $50,100); the defined benefit minimum is then reduced to the same fraction.

A table of 2013 single life annuity rates and actuarial reductions is reproduced in Appendix A of this report. Other survivor options are available but the amount of pension will differ. If the member has a spouse, a minimum 60% joint life pension is required unless the spouse waives that right.

2. **Variable Benefit**
This option is similar to an external life income fund. The funds that accumulated in a member's CCA are held in a Variable Benefit Account (VBA). The member retains ownership of the funds and each year sets the monthly retirement benefit, subject to statutory minima and maxima. The minimum does not take effect until the year the member reaches age 72 and, for a particular year after age 71, is the value of the account at the start of the year multiplied by the appropriate percentage rate from an age-based table. A member with a younger spouse may elect to use the spouse's age for purposes of determining the appropriate percentage rate for the minimum withdrawal. The maximum for a particular year only applies to the locked-in (post-1992) portion of a member's account. For pensioners who have been on the option for a full calendar year, the maximum is the greater of: (a) actual investment returns for the preceding year; and (b) the locked-in portion of the account at the start of the year multiplied by the appropriate factor from an age-based table. A booklet explaining the variable benefit in more detail is available upon request from the Pension Office. The booklet contains a table of withdrawal rate limits.

The balance remaining in a member's account after each month's withdrawal shares in the investment performance of the Balanced Fund and, when the member dies, any remaining balance forms the survivor benefit.

If the member has a spouse, spousal consent is required for the variable benefit option.

With one full calendar month of notice, a variable benefit pensioner may terminate the pension and apply the balance remaining to one or a combination of the other options, except that the defined benefit minimum is not available. If the member is over 71 years of age, the minimum withdrawal for the year must be satisfied before the funds are applied to another option. If the funds are transferred to a life income fund, no withdrawal is permitted from the new life income fund until the following calendar year.

3. **Life Annuity from a life insurance company**
Life annuities may be purchased from life insurance companies. Normally, a life annuity pays a fixed annual amount, unlike our internal annuities, which vary according to investment performance. Some companies may offer annuities with a fixed annual percentage escalation over time. As with the internal annuities, the initial payments depend on the balance available, the age of the annuitant, and the survivor option selected. Annuity rates offered are based on prevailing interest rates and other market factors, and can vary substantially from one company to another.

...cont'd

Options at retirement continued

4. **Registered Retirement and Life Income Funds (RRIFs and LIFs)**
   The portion of a member's account that is attributable to pre-1993 contributions may be transferred to a registered retirement income fund (RRIF). The remainder (post-1992) is locked-in and is only transferable to a life income fund (LIF). In both cases, the member retains ownership of the monies.

The permissible underlying investments of RRIFs and LIFs are the same as for registered retirement savings plans (RRSPs) and may be self-directed. Based on the age of the member, there are statutory annual minimums for withdrawals from RRIFs and LIFs, and a maximum for LIFs, but no maximum for RRIFs. If the member has a spouse, spousal consent is required for a transfer to a LIF.

What are the options upon termination of employment?

If a member leaves the employ of the University before earliest retirement age (55 years of age), the member is eligible for one of the following options:

- Leave Combined Contribution Account (CCA) on deposit for a future pension (default option)
- Transfer CCA to a (locked-in) RRSP
- Transfer CCA to another registered pension plan
- Purchase a deferred life annuity from an insurance company

Any portion of the member's account that is attributable to contributions made prior to 1993 is not subject to lock-in conditions and may be transferred to a regular RRSP or Registered Retirement Income Fund (RRIF) or be paid in cash less withholding tax. A member must commence a pension benefit or effect a transfer from the Plan by the end of the calendar year in which the member attains 71 years of age.

What are the survivor benefits?

The survivor benefit for a member who dies **before commencing a benefit, or for a variable benefit pensioner**, is the balance in the member's account(s).

Under the *Pension Benefits Standards Act*, the beneficiary for the survivor benefit must be the member's spouse (if the member has a spouse), unless the spouse has completed and filed a Spouse's Waiver of Pre-retirement Benefits with the Pension Office; or, in the case of the variable benefit, the member did not have a spouse at the start date of the variable benefit. The definition of spouse includes a common-law or same sex partner.

Members who have ended a legal marriage or who have had a common-law partner for at least two years are encouraged to verify that their beneficiary designation is current and valid. A person to whom you are married retains spousal status for up to two years following separation.

A beneficiary who is a spouse may elect a monthly benefit or a transfer of the member's account balance to (locked-in) RRSPs or RRIFs/LIFs. All options that are available to a member are available to a surviving spouse, with the exception that the defined benefit minimum is not available and the spouse need not have attained 55 years of age to commence a monthly benefit. The spouse must commence a pension benefit or effect a transfer from the Plan by the later of one year following the member's date of death or the end of the calendar year in which the spouse attains 71 years of age.

...cont'd

Survivor benefits continued

Under the *Income Tax Act* a beneficiary who is not a spouse is required to withdraw the death benefit in cash as soon as is practicable. Withholding tax of up to 30% will be deducted from any cash payment. The actual tax payable depends on the beneficiary's marginal tax rate in the year in which the cash payment is issued.

The survivor benefit for a pensioner in receipt of an annuity or defined benefit (supplement) pension from the Plan is determined by the optional form selected by the member at the pension start date. The optional forms available are as follows:

- Joint life where 60%, 66.7%, 75% or 100% of the benefit continues to a surviving spouse.
- Joint life where 66.7% of the benefit continues after the first death of either the spouse or the member.
- Joint life where payments continue in full for the lifetime of the member or spouse, whoever lives longer, and with a guaranteed minimum of 10 or 15 years.
- Single life where payments continue for the member's lifetime with a guaranteed minimum of 0, 5, 10 or 15 years.

If the member has a spouse, Pensions Standards require that the member select a form which provides at least a 60% spousal survivor benefit unless the spouse completes a waiver.

Plan administration

General enquiries or requests for statements should be directed to the Pension Office at (250) 721-7030, by email to pensions@uvic.ca, or to:

Mailing address

Pension Services
University of Victoria
PO Box 1700, Stn CSC
Victoria BC V8W 2Y2

Physical address/courier

Pension Services
University of Victoria
ASB—Room B278
3800 Finnerty Rd
Victoria BC V8P 5C2

Retiring members should contact the Pension Office at least 3-6 months before their retirement date (last date on pay *vs* last day at work). The Pension Office will send the member a statement of options and the forms required for the various options. **The forms must be received in the Pension Office at least one full calendar month prior to the benefit payment date**.

Pensions are paid on the first of each month. Lump sum payments and transfers are processed at the end of each calendar month; the payment or transfer value is the market value at the end of the previous month, plus interest for the final month.

APPENDIX A: Annuity rate table

The table below shows the rates that will be used in 2013 to convert a member's Combined Contribution Account balance into a single life 3.5% internal variable annuity, and the actuarial reduction factors that are applied to the defined benefit minimum if the pension starts before normal retirement age (age 65). A single life annuity ceases on the death of the annuitant. Survivor benefits are available by selecting an optional form (joint life and guaranteed terms), but the amount payable is reduced. The optional form is selected at the time the annuity commences and, like the annuity, is irrevocable. The optional forms available from the Plan are described in the section Understanding the Plan, Survivor benefits.

Table of Rates for Annual Single Life 3.5% Annuity Commencing in 2013 Provided by $1000 of Combined Contribution Account and Actuarial Reduction Factors for Defined Benefit Minimum

Age in Years Upon Commencement of the Annuity	Annual Annuity Rate per $1,000	Actuarial Reduction Factor for Defined Benefit Minimum
55	53.63	0.55267
56	54.66	0.58285
57	55.75	0.61540
58	56.92	0.65055
59	58.15	0.68860
60	59.46	0.72987
61	60.85	0.77474
62	62.33	0.82366
63	63.91	0.87711
64	65.57	0.93566
65	67.34	n/a
66	69.22	n/a
67	71.21	n/a
68	73.34	n/a
69	75.63	n/a
70	78.10	n/a
71	80.78	n/a

**The defined benefit minimum is determined by multiplying the results of the formula described on page 12 by the actuarial reduction factor, if applicable. A factor of 0.72987 at age 60 means the actuarial reduction is 27.013% (1-0.72987). Reductions are prorated to the nearest whole month.*

APPENDIX B: Portfolio holdings at 31 December 2012, Balanced Fund

Short-term investments (2.27% of total)

	Par Value or Units	Market Value
Canada Treasury Bills	$1,350,000	$ 1,346,861.79
Pooled Funds		
bcIMC Canadian Money Market Fund ST2	10.755	41,448.92
Phillips, Hager & North Institutional STIF	1,431,344.141	14,313,441.41
		$15,701,752.12

Canadian bonds (28.45% of total)

	Interest Rate	Maturity Date	Par Value or Units	Market Value
Federal (government and government guaranteed)				
Canada	1.500	2017	$3,044,000	$ 3,060,629.37
Canada Housing Trust	3.750	2020	2,762,000	3,084,087.87
Canada Housing Trust	3.800	2021	1,237,000	1,392,406.78
NHA MBS #96505011 by Peoples Trust Co	4.200	2019	185,000	191,105.00
NHA MBS #96503636 by Equitable Trust Co	4.350	2018	620,000	613,366.00
Provincial (government and government guaranteed)				
New Brunswick	4.800	2041	391,000	481,186.50
Ontario	3.150	2022	494,000	511,384.85
Ontario	3.500	2043	506,000	518,107.06
Ontario	4.600	2039	2,874,000	3,449,110.39
Ontario	4.650	2041	2,397,000	2,939,455.48
Ontario	4.700	2037	2,843,000	3,429,698.54
Ontario	5.600	2035	4,328,000	5,787,925.29
Ontario	5.850	2033	1,974,000	2,683,317.42
Ontario	6.200	2031	428,000	595,487.10
Ontario	6.500	2029	867,000	1,222,955.52
Ontario	7.600	2027	18,153,000	27,427,894.14
Ontario	8.000	2026	675,000	1,033,433.10
Ontario	8.100	2023	1,970,000	2,903,646.04
Ontario	8.500	2025	265,000	417,000.56
Ontario Hydro	8.250	2026	1,199,000	1,863,630.88
Quebec	3.500	2022	5,332,000	5,618,749.63
Quebec	4.250	2043	81,000	92,247.42
Quebec	5.000	2041	1,496,000	1,890,091.28
Quebec	5.750	2036	743,000	1,001,113.74
Quebec	6.000	2029	183,000	244,277.55
Quebec	6.250	2032	1,188,000	1,647,731.05
Quebec	8.500	2026	1,405,000	2,193,244.34
Quebec	9.375	2023	1,681,000	2,612,184.91
Municipal (government and government guaranteed)				
Municipal Finance Authority BC	3.350	2022	139,000	143,872.09
South Coast BC Transportation	3.800	2020	705,000	755,011.29
Corporate				
Cadillac Fairview Finance Trust	3.240	2016	870,000	906,296.40
CBC Monetization Trust	4.688	2027	207,359	232,913.92
CDP Financial Inc	4.600	2020	138,000	156,696.79
Hospital for Sick Children	5.217	2049	330,000	409,108.59
Pooled Funds				
Phillips, Hager & North High Yield Bond Fund			600,422.597	7,020,921.56
Phillips, Hager & North Investment Grade Corp Bond Trust			10,481,764.963	107,951,697.35
				$196,481,985.80

APPENDIX B: Portfolio holdings at 31 December 2012, Balanced Fund continued

Mortgages (1.93% of total)

	Units	Market Value
Phillips, Hager & North Mortgage Pension Trust Fund	1,255,818.958	$13,364,927.68

Canadian equities (28.85% of total)

	Shares	Market Value
Consumer Discretionary		
Dollarama	20,900	$ 1,232,473.00
Magna International Inc	29,300	1,455,624.00
Shaw Communications Inc Class B Non-Vtg	59,500	1,358,980.00
Tim Hortons Inc	21,663	1,057,804.29
Consumer Staples		
Saputo Inc	32,400	1,630,044.00
Shoppers Drug Mart Corp	31,000	1,326,800.00
Energy		
Arc Resources Ltd	50,900	1,243,996.00
Baytex Energy Corp	18,200	780,234.00
Cameco Corp	64,900	1,271,391.00
Canadian Natural Resources Ltd	104,775	3,000,756.00
Cenovus Energy Inc	73,910	2,460,463.90
Crescent Point Energy Corp	42,500	1,598,850.00
Imperial Oil Ltd	27,200	1,162,256.00
Inter Pipeline Fund Class A	58,900	1,384,150.00
Keyera Corp	19,286	949,449.78
Meg Energy Corp	32,000	974,080.00
Suncor Energy Inc	125,027	4,089,633.17
Tourmaline Oil Corp	37,800	1,180,494.00
Vermilion Energy Inc	24,400	1,268,068.00
Financials		
Bank of Nova Scotia (The)	101,100	5,809,206.00
Brookfield Asset Management Inc Class A Ltd Vtg	81,400	2,966,216.00
Canadian Imperial Bank of Commerce	42,680	3,413,119.60
Intact Financial Corp	16,800	1,088,136.00
Manulife Financial Corp	187,198	2,529,046.08
Onex Corp Sub-Vtg	24,347	1,019,408.89
Royal Bank of Canada	115,028	6,887,876.64
Toronto-Dominion Bank (The)	78,700	6,591,125.00
Health Care		
Catamaran Corp	38,223	1,788,071.94
Industrials		
Canadian National Railway Co	49,500	4,471,335.00
Finning International Inc	56,749	1,394,322.93
Materials		
Agrium Inc	14,879	1,475,104.06
Eldorado Gold Corp	116,819	1,495,283.20
Goldcorp Inc	89,000	3,254,730.00
New Gold Inc	90,600	997,506.00
Potash Corp of Saskatchewan Inc	81,800	3,311,264.00
Silver Wheaton Corp	52,511	1,883,044.46
Teck Resources Ltd Class B Sub-Vtg	50,192	1,814,440.80
West Fraser Timber Co Ltd	6,324	442,996.20

Canadian equities continued	Shares or Units	Market Value
Telecommunication Services		
Rogers Communications Inc Class B Non-Vtg	57,300	$ 2,587,668.00
Utilities		
Emera Inc	40,000	1,389,600.00
Pooled Funds		
bcIMC Active Canadian Equity Fund	13,746.134	101,985,262.85
Sceptre Small Cap Fund	79,302.758	11,220,499.65
		$199,240,810.44

Foreign equities (26.13% of total)	Units	Market Value
bcIMC Active US Equity Fund	3,824.860	$ 16,963,331.70
bcIMC Active US Small Cap Equity Fund	3,176.618	4,102,897.14
bcIMC Enhanced Indexed US Equity Fund	5,775.562	10,427,148.09
bcIMC Active Asian Equity Fund	5,502.167	11,907,179.54
bcIMC Active Emerging Equity Fund	2,165.740	2,249,332.82
bcIMC Active Global Equity Fund	6,086.024	6,913,229.80
bcIMC Indexed Asian Equity Fund	1,023.110	1,053,108.47
bcIMC Indexed European Equity Fund	8,403.713	10,764,442.52
bcIMC Indexed Global Equity Fund	102,084.268	116,067,873.65
		$180,448,543.73

Currency hedges (0.10% of total)	Units	Market Value
bcIMC Euro Currency Hedging Fund	613.011	$665,521.92

Real estate (12.27% of total)	Units	Market Value
bcIMC Realpool Investment Fund	11,894.688	$84,781,246.79

Total Balanced Fund investment portfolio at market value	**$690,684,788.48**
Portion held by the University of Victoria Combination Pension Plan (94.89%)	**$655,370,013.98**

APPENDIX C: Portfolio holdings at 31 December 2012, Defined Retirement Benefit Fund

Short-term investments (4.29% of total)

	Units	Market Value
bcIMC Canadian Money Market Fund ST2	0.515	$ 1,984.22
Phillips, Hager & North Institutional STIF	380,799.177	3,807,991.77
		$3,809,975.99

Real return bonds (17.19% of total)

	interest rate	maturity date	Units	Market Value
Phillips, Hager & North Inflation-Linked Bond Fund			1,199,391.318	$15,262,374.46

Mortgages (4.13% of total)

	Units	Market Value
Phillips, Hager & North Mortgage Pension Trust Fund	344,870.783	$3,670,252.82

Canadian equities (38.60% of total)

	Shares	Market Value
Consumer Discretionary		
Gildan Activewear Inc	5,300	$ 192,549.00
Magna International Inc	13,400	665,712.00
Shaw Communications Inc Class B Non-Vtg	6,600	150,744.00
Thomson Reuters Corp	10,800	310,824.00
Tim Hortons Inc	4,000	195,320.00
Consumer Staples		
Alimentation Couche-Tard Inc Class B Sub-Vtg	6,800	332,724.00
Loblaw Companies Ltd	2,100	88,053.00
Saputo Inc	2,800	140,868.00
Energy		
Arc Resources Ltd	25,700	628,108.00
Cameco Corp	12,200	238,998.00
Canadian Natural Resources Ltd	43,000	1,231,520.00
Cenovus Energy Inc	34,132	1,136,254.28
Enbridge Inc	22,300	959,346.00
Encana Corp	11,632	228,685.12
Husky Energy Inc	15,600	458,640.00
Suncor Energy Inc	28,720	939,431.20
Talisman Energy Inc	23,700	266,625.00
Tourmaline Oil Corp	1,600	49,968.00
TransCanada Corp	20,100	945,102.00
Financials		
Bank of Montreal	8,900	541,654.00
Bank of Nova Scotia (The)	38,200	2,194,972.00
Brookfield Asset Management Inc Class A Ltd Vtg	10,900	397,196.00
Brookfield Office Properties Inc	17,800	301,888.00
CI Financial Corp	7,900	196,947.00
iShares S&P/TSX 60 Index Fund	19,300	345,856.00
Manulife Financial Corp	59,200	799,792.00
National Bank of Canada	5,800	447,992.00
Power Corp of Canada Sub-Vtg	14,000	355,320.00
Royal Bank of Canada	37,800	2,263,464.00
Toronto-Dominion Bank (The)	31,400	2,629,750.00

Canadian equities continued

	Shares or Units	Market Value
Health Care		
Catamaran Corp	5,700	$ 266,646.00
Valeant Pharmaceuticals International Inc	6,600	391,644.00
Industrials		
Bombardier Inc Class B Sub-Vtg	60,200	226,352.00
CAE Inc	22,900	230,603.00
Canadian National Railway Co	10,200	921,366.00
SNC-Lavalin Group Inc	13,700	552,384.00
Information Technology		
CGI Group Class A Sub-Vtg	16,400	376,216.00
Materials		
Agrium Inc	3,400	337,076.00
First Quantum Minerals Ltd	7,400	162,134.00
Potash Corp of Saskatchewan Inc	21,200	858,176.00
Sherritt International Corp	21,200	121,900.00
Teck Resources Ltd Class B Sub-Vtg	13,500	488,025.00
Turquoise Hill Resources Ltd	12,615	95,874.00
Telecommunication Services		
Rogers Communications Inc Class B Non-Vtg	16,400	740,624.00
Telus Corp Non-Vtg	6,400	413,952.00
Pooled Funds		
Phillips, Hager & North Institutional Gold & Precious Metals Fund	410,882.010	3,319,639.02
Phillips, Hager & North Small Float Fund	320,407.875	5,115,055.39
		$34,251,969.01

Foreign equities (25.61% of total)

	Units	Market Value
bcIMC Active US Equity Fund	532.050	$2,359,652.50
bcIMC Active US Small Cap Equity Fund	346.535	447,582.74
bcIMC Enhanced Indexed US Equity Fund	735.643	1,328,122.94
bcIMC Active Asian Equity Fund	694.121	1,502,140.51
bcIMC Active Emerging Equity Fund	266.180	276,454.05
bcIMC Active Global Equity Fund	602.173	684,020.18
bcIMC Indexed Asian Equity Fund	192.898	198,554.05
bcIMC Indexed European Equity Fund	1,133.055	1,451,347.48
bcIMC Indexed Global Equity Fund	12,743.780	14,489,435.34
		$22,737,309.79

Currency hedges (0.09% of total)

	Units	Market Value
bcIMC Euro Currency Hedging Fund	77.265	$83,883.17

Real estate (10.09% of total)

	Units	Market Value
bcIMC Realpool Investment Fund	1,256.117	$8,953,168.83

Total Defined Retirement Benefit Fund investment portfolio at market value	**$88,768,934.07**

APPENDIX D: History of the Plan

Pension plans are of two major types: defined benefit and defined contribution. Under the typical defined benefit plan, a member's pension is determined by a formula based on years of service, salary and age at retirement. Pension payments to the member during his or her retirement remain constant, except for any cost-of-living adjustments. In a defined contribution plan, the contributions of the member and his or her employer, together with net investment earnings or losses, accumulate throughout the member's career. At retirement, the accumulated sum is used to purchase a pension. In a defined contribution plan, net investment returns are obviously of great importance to the member, particularly if the pension is paid in the form of a variable annuity adjusted each year during his or her retirement according to the Plan's performance.

Original Plan provides greater of defined contribution or defined benefit. When the pension plan was established in 1968 to replace the earlier TIAA-CREF money purchase contracts, it retained the defined contribution features for payments at death, before retirement, or on termination of employment, but pensions were to be calculated under a defined benefit formula based on years of service and final average salary to compensate the long-service employees of that time for the inadequacy of earlier University of Victoria pension plans. In 1972, in order to qualify for registration under the *Income Tax Act* and still retain the advantages of the defined contribution features for members who leave the University before retirement, the Plan was amended so that pensions would also be determined on a defined contribution basis. It was possible to retain the defined benefit as a minimum benefit, but the Plan became in essence and intent a defined contribution plan with the expectation that the majority of members would receive a variable annuity that would exceed the defined benefit.

Amendments in 1980s allow members to choose between defined contribution and defined benefit. In 1983 the Plan was amended to permit members, who are eligible to receive a defined contribution pension, to purchase an annuity from a life insurance company. A further amendment in 1985 permitted the selection at retirement of a defined contribution pension even when the initial amount was smaller than the defined benefit.

Income Tax Reform in 1990. In 1991 the Plan was segregated into a **Money Purchase Pension Plan** and a **Combination Pension Plan.** The **Money Purchase Pension Plan** is a defined contribution pension plan for members of the faculty and administrative and academic professional staff holding term appointments or regular (continuing) appointments of 50% or more of full time but less than full time and for senior instructors and sessional lecturers. The **Combination Pension Plan** is for full time continuing members of the faculty and administrative and academic professional staff.

Also in 1991, contributions to member accounts became limited to the defined contribution maximum permitted under the *Income Tax Act*, initially $12,500. In 1994, in response to these limits, the Supplemental Benefit Arrangement (SBA) was created. The SBA is a complement to the Combination Pension Plan. It provides money purchase benefits and, since 2000, defined benefits that can not be provided under the registered pension plan.

Introduction of pension standards in 1993. On 1 January 1993, minimum pension standards legislation became effective in BC. The most significant impact this had on members of the Combination Pension Plan is that contributions made on or after 1 January 1993 must be locked-in to provide a lifetime retirement income. Contributions made prior to 1993 were restricted under the plan document. The restrictions did not amount to full lock-in under pension standards and were removed effective 1 June 2006.

Member contribution rates. Members of the Combination Pension Plan contribute an amount equal to:

(a) 3% of basic salary up to the contributory earnings upper limit for the Canada Pension Plan (the "Year's Maximum Pensionable Earnings" - YMPE), plus
(b) 5% on the salary in excess of that limit, plus
(c) one-third of the amount by which, if any, the University's defined benefit contribution exceeds 1% (1.35% effective 1 May 2011).

Employee contributions are directed to individual Combined Contribution Accounts (CCAs). The CCA balances provide the main part of a member's final pension entitlement in the same way as a defined contribution account.

University contribution rates. Up to 31 December 1990 the University contributed 10% of basic salary minus its Canada Pension Plan contribution. Of this amount, 12% of basic salary less the member's contribution, was directed to each individual's CCA, and the remaining employer contribution was directed into the Defined Retirement Benefit Account (DRBA).

In 1991, to comply with new Income Tax Act rules, the University contributions to individual members' CCAs were revised to equal:

(a) 10.37% of basic salary up the YMPE, plus
(b) 14% of basic salary in excess of the YMPE, less
(c) the individual member's contribution, plus
(d) up to an additional 1% if, on the advice of the actuary, the 1% is not required to fund the defined benefit minimum.

At the same time, University contributions to fund the

...cont'd

defined benefit minimum were revised to equal:

(a) 1% of salary, which at the discretion of the Pension Board acting on the advice of the actuary, could be directed in whole or in part to member's CCAs, plus

(b) such additional contributions as are recommended by the plan actuary to maintain the Defined Retirement Benefit Account on a sound actuarial basis (4.05% of salary effective 1 May 2011).

From 1 January 1991 to 30 June 1993, and from 1 July 1998 to 31 December 2001, the 1% contribution was not required for the defined benefit minimum and, on the advice of the plan actuary, was redirected to members' CCAs. Since that time, plan actuaries have recommended that the 1% of salary be gradually returned to its original purpose, namely to fund the defined benefit minimum (registered plan and/or the Supplemental Benefit Arrangement). Consequently, for 2002, the Pension Board changed the allocations to 0.8% to CCAs and 0.2% to the defined benefit minimum. For 2003 and 2004, the corresponding allocations were 0.7% and 0.3% and, effective 1 January 2005, the full 1% was allocated to accounts funding the defined benefit minimum. The 1% was increased to 5.05% effective 1 May 2011.

Immunization options. A Canadian Government Treasury Bill Fund was created in 1991 and a Short Term Bond and Mortgage Fund was added in 2003. These investment options were removed in 2010 due to lack of use and onerous regulatory requirements. A GIC option was similarly available from 1995 to 2002.

Variable Benefit. On 1 January 1997, the variable withdrawal plan was added as an option for retiring members. The variable withdrawal plan is essentially an income fund operated by the pension plan. It provides members with a regular but flexible retirement income. It was renamed the variable benefit in 2006.

On 1 January 2012, the 5% internal variable annuity ceased to be offered. The change did not affect pensioners already in receipt of the annuity.

APPENDIX E: Service providers

Service providers at the end of December 2012		
Investment Managers	BC Investment Management Corporation (bcIMC) • manages one-half the Canadian equity portion, and all the global equity and real estate portions of the Balanced Fund • Manages the global equity and real estate portions of the Defined Retirement Benefit Fund	Victoria, BC
	Fiera Capital Corporation • manages one-half the Canadian equity portion of the Balanced Fund	Vancouver, BC
	Phillips, Hager & North Investment Management Limited • manages the fixed income portion of the Balanced Fund and the domestic portion of the Defined Retirement Benefit Fund	Vancouver, BC
Custodian	RBC Investor Services Trust • custodian of plan assets, excluding bcIMC funds • payment service for pensions and taxable lump sums	Vancouver, BC
Investment consultant	Towers Watson	Vancouver, BC
Performance measurement	RBC Investor Services Limited	Vancouver, BC
Actuary	Mercer (Canada) Limited	Vancouver, BC
Auditor	Grant Thornton LLP	Victoria, BC