

Current Negotiated Fee Schedule with Sun Life Financial as at April 1, 2010 Pension Plan for Faculty, Librarians, and Senior Administrative Officers of Mount Allison University

Investment Management Fees, Administration Fees and Fund Operating Expenses

The University has negotiated with the Plan's record-keeper, Sun Life Financial ("SLF"), fee schedules for investment management and administration services. In addition, in accordance with policies adopted for the pension plan and as described in your pension booklet, the Pension Advisory Committee assesses a governance fee (currently 0.05% per annum) on amounts invested in pooled funds. In the following table shows, the bolded column entitled "Fees Charged to your Account" totals these annual fees as an percentage of your investments in these funds. One twelfth of the fees are actually deducted from your account on a monthly basis.

In addition the funds themselves incur expenses (audit, legal, regulatory filing fees, etc.) on an as incurred basis. The middle section shows the current level of expenses incurred by SLF and the investment managers in establishing the pooled fund for all investors. These expenses are not directly deducted from account, but reported gross investment returns are actually net of these expenses.

The next page describes more fully how these fees and expenses affect your retirement savings.

Schedule of Estimated Annual Fees and Expenses by Fund

Fund	Annual Rate of Investment			Fees Charged to your Account	SLF Segregated Fund Operating Expenses	Investment Manager's Fund		Estimated Total of All Fees and Expenses
	Management and Administration Fees	Governance Administration Fee	GST			Operating Expenses	Charged to Underlying Fund	
Sun Life Financial Money Market Segregated Fund	0.19%	0.05%	0.01%	0.25%	0.03%	0.01%	0.04%	0.29%
BG Income Segregated Fund	0.38%	0.05%	0.02%	0.45%	0.04%	0.10%	0.15%	0.60%
BG Canadian Equity Segregated Fund (value)	0.38%	0.05%	0.02%	0.45%	0.04%	0.10%	0.14%	0.59%
Greystone Canadian Equity Segregated Fund (growth)	0.38%	0.05%	0.02%	0.45%	0.04%	0.04%	0.08%	0.53%
BLK US Equity Index Segregated Fund (Registered)	0.33%	0.05%	0.02%	0.40%	0.04%	0.01%	0.05%	0.45%
MFS Global Equity Segregated Fund	0.83%	0.05%	0.04%	0.92%	0.04%	0.15%	0.19%	1.12%
MFS International Equity Segregated Fund	0.83%	0.05%	0.04%	0.92%	0.05%	0.15%	0.20%	1.13%
MTA Retirement Portfolio	0.46%	0.05%	0.03%	0.53%	0.04%	0.11%	0.15%	0.68%
MTA 2015 Portfolio	0.47%	0.05%	0.03%	0.55%	0.04%	0.11%	0.15%	0.69%
MTA 2020 Portfolio	0.53%	0.05%	0.03%	0.61%	0.04%	0.11%	0.15%	0.76%
MTA 2025 Portfolio	0.56%	0.05%	0.03%	0.64%	0.04%	0.11%	0.15%	0.79%
MTA 2030 Portfolio	0.57%	0.05%	0.03%	0.66%	0.04%	0.11%	0.15%	0.81%
MTA 2035 Portfolio	0.58%	0.05%	0.03%	0.66%	0.04%	0.11%	0.15%	0.81%
MTA 2040 Portfolio	0.58%	0.05%	0.03%	0.66%	0.04%	0.11%	0.15%	0.81%

Reviewing your Investment Performance

When you review the investment returns reported by SLF, you should note that those returns do not reflect investment and administration fees charged to your account but they are net of the fund operating expenses incurred in maintaining the pooled funds. This is a standard method for reporting “gross” returns of institutional pooled funds.

Example: Suppose you had \$100,000 invested in the BG Income Segregated Fund on January 1, 2010 and the fund has a “gross” return of 5% in 2010. Over the course of the year, your \$100,000 would grow with this investment return, but fees would be deducted from your account for investment management and administration. The returns for the year before fees would total $5\% \times \$100,000 = \$5,000$. Assuming the returns are earned uniformly throughout the year, the total fees deducted from your account would be approximately $0.452\% \times (\$100,000 + 50\% \times \$5,000) = \$463$. Your \$100,000 investment would be worth roughly $\$100,000 + \$5,000 - \$463 = \$104,537$ by the end of the year. Note that the fund operating expenses do not enter into this calculation since the 5% is reported net of those expenses.

Other Notes about Fees

- The investment management and administration fees are substantially smaller than typical retail mutual fund fees, which should represent significant annual savings to you when compared to other retirement savings opportunities;
- The SLF and manager fund operating expenses (highlighted in yellow) in the above table vary each month according to expenses incurred in operating the pooled funds;
- You can review the actual fees deducted from your account on your quarterly member statements or by reviewing your account online at www.sunlife.ca/member/. You can also get current fund operating expenses information by using your account online.