



# SIMON FRASER UNIVERSITY

## Administrative/Union Staff Pension Plan

### 2003 Annual Report

The Board of Trustees of the Administrative/Union Staff Pension Plan was established December 1, 1991. The Trustees are charged with the administration of the Fund on behalf of the Members. There are six Trustees appointed by the Board of Governors of Simon Fraser University, including one nominated by each of the Employee Organizations (APSA, CUPE, Poly Party).

As of December 31, 2003 the Board of Trustees consisted of:

Chair:	Denis Bérubé (Director, Accounting Services)
Secretary:	Elio Fata (CUPE)
	Rob Ballantyne (APSA)
	Leo Eutsler (Poly Party)
	Rick Johnson (Retiree)
	Bruce Anderson (Director, Human Resources)

The Plan Administrator is Alan G. Black. The investment managers are Beutel, Goodman Company Ltd., Sceptre Investment Counsel Ltd., Jarislawski Fraser Ltd., Sprucegrove Investment Management Ltd. and McKinley Capital Management Inc. The funds are invested prudently by using an asset mix of bonds, equity, domestic and foreign and other balanced funds. The Custodian of the Fund is CIBC Mellon. Quarterly performance reports are prepared by Towers Perrin. The Actuarial Consultant is Eckler Partners Ltd. and the Auditor is Ernst & Young.

At its meeting on May 4, 2004, the Trustees of the Simon Fraser University Pension Plan for Members of the Administrative and Union Staff approved the financial statements of the Fund as at December 31, 2003. These financial statements were audited by Ernst and Young whose report dated April 6, 2004 was qualified only in respect of not providing information on the actuarial present value of accrued pension benefits as at December 31, 2003, or the principal components of the change in that value during the year. While such information is recommended in the CICA Handbook, neither the Pension Plan Text nor Revenue Canada require an actuarial valuation report to be prepared more frequently than every three years. The most recent actuarial valuation report was completed as of December 31, 2001. The next actuarial valuation will be as of December 31, 2004.

Complete copies of the audited financial statements are available at the Human Resources, A.P.S.A., C.U.P.E. and Poly Party offices.

The Pension Plan is a defined benefit plan which will provide a monthly pension according to a formula. The University makes all the contributions to fund the pension benefits.

The membership of the Plan for the last three years was as follows:

	2003	2002	2001
Active Members	1,274	1,254	1,181
Disabled Members	25	22	18
Deferred Pensioners	414	414	405
Pensioners and Survivors	<u>194</u>	<u>175</u>	<u>165</u>
TOTAL	<u>1,907</u>	<u>1,865</u>	<u>1,769</u>

The attached table II shows the financial comparisons in the fund over the last three years.

The Net Rates of Return for the last five years after deduction of investment fees are as follows:

**Table I**

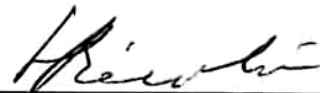
Year	2003	2002	2001	2000	1999
Net Annual Rate of Return	13.7%	-5.7%	1.5%	9.2%	5.3%

Historical Performance	1 Year	2 Year	3 Year	4 Year	5 Year
Net Annualized Rate of Return	13.7%	3.5%	2.8%	4.4%	4.6%

After two bleak years the fund experienced a positive return in 2003. The trustees also reviewed the mix of assets invested and changed some of the investment managers.

I hope you find this report useful. If you have suggestions or questions, you can forward them to me.

I wish to thank the trustees of the Plan and the Plan Administrator, Alan G. Black, for their conscientious efforts on behalf of the Plan Membership.

  
\_\_\_\_\_  
Denis Bérubé – Chair

**Changes in Pension Fund**

<b>Table II</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
<b>Market Value of Fund at Beginning of Period</b>	<u>\$ 115,816,355</u>	<u>\$ 122,949,254</u>	<u>\$ 123,846,800</u>
<b>Increase in Net Assets</b>			
Contributions:			
- University	6,828,850	6,402,390	5,888,900
- Voluntary	20,836	91,801	1,800
Investment Gains (Losses):			
- Interest & Dividends	3,351,420	4,201,483	4,267,800
- Capital Gains (Loss) - Realised	18,770,240	2,523,519	5,766,200
- Unrealised	(5,620,330)	(13,290,170)	(7,749,200)
<b>Total Increase (Decrease) in Net Assets</b>	<u>\$ 23,351,016</u>	<u>\$ (70,977)</u>	<u>\$ 8,175,500</u>
<b>Decrease in Net Assets</b>			
Benefits:			
- Commuted amounts paid out	2,405,906	4,732,863	6,854,000
- Pensions Paid	1,709,159	1,457,607	1,280,100
- Voluntary Conts. Refunded	30,111		75,200
- Surplus Distribution - paid out	176,096	250,420	271,500
Fees & Expenses:			
- Investment Fees	493,200	422,616	431,900
- Trust Company, Custodian	47,858	48,725	44,800
- Administrative	57,583	51,146	49,000
- Audit, Actuarial & Legal	31,318	98,545	66,600
<b>Total Decrease in Net Assets</b>	<u>\$ 4,951,231</u>	<u>\$ 7,061,922</u>	<u>\$ 9,073,100</u>
<b>Market Value of Fund at End of Period</b>	<u>\$ 134,216,140</u>	<u>\$ 115,816,355</u>	<u>\$ 122,949,200</u>