

**REPORT ON THE ACTUARIAL VALUATION
OF THE DEFINED BENEFIT PART OF THE
UNIVERSITY OF WINNIPEG TRUSTEED
PENSION PLAN
AS AT DECEMBER 31, 2015**

*Canada Revenue Agency Registration Number 0309914
Manitoba Registration Number 0309914*

August 31, 2016


Prepared by:

Eckler

CONSULTANTS + ACTUARIES

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**Report on the Actuarial Valuation of the University of
Winnipeg Trusteed Pension Plan as at
December 31, 2015**

SUMMARY OF RESULTS

	12.31.2015	12.31.2014
Going Concern Financial Position		
Going concern assets	\$126,586,000	\$128,501,000
Going concern liabilities	\$149,838,000	\$143,601,000
Going concern surplus/ (unfunded liability)	(\$23,252,000)	(\$15,100,000)
Going-concern ratio	0.845	0.895
Windup Financial Position		
Market value of assets net of provision for wind-up expenses	\$126,386,000	\$128,306,000
Windup liability	\$188,207,000	\$181,048,000
Windup excess/ (deficiency)	(\$61,911,000)	(\$55,742,000)
Solvency Financial Position		
Solvency assets	\$138,836,000	\$136,852,000
Solvency liabilities	\$188,207,000	\$181,048,000
Solvency excess/ (deficiency)	(\$49,461,000)	(\$47,196,000)
Solvency ratio	0.671	0.697
Minimum Contributions in Year Following valuation		
Estimated University current service cost	\$1,288,000	\$1,253,000
Minimum special payments	\$2,672,000	\$1,816,000
Total minimum required contributions	\$3,960,000	\$3,069,000

Section 1 EXECUTIVE SUMMARY

The reasons for a valuation of the University of Winnipeg Trusteed Pension Plan (the "Plan") as at December 31, 2015. The valuation was undertaken at the request of the Board of Trustees of the Plan in order to determine the funded position of the Plan as at December 31, 2015 and to satisfy the requirements of the Pension Benefits Act of Manitoba and the Income Tax Act.

1. Using the projected unit credit method, the unfunded liability of the Plan has been determined to be an unfunded liability equal to \$23,252,000 at December 31, 2015. This must be funded by special payments of least equal to the amounts shown in the following schedule, payable monthly from the date identified.

Effective Date	Amortization Period	Annual Special Payment
December 31, 2010	Jan 2011 – Dec 2025	\$1,194,000
December 31, 2011	Jan 2012 – Dec 2026	\$622,000
December 31, 2015	Jan 2016 – Dec 2030	\$856,000
Total		\$2,672,000

2. The decrease in the financial position from an unfunded liability of \$15,100,000 at December 31, 2014 to an unfunded liability of \$23,252,000 at December 31, 2015 is mainly due to investment returns worse than expected and a decrease in the valuation interest rate, offset to some extent by the University special payments made in 2015 and other plan experience.

3. After including the present value of special payments due to fund the unfunded liability, the solvency deficiency of \$10,407,000. The solvency ratio is 0.071.

The Plan is subject to the funding requirements of the Pension Benefits Act of Manitoba. As such a solvency valuation is required to be prepared and normally special payments are required.

In addition, the University is exempt from making special payments for solvency deficiencies.

Regulation special payments would be necessary to fund the solvency deficiency as follows:

Valuation Date	Amortization Period	Annual Special Payment
December 31, 2015	Jan 2016 – Dec 2030	\$10,407,000

These payments would be in addition to the going-concern special payments described above.

4. If the Plan was wound-up on the valuation date, the liabilities would exceed the value of assets by \$61,941,000.

5. The recommended contributions determined in this valuation satisfy the requirements of the Pension Benefits Act of Manitoba and the Income Tax Act. The recommended University contributions are in accordance with the following schedule:

	Estimated Dollar Amount	pensionable payroll limited to the YMCE*
Regular University contributions	\$878,000	8.3%
Additional University contributions for current service shortfall and administration expenses	\$410,000	3.9%
Going concern special payments	\$2,672,000	
Total	\$3,960,000	

*YMCE: Years Maximum Contributory Earnings for members

6. Since the solvency ratio of the plan is less than 0.90, the Pension Benefits Act of Manitoba requires that the next valuation be prepared no later than December 31, 2016.

7. In accordance with the Plan provisions, pensions have been increased effective July 1, 2016

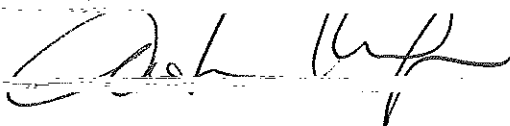
increase of 0.75%. This resulted in a loss on the going concern valuation basis of \$710,000.

This report should be filed with the Office of the Superintendent of Pensions in Manitoba, to meet the filing requirements of the Pension Benefits Act of Manitoba and with Canada Revenue

be performed no later than December 31, 2016

This report has been prepared and our opinions given in accordance with accepted actuarial practice.

Respectfully submitted,
ECKLER LTD



Andrew Kulyk
Fellow of the Canadian Institute of Actuaries

The defined benefit provisions of the Plan have not been amended since the date of the previous valuation.

Our report is based on the provisions of the 2009 consolidated Plan text and all subsequent amendments made to the Plan.

SUBSEQUENT EVENTS

We are not aware of any events that occurred between the valuation date and the date this report

In this report we describe the results of three different methods of valuing the Plan:

assuming the Plan is continued indefinitely, and to estimate the contributions currently required to be made to the Plan's fund, both to fund the cost of any benefits being earned by members for current service and, in the event there is a funding deficiency, to liquidate the amount of the funding deficiency.

- a "wind-up valuation" which is intended to reflect the status of the Plan as if it had been wound up on the valuation date and the Plan members had been provided with the benefits specified by the Plan and the Pension Benefits Act of Manitoba. The purpose of this valuation is to show the net amount available to fund the Plan members' accrued benefit by the current assets of the pension fund. The wind-up valuation is not used to determine the required contributions to the Plan.

- A "solvency valuation" which is required by the Regulations under the Pension Benefits Act of Manitoba. This valuation is similar to a wind-up valuation, except that certain adjustments may be made to the assets. The solvency valuation is required to be performed but does not affect the required contributions to the Plan because of the *Solvency Exemption for Public Sector Pension Plans Regulation*.

The difference between the wind-up and solvency valuations for this Plan relates to the value of assets that are included in the valuation. In the wind-up valuation, the only assets taken into account are the invested assets of the Plan which are taken at their market value adjusted for receivables and payables reflected in the Plan's audited financial statements as of the valuation date. In the solvency valuation, the assets are equal to the wind-up assets plus

following the valuation date.

FILING REQUIREMENTS

The last filed actuarial report was effective December 31, 2014. This report outlines the changes

filed with the Office of the Superintendent of Financial Institutions and Canada Revenue Agency.

The report is to be used by the Trust to verify its compliance with the requirements

for the next actuarial valuation of the Plan is required to be performed on later than December 31,

2016.

The valuation was based on data as of December 31, 2015, supplied to us by the Board of Trustees of the Plan. This data is summarized in Appendix C.

We subjected this data to a number of tests of reasonableness and consistency, including the following:

- a member's (and partner's as applicable) age is within a reasonable range;
- all dates remained unchanged from the data used in the previous actuarial valuation of the Plan;
- accrued service changed by a reasonable amount;
- a member's gender did not change;
- the form of pension payment did not change (other than resulting from the death of a retired member); and
- we examined the deletions from each of the data files (i.e., the files for active members, nonmembers and terminated members entitled to a deferred vested pension) since the previous valuation to determine whether all Plan members were accounted for in this

Data was corrected as appropriate. The results of our tests were satisfactory.

Assets of the Plan are held in trust with RBC Investor Services. The funds are invested in a number of pooled funds. We have relied on the audited financial statements for the fund prepared

December 31, 2015.

Section 4. GOING CONCERN VALUATION

VALUATION BALANCE SHEET

The following is the going concern valuation balance sheet as at December 31, 2015, based on:

- the membership data (summarized in Appendix C); and
- the actuarial value of assets (summarized in Appendix D).

Going Concern Valuation	12.31.2015	12.31.2014
Going Concern Assets		
Market Value of Fixed Assets	\$120,500,000	\$120,500,000
Future Contract Liabilities		
Active members – support	\$18,778,000	\$17,571,000
Pensioners and survivors	\$95,379,000	\$89,529,000
Other Liabilities		
Outstanding surplus distribution	\$207,000	\$206,000
Outstanding benefit payments	\$0	\$1,003,000
Total going concern liabilities	\$149,838,000	\$143,601,000
Excess (unfunded liability)	(\$29,338,000)	(\$23,101,000)

The unfunded liability for accrued service as at December 31, 2015 of \$29,338,000 exceeds the present value of previously established special payments of \$14,416,000 as shown in the following table:

Effective Date	Annual Special Payment (payable monthly)	End of Liquidation Period	Present Value of Payments on December 31, 2015
01.01.2011	\$1,194,000	12.31.2025	\$9,245,000
01.01.2012	\$622,000	12.31.2026	\$5,171,000
Total	\$1,816,000		\$14,416,000

The unfunded actuarial liability for accrued service as at December 31, 2015 of \$23,252,000 exceeds the present value of previously established special payments of \$14,416,000. The new unfunded liability of \$8,836,000 must be liquidated as follows:

accordance with the following schedule.

Effective Date	Annual Special Payment (payable monthly)	End of Liquidation Period	Present Value of Payments on December 31, 2015
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PROVISION FOR ADVERSE DEVIATION

The going concern valuation includes a margin for adverse deviation in the discount rate equal to 0.50% per year. This amounts to a provision for adverse deviation in the going concern accrued liability of approximately \$7,070,000, or additional annual University contributions when compared to a best estimate valuation, of:

- \$685,000 for special payments to amortize the unfunded liability, and
- \$126,000 for current service.

previous valuation of the Plan as at December 31, 2014 showed the Plan had an unfunded liability of \$15,100,000. The approximate derivation of the going concern unfunded liability at

Interest on surplus / (unfunded liability) and special payments during inter-valuation period at 5.9% per year	(\$891,000)
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Expected surplus / (unfunded liability) at December 31, 2015	(\$14,209,000)
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Plus actuarial gains/(losses) due to experience differing from assumed during the inter-valuation period:

▪ Gain/(loss) on retirements	\$194,000
▪ Gain/(loss) on mortality	\$240,000
▪ Gain/(loss) on salaries and the YMPE	\$233,000
▪ Gain/(loss) attributable to net investment experience	(\$3,082,000)
▪ Gain/(loss) attributable to pension increases	(\$710,000)
▪ Gain/(loss) attributable to administration expenses	\$50,000
▪ Gain/(loss) attributable to service accrued different than expected	\$44,000

Net actuarial experience gain/(loss)	(\$2,022,000)
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Gain/(loss) due to changing the actuarial assumptions:

▪ decrease in the valuation interest rate	(\$6,709,000)
▪ change in mortality table used for actuarial increases on post age 65 retirements	\$106,000
Gain/(loss) due to data changes	\$13,000
Other experience resulting in a net gain/(loss)	\$21,000
Going concern surplus / (unfunded liability) at December 31, 2015	(\$23,252,000)

The following describes the major sources of gain and loss since the previous valuation:

\$1,816,000.

- The actual return earned by the Plan based on the market value of assets during the year was 3.32% net of investment expenses, compared to an expected return of 5.9% per year resulting in a loss of \$3,082,000.

- A pension increase of 1.61% was provided effective July 1, 2016 resulting in a loss of \$7,10,000. This is based on:

- Expected annual pension increases of 0.75%,
- the four year average fund rate of return of 8.41% net of investment expenses.

the 2015 increase in the Consumer Price Index for Canada of 1.61%

loss of \$6,709,000

- The salary increase assumption reflects negotiated salary increases, as provided by the University, for the years 2016 to 2018 for Support Plan members and 2016 to 2018 for Academic Plan members. This resulted in a gain of \$544,000 as the results of the

lower than previously assumed.

INTEREST RATE SENSITIVITY OF THE GOING CONCERN LIABILITY

The effect of a decrease to the going concern valuation interest rate of 1% from 5.45% to 4.45%

is an increase in the liability of approximately \$10,627,000.

CURRENT SERVICE COST

Based on the assumptions and membership data described herein, we estimate that the University's current service cost from December 31, 2015 until the effective date of the next valuation is:

Regular University Contributions: estimated amount of 2.3% of members' pensionable

deemed earnings for members receiving long term disability (LTD) benefits. These are

\$1,000,000

PLUS

Regular University Contribution Shortfall: 2.4% of members' pensionable earnings

PLUS

- **Expenses:** 1.5% of members' pensionable earnings limited to the YMCE for annual expenses associated with the administration of the pension plan, up to \$100,000

Members are required to contribute 8% of pensionable earnings up to the YMCE less 1.8% of pensionable earnings for which Canada Pension Plan (CPP) contributions are required. Members receiving LTD benefits are not required to contribute.

Based on estimated pensionable earnings for 2016, capped by the YMCE, of \$10,547,000, the total estimated University current service contribution including the University contributions made on behalf of LTD member contributions, and the annual allowance for administration expenses is

\$1,000,000 of members' pensionable earnings. The actual dollar amount is

University's estimated current service contribution for 2016

The actual dollar amount of current service contribution for 2016 may be higher or lower than the

	Estimated Dollar Amount	Percentage of Pensionable Earnings
Estimated 2016 pensionable earnings capped by the YMCE	\$10,547,000	
Determination of Additional University Contribution		
Total current service cost for benefits	\$1,629,000	17.5%
Estimated member required contributions	(\$701,000)	(6.6%)*
Regular University Contributions	(\$878,000)	(8.3%)*
University current service cost shortfall	\$250,000	2.4%
Member contributions for administration expenses	\$100,000	1.0%
Additional University Contribution	\$410,000	3.9%
University Contribution for Current Service		
University Regular Contribution	\$878,000	8.3%
Additional University Contribution	\$410,000	3.9%
Total University contribution for current service	\$1,288,000	12.2%

Member contributions and Regular University Contributions are shown here as a flat rate however the actual amounts contributed in the year are based on the formula in the plan which is integrated with Canada Pension Plan earnings.

INTEREST RATE SENSITIVITY OF THE CURRENT SERVICE COST

The effect of a decrease in the valuation interest rate of 1% from 5.45% to 4.45% is an increase in the total current service cost and University current service cost of \$509,000. An increase in the University current service cost as a percentage of capped pensionable earnings from 12.2% to 15.1%.

Section 5 WIND-UP VALUATION

The purpose of the wind-up valuation is to determine the financial position of the Plan if it were wound up on the valuation date. The circumstances in which the plan wind-up occurs is that both the University of Winnipeg ceases operations and the Plan wind-up giving rise to termination benefits to members not eligible for retirement on the wind-up date and retirement benefits to all other members. There are no benefits on plan wind-up that were excluded from our valuation. The value of the early retirement subsidy as provided for in the Plan.

Accordingly, the following approach was used:

1. The Plan assets were valued at their market value.
2. The benefits valued are those which members would be entitled under applicable legislation and the Plan, if the Plan were wound up on the valuation date.
3. The actuarial assumptions are developed in accordance with the Canadian Institute of Actuaries (CIA's) Standard of Practice for determining Pension Committed values and the CIA Educational Note – *Assumptions for Hypothetical Wind-up and Solvency Valuations with Effective Dates Between December 31, 2015 and December 30, 2016* dated April 2016. These assumptions are described in detail in Appendix B.
4. In accordance with the CIA Educational Note, the spread above the unadjusted GANN series V39062 was determined to be 86 basis points based on a duration of 10.22 for the 2.89%.

Based on the Plan provisions in effect on December 31, 2015, the wind-up valuation assumptions and the membership data supplied by the Board of Trustees, the following is the wind-up position of the Plan as at December 31, 2015:

Wind-up Valuation	12.31.2015	12.31.2014
Wind-up Assets		
Market value of Plan assets	\$126,590,000	\$128,504,000
Allowance for wind-up expenses	(103,604)	(165,000)
Total wind-up assets	\$126,386,000	\$128,306,000
Wind-up Liabilities		
Active members	\$70,455,000	\$70,000,000
Inactive and deferred	\$1,583,000	\$1,848,000
Other (non-vested normal surplus distribution)	\$207,000	\$1,209,000
Total wind-up liabilities	\$188,297,000	\$184,048,000
wind-up excess/ (shortfall)	(\$61,911,000)	(\$55,742,000)

As shown above, if the Plan had been wound-up as at December 31, 2015, the wind-up liabilities would have exceeded the wind-up assets by \$61,911,000.

WIND-UP INCREMENTAL COST

The incremental cost represents the present value on the valuation date of the expected aggregate change in the wind-up liability between the valuations, adjusted upward for expected benefit payments between the valuation dates.

The estimated annual incremental cost of the Plan is \$4,040,000 per year, which is also the total estimated incremental cost between the valuation date, December 31, 2015 and the date of the next valuation, December 31, 2016.

Section 6 SOLVENCY VALUATION

The table below shows the solvency position of the Plan as at December 31, 2015. The circumstances in which the plan wind-up occurs is that both the University of Winnipeg ceases operations and the Plan wind-up giving rise to termination benefits to members not eligible for retirement on the wind-up date and retirement benefits to all other members. There are 20 members with 20 years or more of service on the valuation date include the value of the early retirement subsidy as provided for in the Plan.

The calculations are based on the Plan provisions in effect on the valuation date, the solvency valuation assumptions described in the valuation report of the actuaries, the Board of Trustees.

<u>Solvency Valuation</u>	12/31/2015	12/31/2014
<u>SOLVENCY ASSETS</u>		
Market value of Plan assets (A)	\$126,586,000	\$128,501,000
Present value of the first five years of special payments to eliminate the going concern unfunded actuarial liability	\$12,450,000	\$8,546,000
Allowance for wind-up expenses (B)	(\$200,000)	(\$195,000)
Total	\$138,836,000	\$136,852,000
<u>Solvency Liabilities</u>		
Active members	\$76,455,000	\$76,023,000
Deferred annuity payments	\$110,000,000	\$109,000,000
Inactive and deferred	\$1,500,000	\$1,500,000
(Other (incl. outstanding surplus distribution))	\$207,000	\$1,209,000
Total solvency liabilities (C)	\$188,297,000	\$184,048,000
Solvency excess / (deficiency)	(\$49,461,000)	(\$47,196,000)
Solvency ratio [(A + B) ÷ C]	0.671	0.697

INTEREST RATE SENSITIVITY OF THE SOLVENCY LIABILITY

The effect of decreasing the interest rates used to determine the value of the annuity purchase rate from 2.80% p.a. to 1.80% and a corresponding decrease in the computed value rates is an increase in the liability of approximately \$20,000,000.

SPECIAL PAYMENTS

This plan is subject to the funding requirements of the Pension Benefits Act of Manitoba. As a result it is required that a solvency valuation is prepared and, any solvency deficiency is required to be

funded over a five-year period. However, the University was eligible and made an election to be

exempt from making special payments for solvency deficiencies. As a result of the election, the University is exempt from making special payments for solvency deficiencies. The election was filed with the Minnesota Pension Commission on January 20, 2006.

The Plan has a solvency deficiency (i.e., an excess of solvency liabilities over solvency assets after adjustment) of \$49,461,000. In the absence of the Solvency Exemption, the solvency deficiency would require funding by equal monthly payments over the period beginning on the valuation date and ending on December 31, 2020. Accordingly, the minimum special payment required to liquidate this solvency deficiency would be \$10,616,000 per year, payable monthly from January 1, 2016 to December 31, 2020 inclusive. These payments would be in addition to the special payments required to fund the going concern unfunded liability.

The following schedule summarizes the special payments that would be required to liquidate the unfunded liabilities and solvency deficiencies as at December 31, 2015. The payments to amortize the unfunded liability must be made regardless of the solvency exemption. Payments to amortize the solvency deficiency are not required.

Effective Date	Invaluable month(s)	Liquidation Period	Annual Special Payment	End of Concern Valuation	Present Value of Payments on December 31, 2015 for purposes of*	
					Solvency	Going Concern
Unfunded Liability						
01.01.2011			\$1,194,000	12.31.2025	\$5,563,000	\$9,245,000
01.01.2012			\$1,212,600	12.31.2026	\$5,730,000	\$9,371,000
01.01.2016			\$856,000	12.31.2030	\$3,989,000	\$8,836,000
Solvency Deficiency						
01.01.2016			\$10,616,000	12.31.2020	\$13,288,000	\$13,288,000
Total Including Solvency			\$13,288,000		\$61,911,000	

*The present value for the Solvency Valuation reflects only the next five years of payments, discounted at the weighted average solvency interest rate of 9.95% per year. The present value for the Going Concern Valuation reflects all years of payments, discounted at the going concern interest rate of 5.45% per year.

Section 7 ELIGIBLE CONTRIBUTIONS

MINIMUM CONTRIBUTIONS

The University is required to make:

- Regular University Contributions at the rate of 9.0% of earnings up to the YRF 7.2% of up to the year's Maximum Contributory Earnings (YMCE) in the Plan; plus
- the member contribution on behalf of LTD members; plus the current service shortfall for benefits calculated on the total member and University regular contributions; plus
- the annual allowance for administration expenses, plus

Based on estimated capped pensionable earnings of \$10,547,000 including the deemed earnings

Benefits Act of Manitoba and Solvency Exemption are as follows:

	Estimated Dollar	Contribution
Regular University Contributions including LTD contributions for LTD members	\$076,000	0.5%
Current service shortfall for benefits	\$250,000	2.1%
Annual allowance for administration expenses	\$160,000	1.5%
Special payments:		
- Unfunded actuarial liability	\$2,672,000	\$2,672,000
- Solvency deficiency	-	-
Total required contributions	\$3,960,000	

Pension Plan earnings.

MAXIMUM CONTRIBUTIONS

The University is permitted to fund at a higher level than the minimum requirement stated above.

The maximum permitted contribution the University could make is equal to the sum of:

1. A lump sum equal to \$61,911,000 – the greater of the unfunded actuarial liability of \$23,252,000 and the windup deficiency of \$61,911,000 as of December 31, 2015; PLUS
2. The current service contributions of 12.2% of capped earnings representing:
 - (i) Regular University contributions and;
 - (ii) Additional contributions for the current service shortfall and expenses.

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Under the Health Benefits Plan, contributions due to the Plan must be remitted
monthly; member and University contributions are due within 30 days following the end of the
month to which they apply.

Section 5. ACTUARIAL OPINION

report on a valuation of the plan at December 31, 2015, I hereby certify that:

a. The purpose of this report is to provide actuarial estimates of the funding payments required of the next valuation. The effective date of the next valuation must be no later than December 31, 2016 in order to comply with applicable legislation.

b. Based on the projected unit credit actuarial funding method, the plan has an unfunded liability of \$23,252,000.

c. In order to satisfy the funding requirements of the Pension Benefits Act, the University must amortize the unfunded liability according to the following schedule:

End of Amortization	Annual Special Payment		
Unfunded Liability	01/01/2016	12/31/2026	\$622,000
Unfunded Liability	01/01/2016	12/31/2030	\$856,000
Total			\$2,672,000

d. Based on the projected unit credit actuarial funding method, the University is required to contribute 12.2% of capped pensionable earnings in order to satisfy their funding requirements. This is comprised of University Regular Contributions of approximately 9.2% of capped earnings, plus 2.4% of earnings for the current service cost, and 0.6% of capped earnings for the University Regular Contributions of approximately 9.2% of capped earnings, plus 2.4% of earnings for the current service cost, and 0.6% of capped earnings.

allowance for expenses for 2016 is \$1,569,000, of which \$797,000 will be paid by the members and \$772,000 will be paid by the University.

up as at December 31, 2015. The estimated shortfall is \$61,911,000.

f. After taking into account the present value of the next five years special payments to amortize the unfunded liability, the Plan has a solvency deficit as of December 31, 2015 of \$49,461,000. The Plan has a solvency ratio of 0.0711.

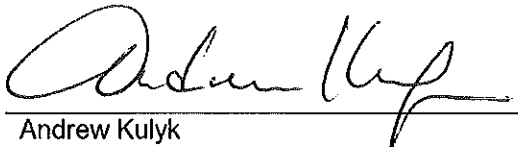
Notwithstanding the foregoing opinion, emerging experience differing from the assumptions will result in gains or losses which will be revealed in future valuations.

purposes of the valuation,

h. the assumptions used are appropriate for the purposes of the valuation, and

c. the methods employed in the valuation are appropriate for the purposes of the valuation

practice in Canada.



Andrew Kulyk
Fellow of the Canadian Institute of Actuaries

August 31, 2016
Date

The defined benefit provisions of the Plan have not been amended since the date of the previous valuation.

The following is a summary of the main provisions of the Plan in effect at December 31, 2015. It is not intended to be a complete description of the Plan.

ELIGIBILITY

The defined benefit portion of the Plan is closed to new entrants.

MEMBER CONTRIBUTIONS

Members are required to contribute at the rate of 9.0% of salary up to the Year's Basic Earnings (YBE) under the Canada Pension Plan, 7.2% between the YBE and the Year's Maximum Pensionable Earnings (YMPE) and 8.0% in excess of the YMPE. Members contribute only on the amount earned up to the Year's Maximum Contributory Earnings (YMCE).

The YMCE is the sum of \$86,111 and 30% of the YMPE for the year, or \$102,581 for 2016.

Members receiving benefits from the long term disability (LTD) plan are not required to contribute to the plan while disabled.

UNIVERSITY CONTRIBUTIONS

The University is required to contribute at the rate of 9.0% up to the YBE, 7.2% between the YBE and the YMPE and 9.0% in excess of the YMPE. The University only contributes on the amount earned up to the YMCE, plus any additional payments required under the Pension Benefits Act of Manitoba.

For members receiving benefits from the LTD plan, the University also contributes the amount

purpose of results presented in this report, this amount is included in Regular University

NORMAL RETIREMENT

The normal retirement date of all members is the first of the month following their 65th birthday.

EARLY RETIREMENT

A member may retire on the first day of any month within the 10 year period prior to his normal retirement date. If the member is age 61 or over and his age plus years of service equals 95 or more, there is no reduction on early pension commencement, otherwise the reduction is 1/6% for

have satisfied the "rule of 85 minimum age 61" had employment continued and age 65

LATE RETIREMENT

A member who continues in employment after his normal retirement date continues to make contributions to the Plan and his pension does not commence until his actual retirement date or the end of the year in which the member attains age 74. If a member delays retirement, the member receives the greater of the pension accrued to the date of retirement and the actuarial equivalent pension based on the member's normal retirement date.

PENSION

At retirement, the member is entitled to an annual pension equal to 2% of his final average earnings multiplied by his years of credited service less 0.6% of his CPP average earnings up to the YMPE in the same 60 months used for calculating the average earnings. The maximum annual pension is \$1,722.22 per year of credited service.

FORMS OF PENSION

The normal form of pension at retirement is payable for life with a guarantee of 5 years' payments.

Members with a spouse must select an actuarially equivalent pension in the form of a joint and last survivor pension with a 50% or 60% rate of the pension continuing to the survivor.

Other options are available on an actuarially equivalent basis.

Members were given the choice of three ways to receive their Initial Surplus Share as follows:

- a) A lump sum payment,
- b) As partial lump sum payment and an improvement in the normal form of pension in respect of credited service accrued prior to December 31, 1999 from life guaranteed 5 years to life guaranteed 13 years.
- c) No lump sum payment and an improvement in the normal form of pension in respect of credited service accrued prior to December 31, 1999 from life guaranteed 5 years to life guaranteed 13 years.

Where applicable, the enhanced form of pension is reflected in our valuation.

PENSION INCREASES

Pensions in payment are increased automatically on July 1 by the same percentage as the average annual investment return on the fund, net of investment and administration expenses in the previous four calendar years exceeds 0%, subject to a maximum increase of the CPI in that year. If the increase in any year is limited by the CPI increase and there was a previous year, or years, when the increase was less than the CPI, the Board of Trustees may provide a higher increase to make up some, or all of, the shortfall.

DEATH BENEFITS PRIOR TO RETIREMENT

The death benefit is the commuted value of the pension earned to the date of death.

BENEFITS ON TERMINATION OF EMPLOYMENT

A member who terminates employment is entitled to a deferred pension payable from normal retirement date.

50% of the deferred pension in respect of service prior to January 1, 1985 must be paid for by University contributions.

Members not eligible to commence an immediate pension have the option of electing to transfer the commuted value of their accrued pension to a locked-in retirement account.

BENEFITS ON DISABILITY

A member receiving benefits from the University Long Term Disability (LTD) Plan accrues credited service but is not required to make contributions. For pension calculation purposes, the salary (and YMPE) are deemed to be equal to that paid to the member immediately prior to the commencement of the LTD benefit.

SUPERINTENDENT'S ORDER FOR SURPLUS DISTRIBUTION

On December 8, 2006, the Superintendent of Pensions of Manitoba issued an Order requiring the University to pay a lump sum amount of \$6,454,000, plus interest in respect to the distribution of a surplus dating back to 2008 to certain plan members. The University appealed the Order of the Manitoba Pension Commission, and further to the Manitoba Court of Appeal. As a result of the appeal to the Manitoba Pension Commission, the Superintendent issued a revised Order on June 6, 2008, leaving the Order with respect to surplus distribution unchanged. The Manitoba Court of Appeal delivered its decision in support of the Superintendent's Order on January 23, 2009.

Following the Court of Appeal decision, the Board of Trustees received clarification of the Order from the Superintendent with respect to several matters with respect to the Order, and requested Canada Revenue Agency approval for the necessary contribution by the University and the

received after December 31, 2009. The University immediately contributed \$6,775,627 into the fund in January 2010, and payments to members entitled to a share of this amount commenced in February 2010.

A small portion of this amount remains undistributed and is treated as a liability of the Plan for the purpose of our valuation as at December 31, 2015.

Appendix B. ACTUARIAL ASSUMPTIONS

Going Concern Valuation

These assumptions are the same as those used at the previous valuation, except where noted.

Discount rate:

In order to determine the expected investment return on the investments of the Plan, we modeled in order to determine the expected long-term return on investments of the Plan, we modeled determined expected long-term capital market returns, standard deviations and correlations for

the simulated going concern discount rate was the return at the median of each asset class weighted by the Plan's target asset mix taking into account changes in the asset mix that are scheduled to be triggered after the valuation date (i.e. under a glide-path). To arrive at the

management fees.

Based on the methodology described above, the going concern discount rate assumption was

Based on the methodology described above, the going concern discount rate assumption was

Expected Return

Simulated gross investment return before margin and expenses	5.90%
Assumed active management value added	0.35%
Provision for investment management expenses	(0.45%)
Provision for adverse deviations	(0.50%)
Going concern discount rate	5.45%

Trustees of the Plan.

For the previous valuation, an interest rate of 5.9% per year was used.

Interest rate credited on member required contribution accounts:

It was assumed that members' accumulated required contribution accounts would increase at the rate of 1.75% per year. This rate was developed based on the five-year average of the CANSIM Series V122515 rates and is consistent with the rate provided by the Plan.

Expenses:

We have assumed that annual administration expenses will be \$160,000 per year. This allowance was developed based on recent administration expenses incurred by the Plan and an expense

budget provided by the Trustees. An implicit allowance for investment management expenses of 0.45% is reflected in the valuation interest rate.

For the previous valuation administration expenses were assumed to be \$175,000 per year.

Salary Increases:

Salaries are assumed to increase from the valuation date as follows:

- i. General increases of 3.0% per year. This rate is based on an allowance for market implied inflation at December 31, 2015 of 2.0% per year based on the difference between the general consumer price index for all urban consumers and the general consumer price index for all urban consumers in the Canadian economy.

- ii. Performance, Academic Members only. The following table describes the performance scale used for the valuation; for selected ages.

Age	Average Annual Increase over next 5 years	Average Annual Increase to age 65
40	2.4%	2.0%
45	2.2%	1.9%
50	2.0%	1.8%
55	1.8%	1.7%
60	1.6%	1.6%

Negotiated scheduled rate increases, as provided by the University, have been reflected in place of the salary increase assumption. A summary of the scheduled rate increases is provided below. For Academic Members, the scheduled rate increases include a component for performance.

Year	Annual Increase for Support Members	Annual Increase for Academic Members
2016	1.0%	3.5%
2017	1.5%	3.0%
2018	2.0%	3.5%
2019	Increases in accordance with salary assumption described above	4.0%
2020	Increases in accordance with salary assumption described above	Increases in accordance with salary assumption described above

Mortality:

The RPP 2014 Public Sector Mortality Table from the CIA report, without size adjustments

B (CPM-B) was assumed for this valuation to estimate the incidence of death before and after

retirement. The assumption is based the Canadian Institute of Actuaries' (CIA) final report on the results of a study performed on the mortality of pension plan members in Canada.

Termination:

Considering the age and length of employment of current members (the DB part of the Plan was closed to new entrants January 1, 2001) and the very low number of terminations occurring, we have made no allowance for the incidence of termination of employment prior to becoming eligible to retire.

Retirement:

The retirement age of members has a financial impact on the Plan. We have developed the following table based on 6 years of retirement experience of the Plan from 2005 to 2010. We

Age	Probability of Retirement
61 – 68	20%
69	30%
70	40%
71+	100%

Actuarial Equivalence of Postponed Retirement:

The current administrative practice of the Plan is to determine actuarial equivalent pension increases in a manner consistent with the actuarial assumptions used for determining commuted values. We have assumed an average commuted value interest rate of 4.0% and mortality rates

in accordance with the RPP 2014 Combined Mortality Table from the CIA report without size

adjustments to RPP 2014 with full generational improvements in mortality. Using the

improvement scale R (IPM-R) in determining the interest rate assumption we have determined

the following:

- Current Government of Canada long bond yields and commuted value rates are currently decreasing rates.
- The Canadian Institute of Actuaries' (CIA's) Standard of Practice for determining Pension Commuted Values currently provides for non-indexed select interest rates equal to the interest rates equal to the Government of Canada Long Term Bond yield plus half the spread between the long bond rate and the seven year rate plus 0.9%.
- We assumed future long term Government of Canada bond yields equal to 3% and future average commuted value rates of 4.0% per year.

Previously, mortality used in determining the actuarial equivalent pension on postponed retirement was in accordance with the UP1994 Table projected with full generational improvements.

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Year's Maximum Pensionable Earnings:

We have assumed that the CPP Year's Maximum Pensionable Earnings (YMPE) will increase annually based on average general increases in wages in Canada. For this valuation we have assumed that the YMPE will increase from its 2016 level of \$54,900 by 3.0% per year. This is consistent with the general salary increase assumption.

Future Pension Increases:

Pensions in pay are increased annually by an amount equal to the excess return of the fund, net of investment management and administration expenses, over a base rate of 0.00%.

we have continued to assume that pensions will increase by 0.75% per year on average.

Actuarial value of assets:

For this valuation we have used the market value of assets.

GOING-CONCERN VALUATION METHOD

We have used a projected unit credit actuarial cost method. This values the benefits for accrued service up to the valuation date by projecting salaries to retirement, determining the pension at

liabilities in respect of service after 1984 to the contributions plus interest in respect of the same period to determine if the 50% test is applicable. If it is we make the appropriate adjustment to the liability. Ancillary benefits on death or termination of employment are valued in a similar manner.

The University's current service cost under this method is the excess of the cost of benefits which will arise in the year following the valuation over the members' contributions in that year.

Solvency and Wind-up Valuation

The following summarizes the actuarial assumptions used for the Solvency and Wind-up

Actuarial value of assets:

Solvency: Market value of assets

Interest:

2.89% per year for annuity purchase²

2.1% per year for 10 years and 3.7% per year thereafter for lump sum

Future increases in Pensionable Earnings:

None

² In accordance with the CIA Educational Note – Assumptions for Hypothetical Wind-up and Solvency Valuations with Effective Dates between December 31, 2015 and December 30, 2016, dated April 2016, the spread above the unadjusted

Massachusetts

CPM2014 (Combined) Mortality Table with mortality improvement

projected generationally in accordance with Scale CPM-R.

Proportion electing annuity purchase

100% of retirees and 100% of active and deferred members age 55 & older. All others elect a lump sum transfer of the commuted value.

Incremental Cost

The incremental cost is the present value, at the valuation date, of the expected aggregate change in the hypothetical wind-up or solvency liability between the valuation date and the next valuation date. It also reflects expected benefit payments between the valuation date and the calculation date.

In our report we have determined the incremental cost under the wind-up basis. The incremental cost was determined as the sum of (a) and (b) minus (c):

- (a) the projected wind-up liability at the next valuation date for those members at the current valuation date, allowing for expected decrements and change in membership status, service accrual, increases in earnings, and post-retirement service increases between the two valuation dates; no adjustment was made for new entrants between the two valuation dates. The resulting projected wind-up liability was then discounted to the current valuation date;
- (b) the present value of the benefit payments expected to be paid between current valuation date and the next valuation date, discounted to the current valuation date;
- (c) the wind-up liability as at the current valuation date.

For purposes of calculating the wind-up incremental cost, the expected decrements, as well as the expected benefit payments between the current valuation date and the next, were determined

Appendix. In particular, we have assumed that the interest rates will remain the same throughout

the valuation date will remain unchanged, as will the current guidance on the estimation of annuity purchase costs.

Appendix C MEMBERSHIP DATA

valuation and are satisfied that the data are sufficient and reliable for the purposes of the valuation.

Active Members	12-31-2015	12-31-2014
Number of Members	151	160
Average Pensionable Earnings	\$89,738	\$87,806
Average Credited Service	24.3	23.8
Total Required Contributions With Interest	\$18,675,008	\$19,424,370
Total Number of Deferred Members	42	45
Lifetime Pension	39	43
Average Age	56.8	56.4
Average Annual Deferred Pension Payable at 65	\$2,047	\$2,602
Number of Members with Lump Sum Benefit Payable	23	26
Total Lump Sum Benefits Payable	\$399,558	\$425,981
Pensioners and Survivors	12.31.2015	12.31.2014
Number of Lifetime Pensions	270	267
Average Age	74.7	74.4
Average Annual Lifetime Pension	\$30,234	\$29,786
Number of Certain Only Pensions	5	3
Average Annual Certain Only Pension	\$38,815	\$29,711

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Outstanding Lump Sum Benefit Payments	12.31.2015	12.31.2014
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NUMBERS

NUMBERS

Distribution of Active Membership

The following table summarizes the distribution of active membership by age and credited service. The table includes the number of members in each group and the member average pensionable earnings for 2015.

Group	Credited Service							Total
	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35+	
			1	1	1			3
				12		1		13
50 - 54			*	\$76,155	\$69,860	\$48,802		\$66,361
			2	11	3	7		23
55 - 59		*	*	\$92,138	\$84,022	\$102,118	\$58,662	\$88,058
	14	9	14	5	1	45		
60 - 64			*	\$105,782	\$87,958	\$94,834	\$97,538	\$66,536
			1	8	7	14	10	6
65 - 69				\$94,593	*	\$141,147	\$132,895	\$145,621
				3	2	4	6	4
70 - 74						*	*	*
						1	1	2
Total		*	\$74,204	\$86,230	\$84,350	\$92,400	\$98,384	\$99,080
	1	5	49	22	41	21	12	151

*Earnings in cells with fewer than three members have been suppressed.

The following tables summarize the distribution of retired members by age group.

Male Retired Members

Age	Lifetime Pensions		Temporary Pensions	
	Count	Average Annual Pension	Count	Average Annual Pension
55 - 59	2	*		
60 - 64	10	\$27,249	2	*
65 - 69	25	\$35,618	1	*
70 - 74	33	\$46,692	1	*
75 - 79	30	\$37,698		
80 - 84	26	\$34,003		
85 - 89	11	\$31,278		
90 - 94	3	\$34,237		
95+				
Total	140	\$37,544	4	\$40,000

*Pensions in cells with fewer than three members have been suppressed.

Female Retired Members

Age	Lifetime Pensions		Temporary Pensions	
	Count	Average Annual Pension	Count	Average Annual Pension
55 - 59	2	*		
60 - 64	13	\$19,713	1	*
65 - 69	38	\$22,368		
70 - 74	19	\$19,696		
75 - 79	24	\$24,480		
80 - 84	19	\$25,026		
85 - 89	8	\$23,250		
90 - 94	5	\$20,179		
95+	2	*		
Total	130	\$22,410	1	*

*Pensions in cells with fewer than three members have been suppressed.

The following table summarizes the changes in membership since the previous valuation:

Reconciliation of Membership

Retirements					
- Pension	(6)	(3)	10	(1)	-
- Paid out					-
Deferred paid out				(2)	(2)
Outstanding paid out					(1)
Pensioner Death			(8)		(8)
Survivor Benefits			3		

At December 31, 2015

70

70

875

10

100

Appendix D. PLAN ASSETS

Assets of the Plan are held in trust with BDO Investor Services. The funds are invested in a number of pooled funds. We have relied on the audited financial statements for the fund prepared by the University of Winnipeg on behalf of the Board of Trustees for the years ending December 31, 2015.

by the audited financial statements consisted of the following:

Actual Asset Mix at December 31, 2015

	Market Values	Proportion
Fixed Income	\$43,751,118	34.96%
Canadian Equities	\$18,338,418	14.66%
U.S. Equities	\$18,477,470	14.77%
International Equities	\$30,035,713	24.00%
Real Estate	\$14,525,130	11.61%
Short-term	\$76	0%
Total Invested Assets	\$125,127,925	100.00%

The invested assets are adjusted by the following amounts to arrive at the market value of assets (\$126,585,959) as at December 31, 2015:

- Cash held was equal to \$1,269,955, plus
- Contributions receivable equal to \$388,649, minus
- Amounts payable equal to \$200,570

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FINANCIAL STATEMENTS

A summary of the change in assets since the previous valuation is summarized below:

	2015
Balance at January 1	128,501,479
Member Contributions	830,921
University Contributions	3,173,885
Investment Income	16,040,765
Realized Gains + Losses	944,251
Change in Market Values	(12,119,212)
Pensions Paid	(8,111,698)
Lump Sum Payments	(1,977,876)
Investment Management Expenses	(570,917)
Administration Expenses	(117,639)
Balance at December 31	126,585,050

INVESTMENT POLICY

The Pension Trustees adopted a revised statement of investment Policies and Procedures in 2013 (the "Policy"). The provisions of the Policy have been reflected in this valuation as they were in the previous valuation as at December 31, 2014.

The Policy is intended to provide guidelines to the investment managers as to the level of

adopted a de-risking strategy for the Plan and separates the assets in a Growth Portfolio and a Liability Matching Portfolio. As the going-concern funded ratio improves, a portion of the Growth

The transition is divided into six stages, as shown below. The trigger for each stage is based on the going concern funded ratio of the Plan.

De-risking Glidepath

Going Concern Funding Ratio	95%	95% - 90%	90% - 85%	85% - 80%	80% - 75%	95% - 100%	100% - 105%	105% - 110%
Growth Portfolio	75	65	55	50	45	40		
Liability Matching Portfolio	25	35	45	50	55	60		

Asset Mix Benchmark

Color	Green	Orange	Yellow	Red	Dark Red	Black
Global equities	25.0%	30.0%	35.0%	40.0%	45.0%	45.0%
Universe/Long bonds	20.0%	30.0%	40.0%	45.0%	50.0%	55.0%
High yield bonds	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Total Growth Portfolio	75.0%	65.0%	55.0%	50.0%	45.0%	40.0%
Total Fund	100%	100%	100%	100%	100%	100%

The constraints on the asset mix are as follows:

Asset Mix Constraints

Asset Class	Range in Relation to the Fund Benchmark %
Canadian equities	Between 5% below and 10% above
Emerging market equities	Between 5% below and 5% above
High yield bonds	Between 5% below and 5% above

ACTUARIAL VALUE OF ASSETS

For this valuation, we have used the market value of assets.

INVESTMENT RETURN

Assuming that all cash flows occurred in the middle of the year, in 2015 the pension fund earned:

- a gross rate of return equal to 3.89%,
- a net rate of return equal to 3.42% after adjusting for investment management expenses, and
- a net rate of return equal to 3.32% after adjusting for investment management and administration expenses.

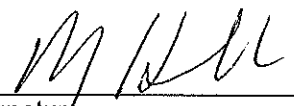
Appendix E. CERTIFICATE OF TRUSTEES

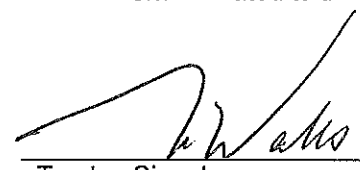
~~With respect to the December 31, 2015 valuation of the University of Winnipeg Trusteed Pension Plan, we hereby certify that, to the best of our knowledge and belief:~~

- A copy of the official Plan document and all amendments made to December 31, 2015, were provided to the actuary:
- The membership data provided to the actuary includes a complete and accurate description

~~of every person who is entitled to benefits under the terms of the Plan for services up to December 31, 2015; and~~

- All events subsequent to December 31, 2015 that may have an impact on the valuation have been communicated to the actuary.


Trustee Signature


Trustee Signature

Chair, Board of Trustees

SECRETARY, BOARD OF TRUSTEES

Date

Sept. 12/16

Date

Aug. 12/16