

# **Western Pension Plans**

**Academic and Administrative Staff  
Pension Boards**

## **Annual Member Update for 2024**

*March 5, 2025*

# Land Acknowledgement



Native-land.ca

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# Disclaimer

This presentation material was created to educate and update members of the Western Pension Plans.

It is not intended to constitute legal, tax, pension, or investment advice, nor an opinion regarding the appropriateness of any investment, nor a solicitation of any type.

This presentation contains general information and should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

# Presenting on behalf of the Board



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Financial Services, Western



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Human Resources, Western

# Agenda

1. Plan Member Questions
2. Plan Overview
3. Economic Update & Plan Performance
4. Responsible Investing Update
5. Investment Changes
6. Guest – Sun Life One Plan Demo
7. Other Questions (to 1:15 pm)

# 1. Plan Member Questions

# Trade war

**Q:** What is the effect of the Trade war with USA on pension planning?



**A:** Think long-term, stay disciplined and avoid panicked decisions

## **U.S. Trade Policy Uncertainty:**

- Markets remain volatile due to U.S. trade policy uncertainty
- Unpredictability in trade policy will impact global markets and central bank decisions
- Substantial risks to global growth if these events turn into a global trade war

## **Suggested Solution:**

- Use the asset allocation tool and retirement planner
  - You will understand your comfort level with risk
  - Tools will suggest asset mix based on your risk profile and retirement goals
  - Help you track your financial goals

# Rebalancing

**Q:** Should we use the automatic rebalancing feature? Advantages and disadvantages?



**A:** It depends. This is a particularly useful feature for members who are not monitoring and periodically rebalancing themselves.

## What is rebalancing?

- Act of bringing your actual portfolio mix to its intended portfolio mix
- Investments go up and down resulting in deviations from intended portfolio mix
- If you are invested 100% in the Balanced Growth or Balanced Income portfolio, rebalancing is happening already!
- On-demand Video: <https://uwo.ca/hr/pension/workshops.html>

## Why rebalance:

- Risk Management
  - Out of balance portfolios can introduce unintended risk
  - Protects from emotional investment decisions

## Why auto rebalance:

- One less task to remember
- Removes emotions
- Hands-off approach

# Maximizing Your Contributions

**Q:** How should I contribute to maximize the contribution from Western?



**A:** Ensure you have elected the higher required employee contribution (where applicable) and consider voluntary contributions.

## Current year to the Western Pension Plan

EmployER Regular + EmployEE Regular + EmployEE Voluntary  
= **MAXIMUM 18%\***

- The Plans do not have a “matching” formula
- If you are UWOFA, UWOFA-LA or PMA with 20+ years of service, the employee must be contributing their Regular contribution at 5.5% in order to receive 9.0% from Western (otherwise Western contributes 8.5%)
- Making additional voluntary contributions can help you reach your goals.

\* Income Tax Act limit is the *lesser* of 18% of earnings and a dollar limit (\$33,810 in 2025)

# 1. Plan Member Questions

## 2. Plan Overview

# Your Joint Pension Board (2024-2025)

Name	Role at Western	Board Tenure
Ab Birch	Director, Financial Systems	Since 1997
Sonya Cuprjak	Manager, Financial Information Systems & Support, Financial Services	Since 2024
Stephen Foerster	Professor, Ivey Business School	Since 2008
Rachel Halaney	Chief Administrative Officer, Schulich School of Medicine & Dentistry Chair, Administrative Board; Chair, Joint Pension Board	Since 2020
Louise Koza	Director, Total Compensation, Human Resources	Since 2003
Jim Loupos	Director, Internal Audit, Financial Services	Since 2009
Eric Mallory	Associate Vice-President, Financial Services	Since 2019
Jane O'Brien	Associate Vice-President, Human Resources	Since 2000
Saurin Patel	Assistant Professor, Ivey Business School Chair, Academic Board; Vice-Chair, Joint Pension Board	Since 2021
Shahbaz Sheikh	Professor, DAN Department of Management & Organizational Studies	Since 2021

# Pension Board Mission Statement

“Our Mission is to provide members with the opportunity to accumulate adequate funds for retirement. We seek to provide sufficient choices but not onerous choices. We seek to provide services and options on a cost-effective basis to accommodate members who are active in the management of their retirement savings and also for those members who look to the board for guidance. We will provide these services and options while following our principles”.

# Joint Pension Board Principles

1. Offer members broad and diversified **CHOICE** of investment and retirement vehicles;
2. Maintain **FAIRNESS** among members in plan operations;
3. Provide investment alternatives which possess high **LIQUIDITY**;
4. Assist members in making **WELL INFORMED DECISIONS** about investment and retirement alternatives;
5. Solicit information about and **BE RESPONSIVE** to members' preferences;
6. Use **PRUDENCE** in assessing and reviewing plan decisions and operations;
7. Assure **COST EFFECTIVE** administration of plan operation.

# Western Pension Plan

- \$1.54 bn in total assets as of December 31, 2024
  - Invested across 14 investment options
- The Joint Pension Board oversees the plan
  - Supported by Human Resources, Investment Team, and External Consultants
- Sun Life is the administrator of the plans
- You and your employer contribute
- You select from the investment options approved by the Joint Pension Board

# Investment Options in your Plan

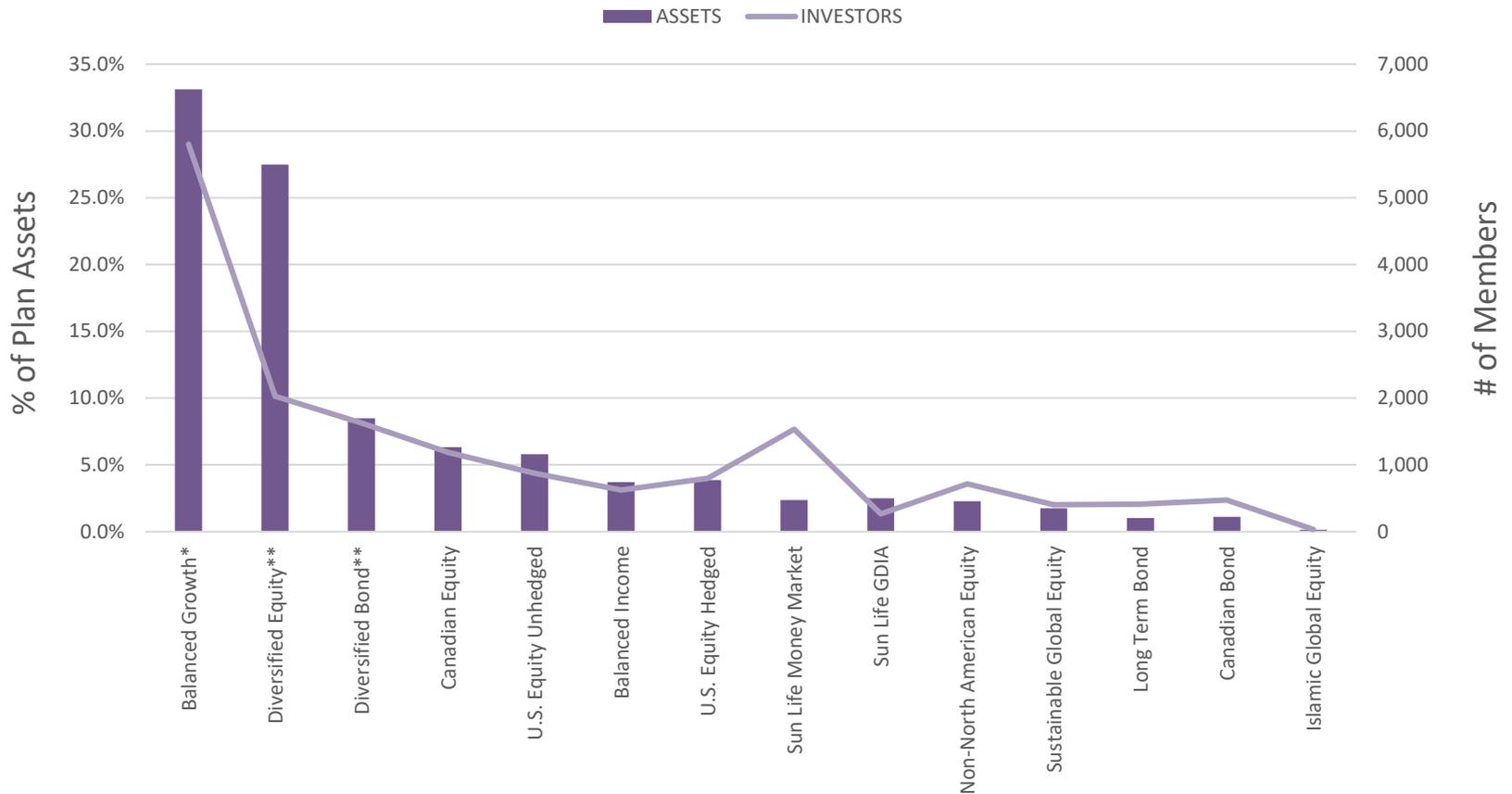
Fund Category	Style	Fund Name	Fund Management Fee (FMF)*
Balanced Portfolios	Mixed	Balanced Income (30 Equity / 70 Fixed Income)	0.48%
	Mixed	Balanced Growth (70 Equity / 30 Fixed Income)**	0.51%
Equity	Mixed	Diversified Equity Fund*** (changes in Q1,Q2,Q4 2024)	0.54%
	Active	Sustainable Global Equity (new February 2024)	0.80%
	Active	Islamic Global Equity	0.88%
	Active	Non-North American Equity (changes in Q1 2024)	0.54%
	Active	Canadian Equity	0.28%
	Passive	U.S. Equity Hedged	0.14%
	Passive	U.S. Equity Unhedged	0.10%
Fixed Income	Mixed	Diversified Bond Fund***(changes in Q2 2025)	0.46%
	Passive	Canadian Bond	0.10%
	Passive	Long Term Bond	0.14%
Cash & Equivalents	N/A	Guaranteed Daily Interest Account (GDIA)	NA
	Active	Sun Life Money Market	0.08%

\*Fund Management Fees as of January 31, 2025

\*\*The Balanced Growth portfolio is the current default fund under the plans

\*\*\*The Diversified Equity Fund and the Diversified Bond Fund are the underlying funds of the Balance Growth and Balanced Income Portfolios

# Plan Asset Mix (at December 31, 2024)



\*The Balanced Growth portfolio is the current default fund under the plans

\*\*The Diversified Equity Fund and the Diversified Bond Fund are the underlying funds of the Balance Growth and Balanced Income Portfolios

# 3. Economic Update & Plan Performance

# Economic Update

Interest Rate (%)	2022	2023	2024
Bank of Canada Policy Interest Rate	4.25	5.00	3.25
U.S. Federal Funds Interest Rate	4.25 - 4.50	5.25 - 5.50	4.25 – 4.50
Inflation (%)	2022	2023	2024
Canada	6.3	3.4	1.8
U.S.	8.0	4.1	3.2
10 Year Yield (%)	2022	2023	2024
Canada	3.3	3.1	3.2
U.S.	3.9	3.9	4.6
Equity Returns (\$C%)	2022	2023	2024
Canada (S&P/TSX)	-5.8	11.8	21.7
U.S. (S&P 500)	-12.2	22.9	36.4
International (EAFE)	-8.2	15.1	13.2
Emerging Markets	-14.3	6.9	17.3

# Investment Returns (Net of Fees)

Fund Category	Style	Fund Name	2024	2023
Balanced Portfolios	Mixed	Balanced Growth	15.4	11.7
	Mixed	Balanced Income	8.1	8.5
Equity	Mixed	Diversified Equity	21.1	14.0
	Active	Canadian Equity	18.7	10.4
	Passive	U.S. Equity Unhedged	36.2	22.8
	Passive	U.S. Equity Hedged	23.4	24.5
	Active	Non-North American Equity	10.8	15.2
	Active	Sustainable Global Equity	17.3*	n/a
	Passive	Islamic Global Equity	14.0	n/a
Fixed Income	Mixed	Diversified Bond	2.9	6.1
	Passive	Long Term Bond	1.2	9.5
	Passive	Canadian Bond	4.1	6.6
Cash & Equivalents	Active	Sun Life Money Market	4.7	4.7
	N/A	Guaranteed Daily Interest Account (GDIA)		

\*Partial Year Return – Fund started in Feb 2024

# 4. Responsible Investing Update

# Responsible Investing Update

## Plan-wide monitoring:

- RI has been part of the investment oversight and risk management process since 2007
- Since 2019 we have been tracking the carbon metrics for the plans



## Investment choice:

- Since 2008: the Plans have offered a stand-alone investment option that prioritizes Environmental, Social, and Governance (ESG) factors
- In 2024: the option shifted strategy from divestment (excluding certain investments) to sustainability (selecting investments that have a positive impact)

# Responsible Investing Update

## Islamic Global Equity Fund

- Launched in June 2023
- 34 members invested with a total value of \$2.1 million as of December 31, 2024, up from \$1.5 as of December 31, 2023
- Passive Global Equity tracking MSCI ACWI Islamic Index
- Managed by BlackRock Investment Management
- Fund Management Fees: 0.88%

## Sustainable Global Equity Fund

- Launched February 1, 2024
- Active Global Equity Strategy providing a “double dividend”
- Managed by Mirova
- 403 members invested with a total value of \$27.2 million as of December 31, 2024
- Fund Management Fee: 0.80%

# 5. Investment Changes

# Investment Changes Implemented in 2024

## Sustainable Global Equity Fund

- Objective: The fund seeks to generate financial outperformance with a greater sustainability impact
- Launched February 1, 2024
- Active Global Equity Strategy
- Managed by Mirova
- Fund Management Fee: 0.80%
- How did it impact you?
  - If you were previously invested in the Socially Responsible Fund and didn't make an investment change, you were automatically switched to this new option on April 3, 2024

# Investment Changes Implemented in 2024

## Non-North American Equity Fund

- No change in investment objective or strategy
- 2 underlying managers: MFS and Boston Partners
  - Boston Partners replaced AllianceBernstein in Q1 2024
- Member Impact
  - No action was required
  - You did not see any transactions in your account
  - Lower Fund Management Fees
    - From 0.71% to 0.54%

# Investment Changes Implemented in 2024

## Diversified Equity Fund

- No change in investment objective
- Added Diversification through Global Real Assets (10%)
  - 5% in Global Infrastructure (Brookfield) (Q2 2024)
  - 5% in Global Real Estate (CBRE) (Q4 2024)
- International Equity (5%)
  - Boston Partners replaced Alliance Bernstein (Q1 2024)
- Member Impact
  - No action was required
  - You did not see any transactions in your account
  - Similar expected returns with lower expected volatility and inflation protection
  - Slightly higher Fund Management Fees
    - From 0.52% to 0.54%

# Upcoming Investment Changes

## Diversified Bond Fund

- No change in investment objective
- Increasing Canadian Active Fixed Income Allocation from 38.1% to 48.5%
  - PH&N and Leith Wheeler to replace AllianceBernstein
  - Target Implementation: Q2 2025
- Reducing Global Fixed Income Allocation from 25.4% to 15.0%
  - PIMCO to replace AllianceBernstein
  - Target Implementation: Q2 2025
- How does it impact you?
  - No action required
  - You will not see any transactions in your account
  - Similar and slightly better expected returns, lower expected volatility, and more manager diversification
  - Slightly higher Fund Management Fees
    - From 0.46% to 0.47%

# Future Plans

## Diversified Equity Fund

- The fund will be reviewed in 2025 to ensure an optimized allocation between mandates and investment styles

# 6. Guest Presentation

# Sun Life *One Plan*



**Voula Balabanos**

Director, Business Development,  
Financial Wellness & Governance



**Frank Pao**

Manager, Client Relationship  
Team

