

## PEPP Steps Fund

### QUICK FACTS

<b>Inception:</b>	November 1, 2007	<b>Manager:</b>	Plannera Pensions & Benefits
<b>Assets:</b>	\$6,350.8 million	<b>Expense Ratio (ER)^:</b>	Range between 0.78% to 1.18%

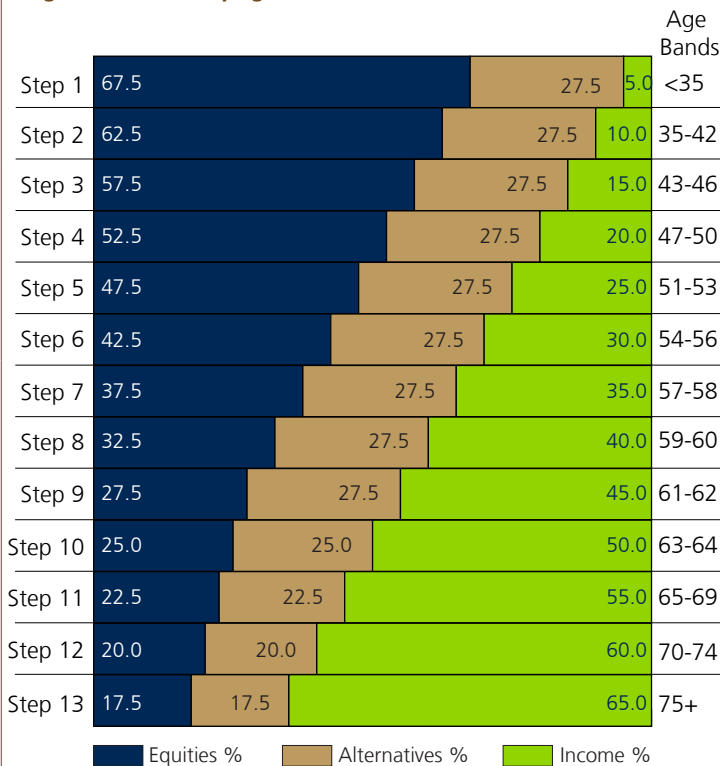
### What does this fund invest in?

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



Effective June 27, 2019, the PEPP Steps Fund was updated to include a 13<sup>th</sup> Step. Along with this added step, the age band duration for each Step changed.

### 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 [pepp.plannera.ca](http://pepp.plannera.ca) 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.

<sup>^</sup> ER represents the total expenses to operate the fund as at March 31, 2024.

**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 0.78% to 1.18% based on the step.

Below is the total fee ratio for each step:

Step 1: 1.18%  
 Step 2: 1.15%  
 Step 3: 1.12%  
 Step 4: 1.10%  
 Step 5: 1.07%  
 Step 6: 1.04%  
 Step 7: 1.02%  
 Step 8: 0.99%  
 Step 9: 0.96%  
 Step 10: 0.94%  
 Step 11: 0.90%  
 Step 12: 0.84%  
 Step 13: 0.78%

\* As at March 31, 2024

**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<sup>†</sup>:**

*AllianceBernstein Canada, Inc.; ARGA Investment Management, LP; Barings LLC; Beutel, Goodman Company Ltd.; Burgundy Asset Management Ltd.; Fidelity Investments Canada ULC; Gannett Welsh & Kotler, LLC; Hudson Bay Capital Management LP; Insight Investment Management Ltd.; J. Zechner Associates Inc.; King Street Capital Management, L.P.; LMR Partners LLP; Morgan Stanley Investment Management Inc.; Maj Invest A/S; Manulife Investment Management Limited; Oberweis Asset Management, Inc.; One William Street Capital Management, L.P.; PEPP Infrastructure, Farmland, and Private Equity Programs; PEPP Direct Lending Program; PGIM Inc.; PIMCO Canada Corporation; Pzena Investment Management LLC; QV Investors Inc.; Rokos Capital Management LLP; T. Rowe Price (Canada), Inc.; TD Asset Management Inc.; Thompson, Siegel & Walmsley, LLC; Transtrend B.V.*

**Additional information you may find helpful**

Visit our website at [pepp.plannera.ca](http://pepp.plannera.ca) 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

<sup>†</sup> For more information on PEPP's investment managers see our *Investments* section on our website at [pepp.plannera.ca](http://pepp.plannera.ca).