



Why it pays to stay.

Being a PEPP member means you're saving for your future. Eventually, your PEPP account will be used as an income source when you retire.

However, when managing our personal investments, we sometimes make decisions that may have a negative impact down the road. Here are two common mistakes.

First, we may seek advice from co-workers, friends or family. Not only is each person's financial situation unique, sometimes the advice may be inaccurate or misleading.

Second, we tend to make emotional decisions during times of stress. And these days, many of us are stressed.

To help, we've created this information piece. If you ever decide to leave your PEPP employer or retire, you'll know the benefits of staying with PEPP and what questions to ask those trying to get you to transfer your retirement savings out of Canada's top defined contribution plan.



Facts matter! Setting the record straight about PEPP.

PEPP wants you to make smart decisions based on facts rather than on high-pressure sales tactics.

FACT: PEPP is a not-for-profit pension plan. Unlike the big banks or wealth management firms, we operate on a cost-recovery basis. The fees incurred are **the actual costs** for operating the Plan and investing the Plan's assets.

FACT: PEPP has accredited financial planner professionals. Our team of Retirement Information Consultants (RICs) includes Certified Financial Planner®, Qualified Associate Financial Planner™, and Personal Financial Planner® professionals.

Combined with decades of financial

planning services, our Retirement Information Consultants are here to serve **your** best interests.

FACT: PEPP's RICs are strictly salary-based. In Canada, banks and registered financial advisers typically get paid for investments through various fee structures and commissions. Most receive a commission when you transfer money over to them. If you have investments outside of PEPP, do you know how your financial adviser is compensated and how much you're paying in fees?

FACT: PEPP has a strong, long-term fund performance. PEPP's long-term investment horizon means we can invest in alternative investments with a time horizon of 10 years or more. And the range of investments allows PEPP to access superior returns with less risk.

PEPP QUIZ

How well do you know what options you have when it comes to your money with PEPP? Take the quiz to find out.

- 1 Can you keep your money in PEPP after you terminate and/or retire from your PEPP employer?
 Yes No
- 2 Does PEPP allow you to transfer money back into the Plan after transferring all your funds out of PEPP?
 Yes No
- 3 Does PEPP have an option to allow retiring PEPP members to keep their funds within the Plan?
 Yes No
- 4 Do you know PEPP has accredited financial planning professionals who can give you unbiased information when it comes to retirement planning?
 Yes No

See page 2 for the answers.



Learn how PEPP is balancing positive returns while managing risk to grow your retirement savings.

'Downside protection' strategies help your PEPP account in volatile markets



Imagine having a special shield called "downside protection" when playing a game. Now, let's say you

can lose points if something bad happens. The shield protects you from not losing too many points.

Downside protection is a safety feature investors use to minimize losses during market downturns.

Two common forms include asset diversification and asset allocation.

PEPP's approach to downside protection

First, PEPP has been diversifying its investments across different asset classes, such as equity, alternatives and income.

Second, PEPP is changing its asset allocations across various investment categories.

One of the best ways to minimize negative returns in stocks and bonds is through alternative

investments. This includes real estate, infrastructure, farmland, liquid alternatives, private credit and to a lesser extent, private equity.

PEPP's alternative portfolio is having its strongest performance ever! Recently, the Plan's alternative strategies produced positive returns despite negative markets. It's in times like these when PEPP's performance stands out against peers and retail funds.

PEPP's strategic reviews ensure your account sees steady, positive growth



The PEPP Board conducts a strategic review of the Plan's investment structure, investment options and asset mix every three to four years. The most recent review was done in 2022-2023.

The process involves a critical assessment of the Plan and risk/return modelling. This ensures PEPP is innovative and optimally structured. The review is led by the Board's Strategic Investment Consultant.

Why this matters

The Board understands that members want to earn competitive

long-term returns during their career to save for retirement.

Knowing members are responsible for their own investment choices, the Board must also ensure investment options are appropriate and offer a variety of risk and return profiles.

Strategic reviews are long-term focused. This means we are not chasing fads. Rather, this allows PEPP to build a plan structure that leads to more predictive risk-measured results.

Learn more about **Investing in PEPP** by visiting pepp.plannera.ca > [understand your pension > investing in pepp](#)

Questions to ask your financial adviser or banker before transferring funds out of PEPP



1. **Make sure your adviser is qualified and licensed.** Look for designations such as a Certified Financial Planner (CFP).
2. **Understand the fee structure of the financial adviser.** Do they charge any management fees, commissions, or other charges? Is the fee structure transparent? What are the expense ratios for each investment fund?
3. **Check their reputation and track record.** Look for reviews, testimonials, and any disciplinary actions or complaints filed against them with regulatory bodies such as the [Investment Industry Regulatory Organization of Canada \(IIROC\)](#) or the [Mutual Fund Dealers Association of Canada \(MFDA\)](#).



PEPP QUIZ Answers

- 1 **Yes!** If you leave your job or retire from a PEPP employer, you can leave your account balance with PEPP. In fact, most members do.
- 2 **Yes!** If you were a PEPP member at one time, you can transfer funds back into the Plan.
- 3 **Yes!** When you retire, you can apply for PEPP's Variable Benefit

Pension (VPB) account. It's popular because it offers flexibility and control over PEPP account.

- 4 **Yes!** Our PEPP Retirement Information Consultants (RICs) know their stuff. Each is accredited and gives unbiased information to help you with your PEPP account.