

**UNIVERSITY OF NORTHERN  
BRITISH COLUMBIA PENSION PLAN**



**FINANCIAL STATEMENTS  
DECEMBER 31, 2012 and 2011**

# UNIVERSITY OF NORTHERN BRITISH COLUMBIA PENSION PLAN

FOR THE YEARS ENDED DECEMBER 31, 2012 and 2011

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# UNIVERSITY OF NORTHERN BRITISH COLUMBIA PENSION PLAN

## STATEMENT OF MANAGEMENT RESPONSIBILITY

To the Board of Trustees of the  
University of Northern British Columbia Pension Plan

The Finance Department of the University of Northern British Columbia is responsible for the preparation of the financial statements and has prepared them in accordance with Canadian generally accepted accounting principles.

The Pension Plan Board of Trustees is required to ensure that adequate internal controls exist to achieve, in a cost effective manner, its responsibilities in the following areas:

- meeting the requirements under the University of Northern British Columbia Trust Agreement;
- efficient and effective investment of the pension plan funds;
- accuracy and reliability of accounting information;
- timely preparation of reliable financial information consistent with prior years.

The statements are examined by KPMG LLP, who provide an opinion on the fairness of presentation of the information contained therein. KPMG LLP has full access to the Pension Plan Board of Trustees.



Eileen Bray  
VP Administration and Finance  
University of Northern British Columbia



Colleen Smith  
Director, Finance & Budgets  
University of Northern British Columbia

July 20, 2013



**KPMG LLP**  
**Chartered Accountants**  
400 - 177 Victoria Street  
Prince George BC V2L 5R8

Telephone (250) 563-7151  
Telefax (250) 563-5693  
Internet www.kpmg.ca

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees of the University of Northern British Columbia Pension Plan

We have audited the accompanying financial statements of the University of Northern British Columbia Pension Plan (the "Plan") which comprise the statement of net assets available for benefits as at December 31, 2012, and the statement of changes in net assets available for benefits for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.



## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 2012, and its changes in net assets available for benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

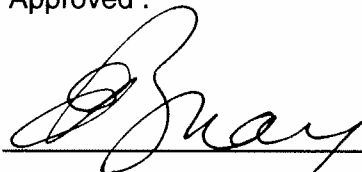
A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a single horizontal line that starts under the 'K' and extends past the 'P'.

Chartered Accountants  
Prince George, Canada  
September 25, 2013

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA PENSION PLAN**  
**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**  
**AS AT DECEMBER 31, 2012 AND 2011**

	2012	2011
<b>Investments held in trust by Sun Life of Canada (Note 3)</b>		
<b>Balanced funds</b>	<b>\$ 14,724,129</b>	<b>\$ 12,809,242</b>
B.G. Balanced	3,000,158	2,193,853
B.V. Balanced	9,419,367	8,612,239
MB Balanced Growth	2,093,659	1,829,541
MB Select Balanced Fund	210,945	173,609
<b>Canadian Equity funds</b>	<b>17,230,273</b>	<b>16,229,232</b>
B.G. Canadian Equity	1,978,294	1,656,998
B.G. Small Cap	4,106,638	4,158,962
BlackRock S&P/TSX Composite Index	2,083,444	1,883,293
MB Canadian Equity Growth	1,757,859	1,767,918
MB Canadian Equity Core	7,304,038	6,762,061
<b>Fixed Income</b>	<b>9,703,840</b>	<b>8,380,194</b>
Blackrock Bond Index	3,018,101	2,263,553
PH&N Bond	6,685,739	6,116,641
<b>Global Equity</b>	<b>4,355,813</b>	<b>3,496,595</b>
BlackRock US Equity Index	683,217	485,055
CI American Value	874,626	692,720
MB US Equity	272,198	165,924
MB Global Equity	2,525,772	2,152,896
<b>Money Market/Guaranteed</b>	<b>9,103,793</b>	<b>8,588,086</b>
SLF Money Market	5,853,561	5,650,481
SLA Guaranteed - 1, 3, and 5 year	3,250,232	2,937,605
<b>NET ASSETS AVAILABLE FOR BENEFIT</b>	<b>\$ 55,117,848</b>	<b>\$ 49,503,349</b>

Approved :

  
 Eileen Bray, Chair, Board of Trustees

  
 William Chew, Trustee

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA PENSION PLAN**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<b>2012</b>	<b>2011</b>
<b>INCREASE IN ASSETS</b>		
<b>Investment income (loss)</b>	<b>\$ 3,890,797</b>	<b>\$ (2,216,795)</b>
<b>Balanced funds</b>	<b>1,418,874</b>	<b>(436,741)</b>
B.G. Balanced	267,487	7,772
B.V. Balanced	940,112	(283,628)
MB Balanced Growth	193,884	(153,567)
MB Select Balanced Fund	17,391	(7,318)
<b>Canadian Equity funds</b>	<b>1,543,758</b>	<b>(2,431,225)</b>
B.G. Canadian Equity	206,718	(96,969)
B.G. Small Cap	330,545	(474,205)
BlackRock S&P/TSX Composite Index	126,257	(189,557)
MB Canadian Equity Growth	172,093	(496,932)
MB Canadian Equity Core	708,145	(1,173,562)
<b>Fixed Income</b>	<b>355,999</b>	<b>644,656</b>
BlackRock Bond Index	96,331	165,118
PH&N Bond	259,668	479,538
<b>Global Equity</b>	<b>450,054</b>	<b>(120,518)</b>
Blackrock US Equity Index	69,372	17,808
CI American Value	68,995	11,248
MB US Equity	30,250	(4,327)
MB Global Equity	281,437	(145,247)
<b>Money Market/Guaranteed</b>	<b>122,112</b>	<b>127,033</b>
SLF Money Market	62,336	64,020
SLA Guaranteed - 1, 3, and 5 year	59,776	63,013
<b>Contributions</b>	<b>4,923,858</b>	<b>4,985,538</b>
Employees' contributions	1,536,762	1,568,378
Employer's contributions	3,387,096	3,417,160
<b>Transfers in of employee contributions</b>	<b>-</b>	<b>26</b>
<b>TOTAL INCREASE IN ASSETS</b>	<b>8,814,655</b>	<b>2,768,769</b>
<b>DECREASE IN ASSETS</b>		
<b>Refunds and transfers of employees' contributions</b>	<b>(2,908,867)</b>	<b>(3,323,832)</b>
<b>Administrative and investment management fees</b>	<b>(238,473)</b>	<b>(376,161)</b>
<b>Employer's over-contributions (Note 5)</b>	<b>(52,816)</b>	<b>(52,078)</b>
<b>TOTAL DECREASE IN ASSETS</b>	<b>(3,200,156)</b>	<b>(3,752,071)</b>
<b>NET INCREASE (DECREASE) IN NET ASSETS</b>	<b>5,614,499</b>	<b>(983,302)</b>
<b>NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR</b>	<b>49,503,349</b>	<b>50,486,651</b>
<b>NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR</b>	<b>\$ 55,117,848</b>	<b>\$ 49,503,349</b>

# UNIVERSITY OF NORTHERN BRITISH COLUMBIA PENSION PLAN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2012

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#### 1. DESCRIPTION OF PLAN:

The following description of the University of Northern British Columbia Pension Plan is a summary only. For more complete information, reference should be made to the Plan Agreement.

##### (a) **General**

The Plan is a defined contribution pension plan covering all permanent employees of the University of Northern British Columbia. Under the Plan, contributions are made by the Plan members and the University. The net assets of the Plan represent the total obligations to Plan members.

The Plan qualifies as a Registered Pension Trust as defined in the Income Tax Act and is not subject to income taxes. The Plan Registration number is 0991034.

The Plan was registered under the Pension Benefits Standards Act of British Columbia as at November 24, 1994. The Plan complied with the Act during the year ended December 31, 2012.

##### (b) **Vesting**

The employer's contributions for a member who has completed two years of credited service are deemed to be vested in the pension plan.

##### (c) **Retirement Benefits**

Upon retirement, the combined total of the employee and the employer accounts will be available to vested employees.

##### (d) **Termination Benefits**

A vested member who terminates employment is entitled to receive the value of the member's employee and employer accounts. An unvested member who terminates employment is entitled to receive a refund of the member's employee account, including interest.

##### (e) **Disability Benefits**

A disability pension is available at any age for vested members who are totally and permanently disabled. Such pension will not be paid while the member is in receipt of benefits from a long term disability plan sponsored by the University.

##### (f) **Death Benefits**

A member's spouse or beneficiary is entitled to a death benefit equal to the combined value of the member's employee and employer accounts if vested or the member's employee account, including interest, if the member dies before vesting.

##### (g) **Members' accounts transferred or refunded**

Members' accounts transferred or refunded are recognized as a decrease in net assets when the funds are disbursed.



# UNIVERSITY OF NORTHERN BRITISH COLUMBIA PENSION PLAN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2012

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements have been prepared in accordance with Canadian accounting standards for pension plans. The plan's significant accounting policies are as follows:

##### (a) Investments

Investments are carried at fair value. In determining fair values, adjustments have not been made for transaction costs as they are not considered significant. The change in the difference between the fair value and cost of investments at the beginning and end of each year is reflected in the statement of changes in net assets available for benefits as net unrealized change in fair value of investments. Fair values are determined as follows:

- i. Publicly traded bonds, debentures and equities are valued at published closing market quotations.
- ii. Units in pooled funds are valued based on published unit values supplied by the pooled fund administrator, which represents the Plan's proportionate share of underlying net assets at fair values determined using closing market prices.

##### (b) Investment income

Investment income is recorded on the accrual basis. Any adjustments to investments due to the fluctuation of market prices are reflected as part of the return on investments in the statement of changes in net assets available for benefits.

##### (c) Use of estimates

The preparation of financial statements, in conformity with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in assets during the period. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the valuation of investments.

# UNIVERSITY OF NORTHERN BRITISH COLUMBIA PENSION PLAN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2012

#### 3. INVESTMENTS:

Sun Life of Canada was appointed in April, 1997 to provide management services for the pension plan funds. Investment management services are provided by several fund managers including Phillips, Hager & North Investment Management Ltd., Sun Life Assurance Company of Canada, Beutel Goodman & Company Ltd., BlackRock Asset Management Canada, McLean Budden Limited, BonaVista Asset Management Ltd and CI Investments Inc.

Market values are derived from external quotations.

#### 4. FUNDING POLICY:

In accordance with the Trust Agreement, members are required to contribute 3% of their earnings up to the Year's Maximum Pensionable Earnings (YMPE), where "Pensionable" refers to the amount covered annually under the Canada Pension Plan, and 5% of their earnings in excess of the YMPE. The University contributes an amount equal to 8% of the member's earnings up to the YMPE and 10% of the member's earnings in excess of the YMPE.

#### 5. EMPLOYER'S OVER-CONTRIBUTIONS:

Employer's over-contributions represent the employer's contributions that are returned to the employer for employees who have left the University prior to vesting.

#### 6. INVESTMENT INCOME:

Investment income (loss) for the year is analyzed as follows:

	<u>2012</u>	<u>2011</u>
Interest	\$ 471,100	\$ 384,021
Dividends	1,622,840	2,815,844
Capital gain/(loss), net	<u>1,796,857</u>	<u>(5,416,660)</u>
	<u>\$ 3,890,797</u>	<u>\$ (2,216,795)</u>

# UNIVERSITY OF NORTHERN BRITISH COLUMBIA PENSION PLAN

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

### 7. INVESTMENTS:

Canadian generally accepted accounting principles require disclosure of the fair value of financial instruments. The Plan's investments are carried at fair value in accordance with the accounting policy disclosed in note 2(b) and as disclosed on the statement of net assets.

	2012		2011	
	Units	Amount	Units	Amount
<b>Balanced Funds:</b>				
B.G. Balanced	100,021	3,000,158	81,198	2,193,853
B.V. Balanced	789,037	9,419,367	800,230	8,612,239
MB Balanced Growth	84,520	2,093,659	81,423	1,829,541
MB Select Balanced	13,286	210,945	11,992	173,609
		<u>14,724,129</u>		<u>12,809,242</u>
<b>Canadian Equity Funds:</b>				
B.G. Canadian Equity	43,967	1,978,294	41,317	1,656,998
B.G. Small Cap	92,785	4,106,638	102,027	4,158,962
MB Canadian Equity Growth	9,959	1,757,859	11,032	1,767,918
BlackRock S&P/TSX Composite Index	96,691	2,083,444	93,666	1,883,293
MB Canadian Equity Core	246,728	7,304,038	252,533	6,762,061
		<u>17,230,273</u>		<u>16,229,232</u>
<b>Fixed income:</b>				
BlackRock Bond Indexed Fund	110,498	3,018,101	85,873	2,263,553
PH&N Bond Fund	337,020	6,685,739	320,701	6,116,641
		<u>9,703,840</u>		<u>8,380,195</u>
<b>Foreign Equity:</b>				
CI American Value	293	874,626	255	692,720
MB US Equity	21,969	272,198	15,466	165,924
MB Global Equity	132,741	2,525,772	127,711	2,152,896
BlackRock US Equity Index	80,867	683,217	64,863	485,055
		<u>4,355,813</u>		<u>3,496,595</u>
<b>Money Market/Guaranteed</b>				
SLF Money Market	346,563	5,853,561	338,245	5,650,481
SLA Guaranteed – 1, 3 and 5 year		3,250,232		2,937,605
		<u>9,103,793</u>		<u>8,588,086</u>
<b>Total, all funds</b>		<u>\$55,117,848</u>		<u>\$49,503,350</u>

# UNIVERSITY OF NORTHERN BRITISH COLUMBIA PENSION PLAN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2012

#### 7. INVESTMENTS: (cont'd.)

The allocation of assets by class and by fair value hierarchy is as follows:

#### Investments held for trading by asset class and fair value hierarchy

	2012		2011	
	\$	%	\$	%
<b>Level 1</b>				
Canadian equities	22,193,202	40.3	20,147,863	40.7
US equities	5,150,763	9.3	4,455,302	9.0
International equities	3,334,630	6.1	2,821,691	5.7
Short term investments	3,351,165	6.1	2,871,194	5.8
Cash	<u>6,570,047</u>	<u>11.9</u>	<u>8,613,583</u>	<u>17.4</u>
<b>Total Level 1</b>	<b><u>40,599,807</u></b>	<b><u>73.7</u></b>	<b><u>38,909,633</u></b>	<b><u>78.6</u></b>
<b>Level 2</b>				
Bonds	14,518,041	26.3	10,593,717	21.4
Other investments	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>
<b>Total Level 2</b>	<b><u>14,518,041</u></b>	<b><u>26.3</u></b>	<b><u>10,593,717</u></b>	<b><u>21.4</u></b>
<b>Total investments</b>	<b><u>55,117,848</u></b>	<b><u>100.0</u></b>	<b><u>49,503,350</u></b>	<b><u>100.0</u></b>

#### 8. RISK MANAGEMENT:

It is inherent in the design of a defined contribution pension plan that each member assumes all of the risk and rewards associated with the funds in which the member chooses to invest. Fair values of investments are exposed to price risk, liquidity risk and credit risk.

##### (a) Price risk

Price risk is comprised of currency risk, interest rate risk, and market risk.

- (i) **Currency risk:** Currency risk relates to the possibility that the investments will change in value due to future fluctuations in US, Euro and other international foreign exchange rates. For example, a 5% strengthening (weakening) of the Canadian dollar against the US dollar at December 31, 2012 would have decreased (increased) the US equity value by about \$ 258,000 (\$220,000). Each fund manager may utilize various strategies to minimize currency risk.
- (ii) **Interest rate risk:** Interest rate risk relates to the possibility that the investments will change in value due to future fluctuations in market interest rates. Duration is an appropriate measure of interest rate risk for fixed income funds as a rise in interest rates will cause a decrease in bond prices – the longer the duration, the greater the effect. At December 31, 2012, the average duration of bonds in all funds was 3.32 years. Therefore, if interest rates were to increase by 1%, the value of bonds included in the various funds would drop by about 2.50%.
- (iii) **Market risk:** Market risk relates to the possibility that the investments will change in value due to future fluctuations in market prices. The Plan's exposure to market risk is the responsibility of each Plan member who is able to manage that risk by monitoring the asset allocation and diversifying the investments in their accounts. Market risk can be measured in terms of volatility, i.e., the standard deviation of change in the value of a financial instrument within a specific time horizon. Based on the volatility of the Plan's current asset class holdings shown below, the expectation is that over the long-term, the Plan will return around 7.2%, within a range of +/- 13.6% (i.e. results ranging from -6.4% to 20.8%).

# UNIVERSITY OF NORTHERN BRITISH COLUMBIA PENSION PLAN

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

### 8. RISK MANAGEMENT: (cont'd.)

	Estimated volatility %	
Canadian and foreign equities	+/- 20.0	
Short-term holdings	+/- 2.0	
Bonds	+/- 8.0	

Benchmark for investments	% change	Net impact on market value (in thousands)
DEX Universe Bond Index	+/- 8.0	+/- 1,161
S&P/TSX Capped Composite Index	+/- 20.0	+/- 4,439
MSCI World ex-Canada Net Index	+/- 20.0	+/- 1,697

Equity price risk is managed by diversification of the options available for selection by members, by selecting investment managers with differing investment styles and focus.

#### (b) Liquidity risk

Liquidity risk is the risk of being unable to generate sufficient cash or its equivalent in a timely and cost effective manner in order to meet commitments as they come due. Liquidity risk for the Plan is low because the underlying investments of each member are sufficiently liquid (e.g., publicly traded equities, pooled funds and other easily marketable instruments) to meet obligations as they become due.

#### (c) Credit risk

Credit risk relates to the possibility that a loss may occur from failure of a fixed income security issuer or derivative contract counter-party to meet its debt obligations. At December 31, 2012, the maximum risk exposure for this type of investment is \$14,518,041. Each fund manager establishes policies to limit the risk in the event of non-performance related to derivative financial instruments. For example, the PH&N Bond Fund has a policy of investing in bonds with a quality rating of "BBB" or higher.

In practice, actual results may vary from the sensitivity analysis provided in note 9(a) (i), (ii) and (iii) and the difference could be significant.

### 10. CAPITAL DISCLOSURES:

The primary purpose of the Plan is to assist and encourage individuals to plan and save for retirement. Each Plan member is responsible for the management of capital within their individual account.

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA PENSION PLAN**  
**SUPPLEMENTAL INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
**(UNAUDITED)**

The University of Northern British Columbia Pension Plan is a reporting entity separate from the employer and participants. At December 31, 2012, 632 employees were active in the Plan.

**Investment Returns:**

Sun Life of Canada was appointed in April, 1997 to provide management services for the pension plan funds. Investment management services are provided by several fund managers including Phillips, Hager & North Investment Management Ltd., Sun Life Assurance Company of Canada, Beutel Goodman & Company Ltd., BlackRock Asset Management Canada, McLean Budden Limited, BonaVista Asset Management Ltd and CI Investments Inc.

	<b>Annual Return 2012 (%)</b>	<b>Median Market Return 2012 (%)</b>	<b>Annual Return 2011 (%)</b>	<b>Median Market Return 2011 (%)</b>
<b>Balanced funds</b>				
B.G. Balanced	11.2	8.8	0.5	-0.8
B.V. Balanced	11.0	8.8	-3.8	-0.8
MB Balanced Growth	10.3	8.8	-7.5	-0.8
MB Select Balanced	9.7	8.8	-3.9	-0.8
<b>Canadian Equity funds</b>				
B.G. Canadian Equity	12.3	9.8	-5.4	-9.6
B.G. Small Cap	8.7	9.1	-11.3	-10.9
MB Canadian Equity Growth	10.2	9.8	-21.6	-9.6
BlackRock S&P/TSX Composite Index	7.2	9.8	-8.7	-9.6
MB Canadian Equity Core	10.6	9.8	-14.6	-9.6
<b>Fixed Income funds</b>				
BlackRock Bond Index	3.7	4.7	9.7	9.1
PH&N Bond	4.0	4.7	9.1	9.1
<b>US/Global Equity funds</b>				
CI American Value	9.9	13.1	2.6	2.7
MB US Equity	15.4	13.1	-2.2	2.7
MB Global Equity	12.9	15.0	-5.9	-3.3
BlackRock US Equity Index	13.0	13.1	4.3	2.7
<b>Money Market/Guaranteed Income funds</b>				
SLF Money Market	1.1	1.2	1.2	1.2
SLA Guaranteed (as at Dec. 31, 2012)				
- 1 year	1.4	n/a	1.3	n/a
- 3 year	1.7	n/a	1.6	n/a
- 5 year	2.2	n/a	2.1	n/a

(Source: API Asset Performance Inc.)

Note: All returns stated before deduction of fees)

\*Note: The above annual figures represent the yield for the whole fund for the year. Individual participants' returns may vary from the above depending on when investments were purchased, whether a participant has invested in more than one pool and whether monies were moved between funds by the participant.

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA PENSION PLAN**  
**SUPPLEMENTAL INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
**(UNAUDITED)**

**Fee Schedule:**

**Investment Management/Custody**

Varies by fund manager. Ranges from 0.19% to 1.25%, depending on market value of total assets.

**Administrative Fee**

\$4.00 per month per member. All fees are deducted from the member accounts.

# UNIVERSITY OF NORTHERN BRITISH COLUMBIA PENSION PLAN

## CONTINUITY SCHEDULE BY FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

(Unaudited)

Schedule II

	<u>NAME OF FUND</u>						Totals
	<u>Balanced Funds</u>	<u>Canadian Equity Funds</u>	<u>Fixed Income Fund</u>	<u>Global Equity Funds</u>	<u>Money Market Fund</u>	<u>Guaranteed Income Funds</u>	
Opening balance, January 1, 2012	\$ 12,809,242	\$ 16,229,232	\$ 8,380,194	\$ 3,496,595	\$ 5,650,481	\$ 2,937,605	\$ 49,503,349
Monthly contributions	1,205,042	1,305,356	1,170,970	415,265	561,656	265,569	4,923,858
Income for the year	1,418,874	1,543,758	355,999	450,054	62,336	59,776	3,890,797
Expense Charges	(72,292)	(71,249)	(48,221)	(29,233)	(14,193)	(3,285)	(238,473)
Refunds/death payments etc.	(485,592)	(549,720)	(434,406)	(163,115)	(172,810)	202,166	(1,603,477)
Transfers between funds and to/from other carriers	(151,145)	(1,227,104)	279,304	186,247	(233,909)	(211,599)	(1,358,206)
Closing balance, December 31, 2012	<u>\$ 14,724,129</u>	<u>\$ 17,230,273</u>	<u>\$ 9,703,840</u>	<u>\$ 4,355,813</u>	<u>\$ 5,853,561</u>	<u>\$ 3,250,232</u>	<u>\$ 55,117,848</u>

*For information only (actual percentage of fees charged depends on the monthly market value of the total assets held in each fund):*

*Expenses as percentage of average fund balance*

*$\frac{\text{Opening balance} + \text{Ending balance}}{2}$*

*2*

0.53%	0.43%	0.53%	0.74%	0.25%	0.11%	0.46%
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