



**TOUGH
AND
TRUSTED**

CHANGES TO PENSION AND SAVINGS INVESTMENTS effective October 1, 2011 (under our Flint Energy Services Group Retirement and Savings Program)

To all Salaried, Superintendents and Construction Management (CM) staff:

As a result of the recent annual meeting of the Pension Committee, Flint's investment philosophies regarding its group retirement and savings programs (ie RPP, RRSP, TFSA) for salaried, superintendents and CM staff have been reviewed. With the help of Mercer Consulting Inc, a new Statement of Investment Policies and Procedures has been created which resulted to changes in the investment options offered under the group retirement and savings program effective October 1, 2011.

The Pension Committee decided on these changes to provide a simpler and better risk-managed retirement and savings programs.

What's changing?

- **Simplified Portfolio** - The current 21 investment funds offered under the pension and retirement savings on Flint's Salaried Pension Plan will be replaced by an 8-investment options line-up. This makes our portfolio less complicated and focuses on the options that provide the best balance of return and security. Please refer to Table 1 on Appendix 1 for the changes to the investment options lineup.
- **Managed Risk** - The Avenue Portfolios will be enhanced to a 5 x 3 grid (from the 3 x 3 grid currently in place) in order to facilitate a smoother reduction in equity exposure over time. Please refer to Table 2 of Appendix 1 for the new Avenue Portfolios.
- **Improved Default Option** - The default fund is available for employees who did not select their investment options at time of their eligibility. In order to ensure that the default fund is managed on a long-term basis, the default fund will be changed from the current 1-yr Compound Interest Accumulator to the Conservative profile with automatic progression through the Avenue Portfolio grid based on retirement age of 65.
- **Reduced Investment Management Fees** – We have negotiated with Standard Life to lower our Investment Management Fees by 5 basis points or 0.05%. This would mean increased rate of return for you and additional savings in your retirement plans.

What do we need from you?

- The new 8-investment options line-up will be made available on October 1, 2011 to all employees. **You will need to complete a re-enrollment form to make your new investment selection for each of your accounts (ie RPP, RRSP, TFSA). The re-enrollment forms will be available as of Monday September 19th on OFE under Forms and Templates/Forms/Human Resources.**
- You will need to submit the re-enrollment form(s) to the Employee Service Center by email or by interoffice mail at Location 90 by October 31, 2011. Your pension and RRSP/TFSA contributions, including past contributions (prior to October 1), will be transferred to your selected replacement fund options upon receipt of your completed Standard Life form(s).
- The current 21 funds will no longer be available effective December 12, 2011. If your re-enrolment form is not received by the Employee Service Centre by December 12, all your pension contributions will be mapped or redirected to either the new Avenue Portfolio grid (if you are in an avenue portfolio) or to the similar replacement funds (if you have stand alone investments).

Watch out for more information in the coming weeks!

In the meantime, if you have any questions regarding this change, please contact the Employee Service Centre by phone at 1-877-354-6847 or by email at esc@flint-energy.com.

APPENDIX 1

Table 1

Discontinued Options (will no longer be available effective December 12, 2011)	Replacement Options (available effective October 1, 2011)
<ul style="list-style-type: none"> • Daily Interest Accumulator • 1-yr Compound Interest Accumulator • 2-yr Compound Interest Accumulator • 3-yr Compound Interest Accumulator • 4-yr Compound Interest Accumulator • SLI Bond • McLean Budden Fixed Income • SLI Mortgage • Fidelity Canadian Asset Allocation • McLean Budden Balanced Fund • SLI Diversified Fund • Jarislowsky Fraser Canadian Equity • McLean Budden Canadian Equity • SLI Small Cap • Fidelity True North • McLean Budden American Equity • Fidelity Global Equity • Echo Point International Equity • SLI Real Estate 	<ul style="list-style-type: none"> • 5-yr Compound Interest Accumulator* • SLI Money Market Fund* • SLI Canadian Bond Index • Mawer Canadian Equity • SLI Canadian Equity Capped Index • SLI US Equity Direct Index Registered • Artio International Equity • SLI International Equity Index

Table 2

Investment Period to Age 65		Conservative		Moderate		Aggressive
More than 20 yrs	31%	Bond Index (SLI)	21%	Bond Index (SLI)	11%	Bond Index (SLI)
	34.5%	Can. Equity (Mawer)	39.5%	Can. Equity (Mawer)	44.5%	Can. Equity (Mawer)
	17.25%	Int'l Equity (Artio)	19.75%	Int'l Equity (Artio)	22.25%	Int'l Equity (Artio)
	17.25%	US Equity Direct Index Reg. (SLI)	19.75%	US Equity Direct Index Reg. (SLI)	22.25%	US Equity Direct Index Reg. (SLI)
15 to 20 yrs	38%	Bond Index (SLI)	28%	Bond Index (SLI)	18%	Bond Index (SLI)
	31%	Can. Equity (Mawer)	36%	Can. Equity (Mawer)	41%	Can. Equity (Mawer)
	15.5%	Int'l Equity (Artio)	18%	Int'l Equity (Artio)	20.5%	Int'l Equity (Artio)
	15.5%	US Equity Direct Index Reg. (SLI)	18%	US Equity Direct Index Reg. (SLI)	20.5%	US Equity Direct Index Reg. (SLI)
10 to 15 yrs	47%	Bond Index (SLI)	37%	Bond Index (SLI)	27%	Bond Index (SLI)
	26.5%	Can. Equity (Mawer)	31.5%	Can. Equity (Mawer)	36.5%	Can. Equity (Mawer)
	13.25%	Int'l Equity (Artio)	15.75%	Int'l Equity (Artio)	18.25%	Int'l Equity (Artio)
	13.25%	US Equity Direct Index Reg. (SLI)	15.75%	US Equity Direct Index Reg. (SLI)	18.25%	US Equity Direct Index Reg. (SLI)
5 to 10 yrs	57%	Bond Index (SLI)	47%	Bond Index (SLI)	37%	Bond Index (SLI)
	21.5%	Can. Equity (Mawer)	26.5%	Can. Equity (Mawer)	31.5%	Can. Equity (Mawer)
	10.75%	Int'l Equity (Artio)	13.25%	Int'l Equity (Artio)	15.75%	Int'l Equity (Artio)
	10.75%	US Equity Direct Index Reg. (SLI)	13.25%	US Equity Direct Index Reg. (SLI)	15.75%	US Equity Direct Index Reg. (SLI)
Less than 5 yrs	69%	Bond Index (SLI)	59%	Bond Index (SLI)	49%	Bond Index (SLI)
	15.5%	Can. Equity (Mawer)	20.5%	Can. Equity (Mawer)	25.5%	Can. Equity (Mawer)
	7.75%	Int'l Equity (Artio)	10.25%	Int'l Equity (Artio)	12.75%	Int'l Equity (Artio)
	7.75%	US Equity Direct Index Reg. (SLI)	10.25%	US Equity Direct Index Reg. (SLI)	12.75%	US Equity Direct Index Reg. (SLI)