

**UNIVERSITY OF NORTHERN
BRITISH COLUMBIA PENSION PLAN**



**FINANCIAL STATEMENTS
DECEMBER 31, 2011 and 2010**

UNIVERSITY OF NORTHERN BRITISH COLUMBIA PENSION PLAN

FOR THE YEARS ENDED DECEMBER 31, 2011 and 2010

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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.

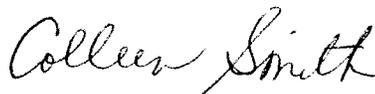
The Pension Plan Board of Trustees is required to ensure that adequate internal controls exist to achieve, in a cost effective manner, its responsibilities in the following areas:

- 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, 2012



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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 statements of net assets available for benefits as at December 31, 2011 and 2010, and the statements 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, 2011, and its changes in net assets available for benefits for the year then ended in accordance with Canadian generally accepted accounting principles.



Comparative Information

Without modifying our opinion, we draw attention to note 2 to the financial statements which describes that The Pension Plan for Employees of the University of Northern British Columbia Pension Plan adopted Canadian accounting standards for pension plans on January 1, 2011 with a transition date of January 1, 2010. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of net assets as at December 31, 2010 and the statement of changes in net assets available for benefits for the year ended December 31, 2010 and related disclosures.

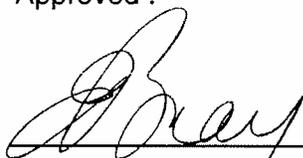
A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a single horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Accountants
Prince George, Canada
September 20, 2012

UNIVERSITY OF NORTHERN BRITISH COLUMBIA PENSION PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
AS AT DECEMBER 31, 2011 AND 2010

	2011	2010
Investments held in trust by Sun Life of Canada (Note 4)		
Balanced funds	\$ 12,809,242	\$ 13,436,992
B.G. Balanced	2,193,853	1,959,515
B.V. Balanced	8,612,239	9,469,940
MB Balanced Growth	1,829,541	1,908,507
MB Select Balanced Fund	173,609	99,030
Canadian Equity funds	16,229,232	19,514,945
B.G. Canadian Equity	1,656,998	1,543,945
B.G. Small Cap	4,158,962	4,892,776
MB Canadian Equity Growth	1,767,918	2,292,110
BlackRock S&P/TSX Composite Index	1,883,293	2,318,032
MB Canadian Equity Core	6,762,061	8,468,082
Fixed Income	8,380,194	6,057,966
Blackrock Bond Index	2,263,553	1,209,184
PH&N Bond	6,116,641	4,848,782
Foreign Equity	3,496,595	3,873,262
CI American Value	692,720	693,194
MB US Equity	165,924	138,098
MB Global Equity	2,152,896	2,580,735
BlackRock US Equity Index	485,055	461,235
Money Market/Guaranteed	8,588,086	7,603,486
SLF Money Market	5,650,481	5,255,715
SLA Guaranteed - 1, 3, and 5 year	2,937,605	2,347,771
NET ASSETS AVAILABLE FOR BENEFIT	\$ 49,503,349	\$ 50,486,651

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, 2011 AND 2010

	2011	2010
INCREASE IN ASSETS		
Investment income (loss)	\$ (2,216,795)	\$ 5,114,412
Balanced funds	(436,741)	1,301,531
B.G. Balanced	7,772	156,356
B.V. Balanced	(283,628)	988,390
MB Balanced Growth	(153,567)	155,155
MB Select Balanced Fund	(7,318)	1,630
Canadian Equity funds	(2,431,225)	3,204,244
B.G. Canadian Equity	(96,969)	212,190
B.G. Small Cap	(474,205)	1,148,196
MB Canadian Equity Growth	(496,932)	317,344
BlackRock S&P/TSX Composite Index	(189,557)	331,375
MB Canadian Equity Core	(1,173,562)	1,195,139
Fixed Income	644,656	370,386
BlackRock Bond Index	165,118	52,183
PH&N Bond	479,538	318,203
Foreign Equity	(120,518)	140,280
CI American Value	11,248	50,506
MB US Equity	(4,327)	5,176
MB Global Equity	(145,247)	50,721
Blackrock US Equity Index	17,808	33,877
Money Market/Guaranteed	127,033	97,971
SLF Money Market	64,020	38,321
SLA Guaranteed - 1, 3, and 5 year	63,013	59,650
Contributions	4,985,538	4,909,113
Employees' contributions	1,568,378	1,535,104
Employer's contributions	3,417,160	3,374,009
Transfers in of employee contributions	26	-
TOTAL INCREASE IN ASSETS	2,768,769	10,023,525
DECREASE IN ASSETS		
Refunds and transfers of employees' contributions	(3,323,832)	(3,141,177)
Administrative and investment management fees	(376,161)	(362,356)
Employer's over-contributions (Note 6)	(52,078)	(117,100)
TOTAL DECREASE IN ASSETS	(3,752,071)	(3,620,633)
NET INCREASE (DECREASE) IN NET ASSETS	(983,302)	6,402,892
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	50,486,651	44,083,759
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	\$ 49,503,349	\$ 50,486,651

UNIVERSITY OF NORTHERN BRITISH COLUMBIA PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2011

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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, 2011.

(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, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of Presentation

The financial statements have been prepared in accordance with Canadian accounting standards for pension plans.

In selecting or changing accounting policies that do not relate to its investment portfolio or pension obligations, Canadian accounting standards for pension plans require the Plan to comply (on a consistent basis) with either International Financial Reporting Standards ("IFRS") in Part I of The Canadian Institute of Chartered Accountants' ("CICA") Handbook - Accounting or Canadian accounting standards for private enterprises ("ASPE") in Part II of the CICA Handbook - Accounting. The Plan has chosen to comply on a consistent basis with ASPE.

Canadian accounting standards for pension plans also require the Plan to follow general standards for financial statement presentation with respect to comparative information and retrospectively apply accounting changes. Accordingly, these standards were applied retrospectively by management to the comparative information in these financial statements including the statement of net assets available for benefits as at December 31, 2010, and the statement of changes in net assets available for benefits for the year ended December 31, 2010 and related disclosures. However, no retrospective adjustments were required to be made to the comparative information presented in the statement of net assets available for benefits and statement of changes in net assets available for benefits.

(b) 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.

(c) 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.

(d) 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, 2011

3. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR PENSION PLANS:

The Plan has applied Part IV of the Canadian Institute of Chartered Accountants Accounting Handbook "Accounting standards for pension plans" (ASPP) as its basis of Canadian generally accepted accounting principles.

These financial statements are the first financial statements for which the Plan has applied ASPP. The financial statements for the year ended December 31, 2011 were prepared in accordance with the accounting standards set out in *Pension Plans*, Section 4600. There was no material effect on net assets available for benefits, changes in net assets available for benefits or comparative figures resulting from the application of ASPP.

4. 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.

5. 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) 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.

6. 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.

7. INVESTMENT INCOME:

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

	<u>2011</u>	<u>2010</u>
Interest	\$ 384,021	\$ 341,967
Dividends	2,815,844	1,050,171
Capital gain\ (loss), net	<u>(5,416,660)</u>	<u>3,722,274</u>
	<u>\$ (2,216,795)</u>	<u>\$ 5,114,412</u>

UNIVERSITY OF NORTHERN BRITISH COLUMBIA PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2011

8. 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.

	2011		2010	
	Units	Amount	Units	Amount
Balanced Funds:				
B.G. Balanced	81,198	2,193,853	72,796	1,959,515
B.V. Balanced	800,230	8,612,239	851,591	9,469,940
MB Balanced Growth	81,423	1,829,541	78,504	1,908,507
MB Select Balanced	11,992	173,609	6,574	99,030
		<u>12,809,242</u>		<u>13,436,992</u>
Canadian Equity Funds:				
B.G. Canadian Equity	41,317	1,656,998	36,293	1,543,945
B.G. Small Cap	102,027	4,158,962	106,631	4,892,776
MB Canadian Equity Growth	11,032	1,767,918	11,206	2,292,110
BlackRock S&P/TSX Composite Index	93,666	1,883,293	105,219	2,318,032
MB Canadian Equity Core	252,533	6,762,061	270,069	8,468,082
		<u>16,229,232</u>		<u>19,514,945</u>
Fixed income:				
BlackRock Bond Indexed Fund	85,873	2,263,553	50,304	1,209,184
PH&N Bond Fund	320,701	6,116,642	276,909	4,848,782
		<u>8,380,195</u>		<u>6,057,966</u>
Foreign Equity:				
CI American Value	255	692,720	262	693,194
MB US Equity	15,466	165,924	12,646	138,098
MB Global Equity	127,711	2,152,896	144,044	2,580,735
BlackRock US Equity Index	64,863	485,055	64,315	461,235
		<u>3,496,595</u>		<u>3,873,262</u>
Money Market/Guaranteed				
SLF Money Market	338,245	5,650,481	318,372	5,255,715
SLA Guaranteed – 1, 3 and 5 year		2,937,605		2,347,771
		<u>8,588,086</u>		<u>7,603,486</u>
Total, all funds		<u>\$49,503,350</u>		<u>\$50,486,651</u>

UNIVERSITY OF NORTHERN BRITISH COLUMBIA PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2011

8. 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

	2011		2010	
	\$	%	\$	%
Level 1				
Canadian equities	20,147,863	40.7	23,811,111	48.1
US equities	4,455,302	9.0	4,306,791	8.7
International equities	2,821,691	5.7	2,821,691	5.7
Short term investments	2,871,194	5.8	2,277,154	4.6
Cash	<u>8,613,583</u>	<u>17.4</u>	<u>6,880,966</u>	<u>13.9</u>
Total Level 1	<u>38,909,633</u>	<u>78.6</u>	<u>40,097,713</u>	<u>81.0</u>
Level 2				
Bonds	10,593,717	21.4	9,356,133	18.9
Other investments	<u>0</u>	<u>0.0</u>	<u>49,503</u>	<u>0.1</u>
Total Level 2	<u>10,593,717</u>	<u>21.4</u>	<u>9,405,636</u>	<u>19.0</u>
Total investments	<u>49,503,350</u>	<u>100.0</u>	<u>50,486,651</u>	<u>100.0</u>

9. 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, 2011 would have decreased (increased) the US equity value by about \$ 220,000 (\$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, 2011, the average duration of bonds in all funds was 5.90 years. Therefore, if interest rates were to increase by 1%, the value of bonds included in the various funds would drop by about 4.40%.
- (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 5.0%, within a range of +/- 13.2% (i.e. results ranging from -8.2% to 18.2%).

UNIVERSITY OF NORTHERN BRITISH COLUMBIA PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2011

9. 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	+/- 848
S&P/TSX Capped Composite Index	+/- 20.0	+/- 4,030
MSCI World ex-Canada Net Index	+/- 20.0	+/- 1,455

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, 2011, the maximum risk exposure for this type of investment is \$10,593,717. 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, 2011

(UNAUDITED)

The University of Northern British Columbia Pension Plan is a reporting entity separate from the employer and participants. At December 31, 2011, 617 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.

	Annual Return 2011 (%)	Median Market Return 2011 (%)	Annual Return 2010 (%)	Median Market Return 2010 (%)
Balanced funds				
B.G. Balanced	0.5	-0.8	9.7	10.3
B.V. Balanced	-3.8	-0.8	12.0	10.3
MB Balanced Growth	-7.5	-0.8	8.9	10.3
MB Select Balanced	-3.9	-0.8	8.4	10.3
Canadian Equity funds				
B.G. Canadian Equity	-5.4	-9.6	17.1	16.7
B.G. Small Cap	-11.3	-10.9	33.9	31.6
MB Canadian Equity Growth	-21.6	-9.6	16.5	16.7
BlackRock S&P/TSX Composite Index	-8.7	-9.6	17.6	16.7
MB Canadian Equity Core	-14.6	-9.6	16.1	16.7
Fixed Income funds				
BlackRock Bond Index	9.7	9.1	6.8	7.6
PH&N Bond	9.1	9.1	7.5	7.6
US/Global Equity funds				
CI American Value	2.6	2.7	8.0	8.3
MB US Equity	-2.2	2.7	4.6	8.3
MB Global Equity	-5.9	-3.3	2.0	6.0
BlackRock US Equity Index	4.3	2.7	9.1	8.3
Money Market/Guaranteed Income funds				
SLF Money Market	1.2	1.2	0.8	0.7
SLA Guaranteed (as at Dec. 31, 2011)				
- 1 year	1.3	n/a	0.5	n/a
- 3 year	1.6	n/a	1.5	n/a
- 5 year	2.1	n/a	2.6	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, 2011****(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. The fee holiday approved by the Board in 2009 continued until Feb 2010, so deductions were made from March to December only in 2010. In 2011, deductions were made for the full year.

UNIVERSITY OF NORTHERN BRITISH COLUMBIA PENSION PLAN

CONTINUITY SCHEDULE BY FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

(Unaudited)

Schedule II

	<u>NAME OF FUND</u>						Totals
	Balanced Funds	Canadian Equity Funds	Fixed Income Fund	Global Equity Funds	Money Market Fund	Guaranteed Income Funds	
Opening balance, January 1, 2011	\$ 13,436,992	\$ 19,514,945	\$ 6,057,966	\$ 3,873,262	\$ 5,255,715	\$ 2,347,771	\$ 50,486,651
Monthly contributions	1,140,681	1,419,376	1,134,103	425,289	606,314	259,775	4,985,538
Income for the year	(436,740)	(2,431,226)	644,656	(120,518)	64,020	63,013	(2,216,795)
Expense Charges	(154,598)	(119,108)	(47,903)	(30,131)	(22,850)	(1,571)	(376,161)
Refunds/death payments etc.	(443,597)	(1,264,286)	(277,248)	(409,562)	(431,093)	(129,068)	(2,954,854)
Transfers between funds and to/from other carriers	(733,496)	(890,469)	868,620	(241,745)	178,375	397,685	(421,030)
Closing balance, December 31, 2011	<u>\$ 12,809,242</u>	<u>\$ 16,229,232</u>	<u>\$ 8,380,194</u>	<u>\$ 3,496,595</u>	<u>\$ 5,650,481</u>	<u>\$ 2,937,605</u>	<u>\$ 49,503,349</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

1.18%	0.67%	0.66%	0.82%	0.42%	0.06%	0.75%
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