

PEPP Steps Fund

QUICK FACTS

Inception:	November 1, 2007	Manager:	Public Employees Benefits Agency
Assets:	\$4,709.2 million	Expense Ratio (ER)^:	Range between 0.34% to 0.54%

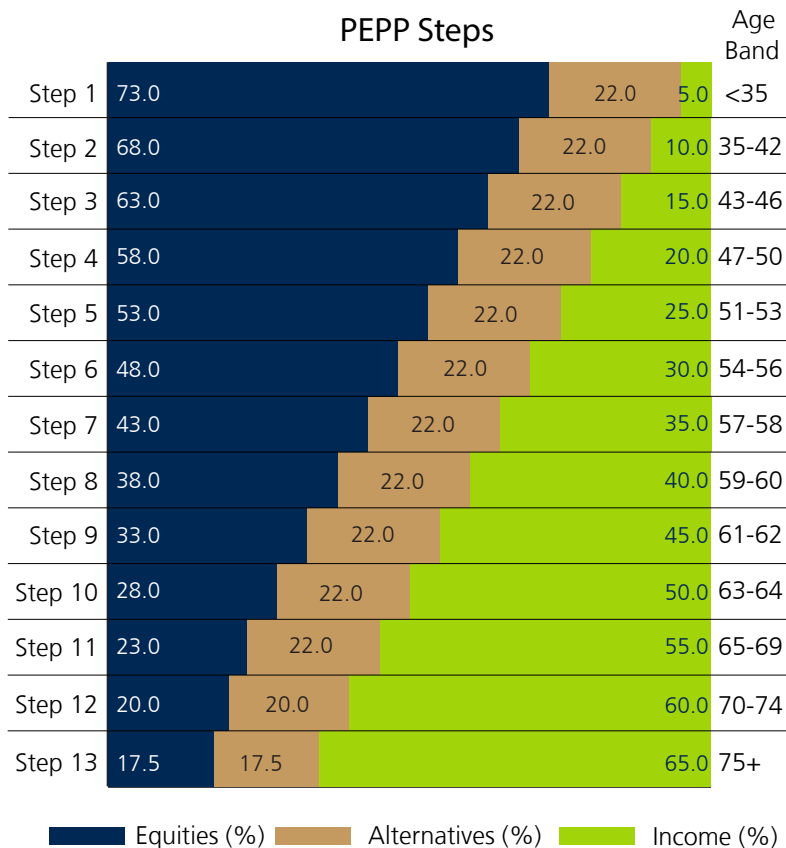
What does this fund invest in?

The PEPP Steps Fund is a lifecycle investment fund made up of 13 steps. Members enter the PEPP Steps Fund at the step that matches their age. This fund automatically moves members to more conservative asset mixes over time. PEPP will notify members in their semi-annual PEPP Member Statement when they are moved to a new step.

The PEPP Steps Fund is the default fund, meaning that contributions from new Plan members who do not submit an investment choice will automatically be invested in this fund.

This chart illustrates the age band and asset mix for each step. For example, if you select the PEPP Steps Fund and are 35 years old, you will enter Step 2. You would stay in Step 2 until age 43, and then you would automatically move to Step 3.

Target Asset Mixes by Age Band



How has the fund performed?

Rates of return are calculated for each Step based on the asset mix. Please refer to the monthly Performance Bulletin at www.peba.gov.sk.ca/pensions/pepp/home.html for information on rates of return for each Step.

How risky is it?

Risk exposure is dependent on which Step an investor resides in. As one moves from Step 1 to Step 13 the investment risk gradually decreases and the risk of producing insufficient long-term returns progressively increases.

The Steps

Five of the Steps within PEPP Steps have the same risk and asset allocation as five of PEPP's standalone funds. For example, on the more aggressive end of the spectrum is Step 1 which shares the same asset mix as the Accelerated Growth Fund. At the more conservative end of the risk spectrum is Step 13 which shares the same asset mix as the Conservative Fund. Steps 2, 4, 5, 7, 8, 10, 11 and 12 are blends of the nearest standalone funds. For example Step 2 provides risk exposure that is midway between the Accelerated Growth Fund and the Growth Fund. See the Fund Fact Sheets for PEPP's other investment option funds to get more detail on risk among the funds/Steps.

Effective June 27, 2019, the PEPP Steps Fund was updated to include a 13th Step. Along with this added step, the age band duration for each Step changed. For information on the changes to the PEPP Steps Fund read our Spring edition of [Pension Perspectives](#) available on our website.

[^] ER represents the total expenses to operate the fund as at March 31, 2019.

Who is this fund for?

This fund may be an appropriate investment option for Plan members who prefer a hands-off approach to investing. This fund will automatically move you to a more conservative asset mix as you age. The PEPP Steps Fund is intended to provide you with a more aggressive asset mix that provides higher expected returns and volatility in youth, shifting gradually to a more conservative asset mix that provides low expected returns and volatility with age.

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 all-inclusive fees estimated for this fund range from 0.34% to 0.54% based on the step.

* 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.

Additional information you may find helpful

Visit our website at 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.