



UBC SUPPLEMENTAL ARRANGEMENT 2020 ANNUAL REPORT

This report provides a summary of highlights and figures as at December 31, 2020 for the University of British Columbia Supplemental Arrangement.

General Information on the Supplemental Arrangement

As at December 31, 2020, the UBC Supplemental Arrangement (SA) had 1,189 members and \$119 million in total assets. The plan is administered by Sun Life Assurance Company of Canada (Sun Life).

The timing and amount of contributions to each member's account are unique and a member's investment returns are dependent on the contribution amounts and the timing of those contributions to the investment fund.

For 2020, the registered pension contribution limit was \$27,830. Members who earned more than \$198,782 reached the maximum pension contribution limit and excess employer contributions were redirected to their SA accounts.

For 2021, the registered pension contribution limit is \$29,210. Members who earn more than \$208,678 will reach the maximum pension contribution limit and excess employer contributions will be redirected to their SA accounts.

Administration

Members with general inquiries regarding the SA, such as beneficiary designations and retirement options, may contact Lorraine Heseltine at lorraine.heseltine@ubc.ca at the UBC Pension Administration Office.

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

UBC has given investment responsibility to the UBC Investment Management Trust (IMANT).

Asset Allocation as at December 31, 2020

At December 31, 2020, investments for the SA were invested in the BlackRock Balanced Moderate Index Fund. The Fund consists of a combination of Canadian and foreign equity, bond and real estate income trust (REIT) index funds.

Asset Class	SA Fund Market Value	% of Total Assets	Major Market Indices	1 Year Return
Canadian Equity	\$23,319,957	19.6%	S&P/TSX Composite	5.6%
Global Equity	\$41,761,759	35.1%	MSCI All Country World ex-Canada	14.7%
Canadian Fixed Income	\$47,948,686	40.3%	FTSE Canada Universe Bond	8.7%
Real Estate	\$5,948,969	5.0%	FTSE Canada Real Return Bond	13.0%
			S&P/TSX Capped REIT	-13.1%
			Dow Jones US Real Estate	-5.3%
Total Portfolio	\$118,979,370	100.0%		

Investment Returns to December 31, 2020

Investment results are gross of investment management fees and administrative fees. The Supplemental Arrangement returned 9.42% during the year, behind the policy benchmark.

	1 Year	2 Year	3 Year	4 Year
Supplemental Arrangement	9.42%	12.31%	7.53%	7.74%
Benchmark	9.89%	12.55%	7.67%	7.83%
Difference	-0.47%	-0.24%	-0.14%	-0.09%

Summary of Operating Results

For the year January 1 to December 31, 2020, the operating results of the SA Fund are as follows:

Investment returns

1-year return (gross of fees) 9.42%

Expenses

Administrative fees (internal and external) 0.10%

Investment management fees 0.11%

Total Expenses 0.21%

Administrative fees primarily include custody and recordkeeping charges.