

February 12, 2010

To: Members of the *Pension Plan for Faculty, Librarians and Senior Administrative Officers of Mount Allison University*

From: The Pension Advisory Committee

Re: Fund Review and Upcoming Changes to Investment Options under the Pension Plan

The Pension Advisory Committee (“PAC”) is responsible for periodically reviewing the investment options available to pension plan members. Such a review was recently conducted by the PAC. Through this review, a number of fund replacements were considered.

In addition to reviewing the existing fund options, the PAC considered the replacement of the three McLean Budden LifePlan target risk funds by target date portfolios. Target date portfolios are designed to allow participants to link their investments to a particular time horizon; typically, expected retirement date. In fact, target date portfolios include in their names the year in which they are designed to mature, such as a 2015 Fund or a 2030 Fund.

With the assistance of its professional advisors, the PAC developed a series of recommendations to the University to select new investment managers and to implement new target date portfolios.

The result of the detailed review process is that a majority of the funds currently offered by the Plan will be replaced by new funds. In addition, new target date portfolios will replace the current target risk funds.

Based on careful analysis, the PAC expects that over the long term, the replacement funds will provide better performance net of fees charged to your account. The new target date portfolios are expected to be a valuable tool to managing investments over a member’s career. For members who wish to continue to take on a more hands-on approach, the new fund line-up will continue to allow them to manage their own asset mix.

What’s Next?

- Early March: You will receive communication on the actual fund changes and election forms to select your desired target date portfolio or your own customized portfolio;
- Late March/Early April: Plan member information sessions;
- Mid-April: Election forms deadline;
- Late-April: Implementation of target date portfolios and mapping of existing funds to new funds / portfolios.

If you have any questions at this time regarding the changes, please contact a member of the PAC. Questions about the fund changes and the new Target Date Portfolios will also be addressed in the plan member information sessions, the dates of which will soon be announced.

(see reverse)

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