



## Understanding the Fund Management Fees

in your University of Ontario Institute of Technology (OntarioTech University) defined contribution pension plan (the University's pension plan)

The University offers eligible plan members the opportunity to save for their future retirement and the flexibility to direct the investments for both their pension contributions and the University's pension contributions in any of the investment options available under the University's pension plan's investment platform. When it comes to how much you can save for your future retirement, **fund management fees (FMFs)** matter. To support your future retirement savings goals, the University negotiates very competitive FMFs so that you have more assets available for your future retirement.

While it is true that fees matter, it is important to note that it is just as important to choose funds that are right for you and will allow you to meet your long-term financial goals. However, if you are deciding between two similar funds, the difference in their fees is worth considering.

### Your fund information

Your fund and fee information are always available. Simply sign in to [mySunLife.ca](https://mysunlife.ca) using your sign-in ID and password and select **my financial center > Accounts > Account fees**. You can also see the fees you pay on your annual account statement.



## What are FMFs?

FMFs are deducted from your account balance as a percentage of your total assets invested within a particular fund at the beginning of each month. FMFs depend on the investment fund you have selected to invest your pension contributions. These fees include, but are not limited to, investment management fees as well as operating expenses for both the segregated fund and the underlying fund.

Sun Life offers “segregated funds” for the investment of pension contributions. Segregated funds are similar to mutual funds and can only be offered by insurance companies. These funds are separate from the general assets of an insurance company and offer plan members protection against creditors. The underlying investment fund is the mutual fund made available as a segregated fund by the insurance company.

**Investment management fees** pay for the services of professional investment managers, who select the companies/investments for the segregated fund, and builds that fund’s holdings. Management activities include:

- visiting companies they are considering investing in, analyzing their financial statements and identifying the risks associated with the investment in that company; and
- monitoring all of the investments the fund makes and deciding when to buy and or sell those investments.

A fund’s **operating expense** mainly consists of legal fees, audit fees, and transaction costs. Operating expenses also include the fund’s administration costs and the costs associated with the required regulatory filings. In some funds, the operating expenses may include embedded fees of the underlying fund.

In addition, FMFs pay for the record keeping of your account balances and member servicing costs (e.g. member website and statement production). There are also applicable taxes charged on the management fees and on some portions of operating expenses.

## Different fund types, different levels of management

In general, indexed and money market funds have the lowest FMFs since these funds require little research and involve less buying and selling of assets to match the characteristics of a market index (e.g. S&P/TSX). Whereas, actively managed funds try to outperform a market index. Actively managed funds requires more research and involves more buying and selling of securities to outperform a market index.

## We’re here to help



**Go mobile:** Check your balances and see how your funds are doing. Download the **my Sun Life mobile app** on Google Play or the Apple App Store.



Visit **mySunLife.ca** for tools, articles and webinars. Sign in and select **Chat live now** to get live support.



Call us at **1-877-908-0301** | Monday to Friday | 8 a.m. to 8 p.m. ET



Consider speaking with a financial advisor (registered as a financial security advisor in Quebec) of your choice to get personalized advice about your plan.