

# Important Changes to the Saint Mary's University Pension Plans

Saint Mary's University and the Pension Committees that administer the Pension Plans are committed to supporting Plan Members in achieving financial security for their retirement. To that end, the Pension Committees periodically review the Saint Mary's University Pension Plans to ensure members have the investment choices and flexibility needed to achieve their retirement goals.

Last fall, the Pension Committees commissioned Mercer Investment Consulting to conduct a thorough review of the SMU Portfolios and the Investment Funds currently offered in the Pension Plans. As a result of that review and related discussions, the Pension Committees have adopted the following changes to the investment options available in the SMU Pension Plans:

- 1) The **Integra Acadian Core International Equity Fund** will replace the UBS Global Asset Management EAFE Equity Fund. The decision to replace this UBS fund was based on organizational changes at UBS and other factors that caused the Committees to have less confidence in UBS' ability to add value to international equity investment returns.
- 2) The **Sun Life Financial Money Market Segregated Fund** will replace the McLean Budden Money Market Fund. This is expected to reduce the operating cost of the Money Market Fund while delivering similar expected investment returns.
- 3) The underlying **BGI U.S. Equity Fund** will be changed to a fund only offered to registered investors in order to improve the rates of return and the operating costs.
- 4) The **SMU Portfolios** will be changing in order to reflect the latest investment research findings, with the goal of optimizing performance and meeting member needs. The following changes will be implemented:
  - Re-alignment of the equity/fixed income weightings according to a member's risk profile due to the benefits offered by diversification of these two broad investment categories.
  - Re-alignment of the domestic and foreign equity portions of the portfolios to improve diversification in the equity components of the portfolios.
  - Elimination of the Money Market Fund from the portfolios due to its lower expected returns and the ability of the bond fund to better protect the ultimate retirement income that will be provided by the member's retirement account.

**These changes will be implemented between March 23 and March 29, 2007.**

# What's changing?

There are 2 major changes occurring in your plan.

## 1) Fund Replacements Effective March 26, 2007

Three of your Segregated Investment Funds will be changed to new funds.

The chart below summarizes those changes.

Current Segregated Fund	New Segregated Fund as of March 26, 2007	Reason for change	What you will see in your account
UBS Global Asset Management EAFE Equity Fund	Integra Acadian Core Int'l Equity Fund	Possible improvement of returns.	Change in the name, unit value, and number of units held in your account.
McLean Budden Money Market Fund	Sun Life Money Market Fund	Marginal reduction in operating cost of the fund.	Change in the name, unit value and number of units held in your account.
BGI US Equity Fund	BGI US Equity Fund	Marginal reduction in operating cost of the fund as well as slight improvement of returns.	As this is a change in the underlying fund only, there is no name change showing in your account. However, the unit value and number of units held in your account will change.

## 2) Change To Saint Mary's University Asset Allocation Portfolios Effective March 28, 2007

In the summer of 2006, Sun Life Financial's Investment Risk Questionnaire and asset mix recommendations were thoroughly reviewed in order to ensure that they were appropriate for plan members given today's financial environment, including the elimination of the 30% foreign content limit. As a result of this review, Sun Life Financial's asset allocation recommendations were updated. The Saint Mary's University's Pension Committees worked with these recommendations to re-align the SMU Portfolios in terms of the equity/fixed income weightings.

The changes are summarized in the chart on next page.

Portfolio Name	Current Asset Allocation	New Asset Allocation as of March 28, 2007
Conservative	80% Fixed Income: <ul style="list-style-type: none"> <li>• 37% McLean Budden Money Market Fund</li> <li>• 43% BGI Canadian Bond Index Fund</li> </ul> 20% Equity: <ul style="list-style-type: none"> <li>• 10% BGI Active Canadian Fund</li> <li>• 5% BGI US Equity Fund</li> <li>• 5% UBS International Equity Fund</li> </ul>	70% Fixed Income: <ul style="list-style-type: none"> <li>• 0% Sun Life Money Market Fund</li> <li>• 70% BGI Bond Index</li> </ul> 30% Equity: <ul style="list-style-type: none"> <li>• 10% BGI Active Canadian Equity Fund</li> <li>• 10% BGI US Equity Fund</li> <li>• 10% Integra Acadian Core Int'l Equity Fund</li> </ul>
Moderate	60% Fixed Income: <ul style="list-style-type: none"> <li>• 7% McLean Budden Money Market Fund</li> <li>• 53% BGI Canadian Bond Index Fund</li> </ul> 40% Equity: <ul style="list-style-type: none"> <li>• 22% BGI Active Canadian Fund</li> <li>• 9% BGI US Equity Fund</li> <li>• 9% UBS International Equity Fund</li> </ul>	50% Fixed Income: <ul style="list-style-type: none"> <li>• 0% Sun Life Money Market Fund</li> <li>• 50% BGI Bond Index</li> </ul> 50% Equity: <ul style="list-style-type: none"> <li>• 16% BGI Active Canadian Equity Fund</li> <li>• 17% BGI US Equity Fund</li> <li>• 17% Integra Acadian Core Int'l Equity Fund</li> </ul>
Balanced	40% Fixed Income: <ul style="list-style-type: none"> <li>• 5% McLean Budden Money Market Fund</li> <li>• 35% BGI Canadian Bond Index Fund</li> </ul> 60% Equity: <ul style="list-style-type: none"> <li>• 32% BGI Active Canadian Fund</li> <li>• 14% BGI US Equity Fund</li> <li>• 14% UBS International Equity Fund</li> </ul>	40% Fixed Income: <ul style="list-style-type: none"> <li>• 0% Sun Life Money Market Fund</li> <li>• 40% BGI Bond Index</li> </ul> 60% Equity: <ul style="list-style-type: none"> <li>• 20% BGI Active Canadian Equity Fund</li> <li>• 20% BGI US Equity Fund</li> <li>• 20% Integra Acadian Core Int'l Equity Fund</li> </ul>
Growth	20% Fixed Income: <ul style="list-style-type: none"> <li>• 0% McLean Budden Money Market Fund</li> <li>• 20% BGI Canadian Bond Index Fund</li> </ul> 80% Equity: <ul style="list-style-type: none"> <li>• 52% BGI Active Canadian Fund</li> <li>• 14% BGI US Equity Fund</li> <li>• 14% UBS International Equity Fund</li> </ul>	30% Fixed Income: <ul style="list-style-type: none"> <li>• 0% Sun Life Money Market Fund</li> <li>• 30% BGI Bond Index</li> </ul> 70% Equity: <ul style="list-style-type: none"> <li>• 22% BGI Active Canadian Equity Fund</li> <li>• 24% BGI US Equity Fund</li> <li>• 24% Integra Acadian Core Int'l Equity Fund</li> </ul>
Aggressive	0% Fixed Income: <ul style="list-style-type: none"> <li>• 0% McLean Budden Money Market Fund</li> <li>• 0% BGI Canadian Bond Index Fund</li> </ul> 100% Equity: <ul style="list-style-type: none"> <li>• 72% BGI Active Canadian Fund</li> <li>• 14% BGI US Equity Fund</li> <li>• 14% UBS International Equity Fund</li> </ul>	20% Fixed Income: <ul style="list-style-type: none"> <li>• 0% Sun Life Money Market Fund</li> <li>• 20% BGI Bond Index</li> </ul> 80% Equity: <ul style="list-style-type: none"> <li>• 26% BGI Active Canadian Equity Fund</li> <li>• 27% BGI US Equity Fund</li> <li>• 27% Integra Acadian Core Int'l Equity Fund</li> </ul>

## What does this mean to you?

The Pension Committees have made these decisions based on substantial analysis and research, to assist plan members in realizing their retirement goals, and to provide members with improved investment opportunities.

## Existing assets

Assets invested in any of the funds being replaced or in the SMU Asset Allocation Portfolios will automatically be mapped to one of the other investment options in your plan according to the charts above effective **March 29, 2007**.

These transactions will not affect the dollar value in your account and have no tax implications.

**No immediate action is required on your part. You will be able to view your account on-line during the transition period from March 23, 2007 to March 26, 2007. However, you will not be able to process transactions during that period.**

## Future contributions

Any change to your plan provides a good opportunity to revisit your investment strategy and decisions. It's very important to know what type of investor you are in order to ensure your money is being invested according to your risk tolerance. It's also important to ensure you're still on track with your investment goals. Sun Life Financial's online Asset Allocation tool can help you determine just that.

Think of the Asset Allocation Tool as a quiz that matches your personality with your money. After using this tool, you'll have a better understanding of how much risk you're willing to take when it comes to investing.

You have the choice to either:

- **Use the SMU Asset Allocation Portfolios** – This strategy allows you to take a less active, hands-on role. Instead of selecting your own mix of investment funds, you can select one of the five investment portfolios that have been designed for Saint Mary's University plan members. Your 'profiler score' will help you determine which of these five funds is best for you. This approach automatically re-balances your account to ensure your actual asset mix remains consistent with the target mix for the portfolio.
- **Build your own asset allocation** – This strategy allows you to be a more hands-on investor – choosing multiple funds to invest in and monitoring them to ensure they align with your investment goals. Your 'profiler score' will help you determine what percentage of contributions should be invested in the different asset categories. If you use this approach, you will need to review your account periodically to ensure your actual asset mix remains consistent with your target mix.

The tool will also offer a target portfolio, representing the percentage of your plan balance that should be invested in each asset class whether you're investing in multiple funds or in one portfolio fund.

To access the online Asset Allocation Tool, better known as the **Investment risk profiler**, sign in to [www.sunlife.ca/member](http://www.sunlife.ca/member) with your Access ID and Password. From the **Resource Centre** drop-down menu, select **My Money Tools**.

## Planning for Retirement

With the Asset Allocation Tool, you've already determined the type of investor you are. But what's your vision of retirement? And how do you get there? Planning can be easy ... with Sun Life Financial's Retirement Planner.

The Retirement Planner will suggest a retirement lifestyle based on your current income, additional savings, and your risk tolerance. The information you input will be saved each time you visit the planner, helping you track your progress towards your desired retirement lifestyle.

### Your Access ID and Password

You will need a personal Access ID and Password to access your account online or by phone.

### Don't have an Access ID or Password?

Sign in to [www.sunlife.ca/member](http://www.sunlife.ca/member) using your account number (see your welcome letter or your statement for this number) and select the **Register** link.

- **Forgot your Access ID?** Call the support line at **1-877-521-8805**.
- **Forgot your Password?** Select the **Forgot your Password?** link.

## Questions?

If you have any questions, contact our Customer Care Centre at **1-866-733-8612**. Customer Care Centre representatives are available every business day from 9 A.M. to 9 P.M. Atlantic Time. The automated telephone service is available 24 hours a day.