Western Pension Plans
Academic and Administrative Staff
Pension Boards

Annual Member Update for 2018

May 2019
May Education Sessions

Annual Member Update
Thursday May 2 (noon) UC 2105

The Transition to Retirement
Friday May 3 (noon) SSC 3022

CPP/OAS (Service Canada)
Monday May 6 (noon) UCC 146

Retirement Readiness Part 1: The assessment & foundation
Tuesday May 7 (noon) UCC 146

Annual Member Update, with guest Dr. Shahbaz Sheikh
Tuesday May 7 (4:30 pm) UC 2105

Retirement Readiness Part 2: Your retirement roadmap
Thursday May 9 (noon) SSC 2036

Retiree Panel Discussion
Friday May 10 (noon) SSC 2036

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.
Agenda

- Welcome and introduction
- Update on changes, members’ decisions and experience in the plans in 2018
- Changes underway in 2019
- Member support
- Questions and feedback from you throughout and after

Your Joint Pension Board (18-19)

<table>
<thead>
<tr>
<th>Name</th>
<th>Role at Western</th>
<th>Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ab Birch</td>
<td>Systems Support Analyst, Financial Services</td>
<td>Since 1997</td>
</tr>
<tr>
<td>John Ciriello (Chair-Academic Board)</td>
<td>Prof. Department of Physiology and Pharmacology</td>
<td>Since 2015</td>
</tr>
<tr>
<td>Megan Clements</td>
<td>Director, Administration, Faculty of Music</td>
<td>Since 2016</td>
</tr>
<tr>
<td>Stephen Foerster</td>
<td>Prof. Richard Ivey School of Business</td>
<td>Since 2008</td>
</tr>
<tr>
<td>Steve Kopp</td>
<td>Prof. Department of Statistics and Actuarial Sciences</td>
<td>Since 2017</td>
</tr>
<tr>
<td>Louise Koza</td>
<td>Director, Total Compensation, Human Resources</td>
<td>Since 2003</td>
</tr>
<tr>
<td>Jim Loupos (Chair-Administrative Board)</td>
<td>Internal Auditor, Financial Services</td>
<td>Since 2009</td>
</tr>
<tr>
<td>Michelle Loveland</td>
<td>Prof. Department of Management and Organizational Studies</td>
<td>Since 2007</td>
</tr>
<tr>
<td>Bill Mathers</td>
<td>Associate Vice-President, Financial Services</td>
<td>Since 2018</td>
</tr>
<tr>
<td>Jane O’Brien</td>
<td>Associate Vice-President, Human Resources</td>
<td>Since 2000</td>
</tr>
<tr>
<td>Amna Wasty</td>
<td>International Transitions Program Coordinator, Western International</td>
<td>Since 2018</td>
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</tbody>
</table>
The Western Plans

- Western Pension Plans (as of December 31, 2018)
  - Plan for Academic Staff established in 1970
  - Plan for Administrative Staff established in 1974
  - $1.1 billion in assets
  - 6964 total members – 5727 active
  - 13 investment options
  - Governed by the Joint Pension Board
    - Academic Staff Plan Board
    - Administrative Staff Plan Board

Academic Plan:
- 2799 members
- Average age: 51 years
- Total assets: $635 million
- Average member balance: $227,000
- Average balance for members > 60: $459,000

Administrative Plan:
- 4165 members
- Average age: 47 years
- Total assets: $484 million
- Average member balance: $116,000
- Average balance for members > 60: $256,000

<table>
<thead>
<tr>
<th>% of Members</th>
<th>Millennials</th>
<th>Gen X</th>
<th>Late Boomers</th>
<th>Early Boomers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>$4,399,485</td>
<td>$123,945,032</td>
<td>$281,029,599</td>
<td>$708,781,678</td>
</tr>
<tr>
<td>Average Assets</td>
<td>$12,086</td>
<td>$57,039</td>
<td>$143,602</td>
<td>$299,317</td>
</tr>
<tr>
<td>Average Years in Plan</td>
<td>2.24</td>
<td>6.57</td>
<td>12.37</td>
<td>19.54</td>
</tr>
</tbody>
</table>
2018 Changes

- Focus on account management support from Sun Life. Promoting:
  - MAX Review campaign (November/18) - NEW
  - Registration for online access
  - Beneficiary designations
  - Tools
  - Customized communications

- Feedback on Education Consultant support
  - Started November 2018

- Mobile App:
  - Personal rate of return and fund rates of return

2018 Changes

- Statements
  - Income projection used recent salary (Retirement Planner tool)

- Investments:
  - Target Date Fund June 2018
    - Closed at the end of May; If no action was taken, investment was moved to Money Market Segregated Fund
  - Investment Manager Changes
    - None
Member Support 2018

- **Pre-recorded Webinars (custom)**
  - Retirement Ready: The Sun Life Plan (updated)
  - Understanding the Value of your Western Plan (new)

- **Live webinar (custom)**
  - Where there’s a Will, there’s a way

- **Promotion of the Sun Life webinar series**
  - Live webinars, year-round
Member Support 2018

1:1 consultations, by appointment

- With Sun Life Education Consultants
  - On campus, available for any member
  - February, May and November
  - Online registration

- Feedback (eff Nov):
  - Did you find the individual consultation informative? (scale)
  - What information did you find most helpful (text)
  - Additional comments (text)
  - What action will you be taking (options and text)

160 meetings held (223 available)

Feedback on the Education Consultant experience

I really appreciated that the consultant walked me through how to change the distribution of my investments on the spot, and showed me how I can do it on my own later on. Thank you!

Very informative and spoke language I could understand... and did not mind all my questions.

I also found out that I can consolidate my past employer's pension benefit with Western's. I found the consultant to be very knowledgeable and being my very first meeting with such a consultant, I believe all my fears were laid to rest.

I found the representative very sincere in helping me understand my options and explaining things so that I understood them.

It was a bit cookie cutter... being based solely on the "tools". If the tool says this we do that. I am not a fan of being put into a box. It devalued the meeting.

I felt as though I was dealing with a big box store only it was for pensions instead. I was looking for expert opinion but was just pointed toward the Sun Life website.

The meeting was a waste of time and makes me even more nervous for my future investments.

I went for expert personal advice but was talking to a person with generic answers.
Member Support 2018

1:1 consultations, by appointment

- **With Sun Life Retirement Consultants**
  - Monthly, off campus
  - Ideal for members likely to retire within 5 years
  - Ongoing support for retirees
  - Call 1-866-224-3906 (option 1)

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Feedback on the Retirement Consultant experience

I was very happy with the courteous and friendly service from my consultant. Very knowledgeable. And a lot of work shifting other pensions to Sun Life. He gave me all the time I need, for a very small account. Excellent!]

My consultant is a thorough professional. She is courteous, knowledgeable and is able to explain complex matters in plain language. It is a great comfort to know our investments are in his capable hands.

Prompt service. Knowledgeable about the process. Took care of things as promised and followed up once the money started to flow; therefore I was happy.

My consultant listened to my thoughts for my financial future and offered his own thoughts and opinions. Set my mind at ease.

Did not feel that the consultant was all that knowledgeable when it came to dealing with specifics about some aspects of the Sun Life plan and with regards to tax implications in particular.

11 Individual had no idea I was a physician
12 Had no plan for potentially incorporating non-pensions fund into a post-retirement plan
13 Mode commitments during face-to-face meeting that were not justified. A consultant was advised during a follow-up phone call to call me back several weeks later that call never happened.

Never received paperwork from Sun Life. Had to speak to someone different every time who could not make decisions or understand my problems with the transfer of my retirement funds to another institution. I am very unhappy.
2019 Changes

• Statements
  – Quarterly e-statements

• Beneficiary Designations
  – Mailing to home (May)

2019 Changes

• Investments
  – Review of Diversified Equity Fund (started)

• Education sessions
  – Investing with Confidence Part 1 (on demand)
  – Retirement Readiness Part 1: The assessment and foundation (debut: May 7)
  – Retirement Readiness Part 2: Your retirement roadmap (debut: May 9)
Member Decisions

• Level of Savings:
  – Required
  – Voluntary
  – Transfers

• Investment Choices
  – Asset allocation
  – Number of funds
  – Choice of funds

Employee Required Contributions

• FT Faculty (UWOFA) decisions:

<table>
<thead>
<tr>
<th></th>
<th>1.5% / 8.5%</th>
<th>5.5% / 8.5%</th>
<th>5.5% / 9.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>40%</td>
<td>46%</td>
<td>14%</td>
</tr>
</tbody>
</table>

• Academic Plan overall:

<table>
<thead>
<tr>
<th></th>
<th>1.5%</th>
<th>5.5%</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>51.4%</td>
<td>48.5%</td>
</tr>
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</table>

• PMA-eligible decisions:

<table>
<thead>
<tr>
<th></th>
<th>2.5%</th>
<th>5.5%</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>26%</td>
<td>74%</td>
</tr>
</tbody>
</table>

• Administrative Plan, excluding PMA-eligible

<table>
<thead>
<tr>
<th></th>
<th>2.5%</th>
<th>6% - CPP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>97.5%</td>
<td>2.5%</td>
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</tbody>
</table>
## Voluntary Contributions and Transfers

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of members making voluntary contributions</td>
<td>29%</td>
<td>24.3%</td>
<td>27.3%</td>
<td>27.7%</td>
</tr>
<tr>
<td>Total voluntary contributions</td>
<td>$5.4 M</td>
<td>$5.2 M</td>
<td>$5.9 M</td>
<td>$6.0 M</td>
</tr>
<tr>
<td>% of pay</td>
<td>4.6%</td>
<td>4.6%</td>
<td>4.5%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Transfers from RRSP/prior pension</td>
<td>$ 3.5 M</td>
<td>$ 2.3 M</td>
<td>$ 3.3 M</td>
<td>$ 2.3 M</td>
</tr>
<tr>
<td></td>
<td>72 EEs</td>
<td>41 EEs</td>
<td>48 EEs</td>
<td>42 EEs</td>
</tr>
</tbody>
</table>

## Investment Choices

### Plan Asset Mix

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>6%</td>
<td>5%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>Bonds</td>
<td>29%</td>
<td>28%</td>
<td>31%</td>
<td>31%</td>
</tr>
<tr>
<td>Equities</td>
<td>65%</td>
<td>67%</td>
<td>64%</td>
<td>63%</td>
</tr>
</tbody>
</table>
168 members are using “auto rebalance”

**Investment Choices**

**Equity Exposure By Age**

- **2018**
- **2017**
- **2016**
- **Lifeway**

- **Investment Choices**
  - **Number of Funds Used**
  - **Default = Balanced Growth**
  - **982 members**
  - *tracked since Jan 1/17*

- **Investment Choices**
  - **Number of Funds Per Member**
  - **Members with 100% of Assets in One Fund**
  - **Primarily Balanced and Diversified**

*Joint Pension Board - 2018 Annual Report to Members*
Performance

- Rates of Return
  - Funds
  - Members
- Fees
### Rates of Return
as at December 31, 2018 (net of fees)

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Investment Fund</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balanced Portfolios</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balanced Growth</td>
<td>-3.57%</td>
<td>11.53%</td>
<td></td>
</tr>
<tr>
<td>Balanced Income</td>
<td>-0.71%</td>
<td>6.60%</td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diversified Equity</td>
<td>-5.66%</td>
<td>15.79%</td>
<td></td>
</tr>
<tr>
<td>Canadian Equity</td>
<td>-6.66%</td>
<td>9.68%</td>
<td></td>
</tr>
<tr>
<td>Non-North American Equity</td>
<td>-8.50%</td>
<td>19.26%</td>
<td></td>
</tr>
<tr>
<td>US Equity-Hedged</td>
<td>-5.83%</td>
<td>21.05%</td>
<td></td>
</tr>
<tr>
<td>US Equity-Unhedged</td>
<td>4.10%</td>
<td>13.69%</td>
<td></td>
</tr>
<tr>
<td>Socially Responsible Global Equity</td>
<td>0.21%</td>
<td>16.09%</td>
<td></td>
</tr>
<tr>
<td>Fixed Income and Cash</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diversified Bond</td>
<td>1.44%</td>
<td>3.26%</td>
<td></td>
</tr>
<tr>
<td>Long Term Bond</td>
<td>0.12%</td>
<td>7.54%</td>
<td></td>
</tr>
<tr>
<td>Canadian Bond</td>
<td>1.28%</td>
<td>2.40%</td>
<td></td>
</tr>
<tr>
<td>Target Date Funds</td>
<td>1.82%</td>
<td>0.60%</td>
<td></td>
</tr>
<tr>
<td>Money Market</td>
<td>1.48%</td>
<td>0.73%</td>
<td></td>
</tr>
</tbody>
</table>

### Individual* Member Performance

- **2018 Return Breakdown**
  - Maximum: 5.3%
  - Average: -3.3%
  - Median: -3.5%
  - Minimum: -25.2%

- **Historical Median Returns**
  - 1 year: -3.5%
  - 3 year: 4.6%
  - 5 year: 5.9%

*member accounts which had a full year of activity and a balance of $3,000 or more
Fees
Western Pension Plan

Total weighted average annual fee (including HST) = 0.45%

Fees
an illustration

If:
- you invested $500 per month
- in the Western Diversified Equity Fund
- from March 1978 to February 2019
You would have saved = $1,737,000
(based on actual fees)

If:
- you invested the same money, earning the same returns, for the same period BUT the fund charged fees 2% higher
You would have saved = $960,000

The difference in savings of $777,000 is entirely due to fees!

<table>
<thead>
<tr>
<th></th>
<th>Western Pension Plan</th>
<th>Retail Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.45%</td>
<td></td>
<td>1.50 – 2.50%</td>
</tr>
</tbody>
</table>
Next Steps

• Monitor your progress
• Seek support from Sun Life
• Consider a financial planner
• Western HR

Monitor your progress

• Register your access and designate beneficiaries!
  Sunlife.ca/Western or uwo.ca/hr/pension/login

• Seek Advice from a Sun Life Investment Advice Specialist
  – Call 1-866-733-8612 8 am to 8 pm on business days

• Use the tools online in your Sun Life account to monitor your progress and customize your own projections
  – Sign in to your Sun Life account and choose:
    my financial centre > Resources > my money tools
    ➢ Asset Allocation tool
    ➢ Retirement Planner
    ➢ Tools

• Consult a Certified Financial Planner https://www.fpcanada.ca/
Support: all members

Sun Life Customer Care Centre:
1-866-733-8612
www.sunlife.ca/western
• Account management support including designating/maintaining beneficiaries, using tools and making investment changes
• Speak with an Investment Advice Specialist

Sun Life Education Consultants:
• Meet 1:1 on campus, usually in February, May and November

Support: within 5 years of retirement

Sun Life Retirement Consultant:
1-866-224-3906 (option 1)
www.sunlife.ca/western > Select the RIF/LIF tab
• Planning 1-on-1 in-person, by phone, videoconference
• Income projections and detailed plan
• Investment advice
• Sun Life Retirement & Savings Plan for Western Retirees

For questions about eligibility for retirement, post-retirement benefits or other employment or governance related questions contact Western HR at hrhelp@uwo.ca 519-661-2194
Advice from Colleagues
What would you have done differently or wish you’d known earlier?

- Start early. Pay yourself first. You will not miss the amount you invest when it comes off your payroll cheques. Max out your 18% and you may retire with no worries.
- Start planning while you are young!
- It would have been great to have the ins and outs of investments explained in plain and clear language. Too often advisors may know their ‘stuff’ but are not able to convey their thoughts and ideas effectively.
- Try to invest in tax-free savings accounts.
- Advice about maximizing returns from different types and amounts of equities.
- That I could have and should have paid more attention to where my retirement funds were going and contribute more to it.
- Good advice is hard to find. Finding a person you can trust is critical.
- Questions