

## Balanced Fund

### QUICK FACTS

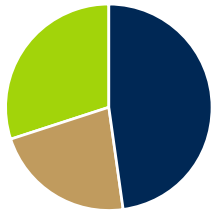
<b>Inception:</b>	October 1, 1977	<b>Manager:</b>	Public Employees Benefits Agency
<b>Assets:</b>	\$3,361.5 million	<b>Expense Ratio (ER)^:</b>	0.47%

### What does this fund invest in?

The target for this fund is to have 48% in Equities, 22% in Alternatives, and the balance of 30% in the Income portfolio (Core Fixed Income, Core Plus Fixed Income and Money Market).

The charts below give you a snapshot of the fund's investments on June 30, 2019. The fund's actual asset class percentages will fluctuate.

#### Asset Mix



Asset Class	Actual (%)	Target (%)
Equity	51.2	48.0
Alternatives	12.8	22.0
Income	36.0	30.0
	100.0	100.0

#### Exposure Subgroups (%)

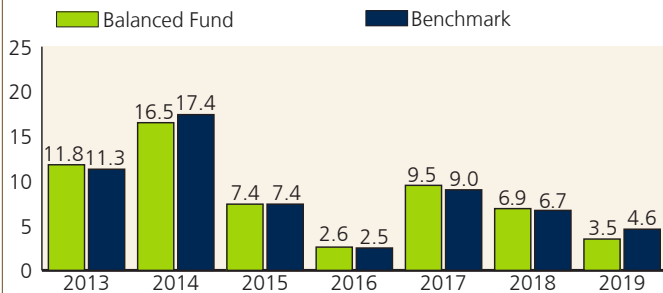
Fixed Income Strategies	35.5
Foreign Large Cap Equities	24.4
Canadian Large Cap Equities	12.7
Liquid Alternatives	7.7
Foreign Small Cap Equities	5.6
Real Estate	5.1
Emerging Market Equities	4.3
Canadian Small/Mid Cap Equities	4.2
Money Market	0.5
	100.0

### How has the fund performed?

This section illustrates how the fund has performed over the past 10 years. Returns are after the deduction of all expenses.

A \$1,000 investment made into the fund 10 years ago, would be worth **\$2,161** as of June 30, 2019, a compound annualized return of 8.0%.

#### Annual Returns\*\* (as of June 30, 2019)



### How risky is it?<sup>§</sup>

Each PEPP investment option has some level of short-term and long-term risk associated with it.

In the short-term, some investments may increase or decrease in value quickly and dramatically. This fluctuation in value is referred to as volatility.

In the long-term, some investments might not produce investment returns sufficient for your retirement income. Generally, investments with lower short-term volatility also have lower long-term returns. On the other hand, investments with higher short-term volatility are expected to produce higher long-term returns.

As an investor, you should balance these risks based on your own investment goals and investment risk tolerance.



<sup>^</sup> ER represents the total expenses to operate the fund as at March 31, 2019.

<sup>\*\*</sup> Past fund performance is not necessarily indicative of future fund performance. Investment returns vary over time and as such, no guarantees are applicable to the rates of return.

<sup>§</sup> See ratings for comparable investments on reverse.

### Who is this fund for?

This fund may be an appropriate investment option for Plan members who are balanced to aggressive investors or for Plan members who have a medium time horizon for their retirement savings plan. This fund may not be appropriate for some pensioners. Investors choosing this fund will need to be comfortable with the expected returns and volatility that result from investing in a mix of equities, bonds and alternatives. This investment option balances the volatility risk and potential returns.

Before making any investment decisions you should complete the *My PEPP Investor Profile* to ensure your investment decision matches your investment style.

### What are the fees?

You do not pay fees directly. Fees for actual costs are deducted from the fund prior to declaring a unit value.

#### Ongoing fund expenses

The actual fees associated with the investment and operation of the fund are billed directly to the fund. The following table shows a breakdown of the estimated 0.47% Expense Ratio.

Investment Fees	the amount paid to investment managers, custodians and consultants	0.39%
+ Operating Expenses	the costs to administer the Plan	0.08%
= Expense Ratio	the total costs	0.47%

\* As at March 31, 2019

#### Other fees

There may be some additional fees associated with your account in the event you wish to transfer monies in your account to another fund within PEPP.

Manual Inter-fund transfers in excess of two per fiscal year	\$30
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No other fees are associated with the investment of your PEPP account.

### Investment Managers†:

*TD Asset Management Inc.; TD Greystone Managed Investments Inc.; GlobeFlex Capital L.P.; Tweedy, Browne Company LLC; Beutel, Goodman Company Ltd.; State Street Global Advisors, Ltd.; QV Investors Inc.; J. Zechner Associates Inc.; Franklin Templeton Institutional, LLC; Investec Asset Management Ltd.; Burgundy Asset Management Ltd.; Oberweis Asset Management Inc.; Thompson, Siegel & Walmsley LLC; Gannett Welsh & Kotler, LLC; SouthernSun Asset Management LLC; AQR Capital Management, LLC; T. Rowe Price (Canada), Inc.; Arrowgrass Capital Partners LLP; Rokos Capital Management LLP; Campbell & Company, LP; Grantham, Mayo, Van Otterloo & Co.; Winton Capital Management; AllianceBernstein Canada Inc.; PIMCO Canada Corp.; and Insight Investment Management Ltd.*

### §Ratings for comparable investments

Risk Rating	Volatility Risk	Insufficient Return Risk
Very low	Cash, money market	Equity-biased balanced funds
Low	Short-term bonds, short-term guaranteed investment certificates, bond-biased balanced funds	Equity-biased balanced funds
Medium to low	Balanced funds	Balanced funds
Medium	Equity-biased balanced funds	Balanced funds
Medium to high	Aggressive balanced funds	Bond-weighted balanced funds
High	All equity funds, foreign equity funds, precious metals funds	Bond funds, guaranteed investment certificates
Very high	Individual stocks, non-diversified equity funds	Cash, money market

### Additional information you may find helpful

Visit our website at [www.peba.gov.sk.ca/pensions/pepp/home.html](http://www.peba.gov.sk.ca/pensions/pepp/home.html) for more information. Check out our information on:

- *My PEPP Investor Profile*
- investor risks
- fund performance bulletins
- fees and expenses
- other investment options available
- investment fund managers
- investment holdings report
- glossary

† For more information on PEPP's investment managers see our *Investments* section on our website at [www.peba.gov.sk.ca/pensions/pepp/home.html](http://www.peba.gov.sk.ca/pensions/pepp/home.html).