

Western Pension Plans

Academic and Administrative Staff
Pension Boards

Annual Member Update for 2023

March 1, 2024



Presenting on behalf of the Board

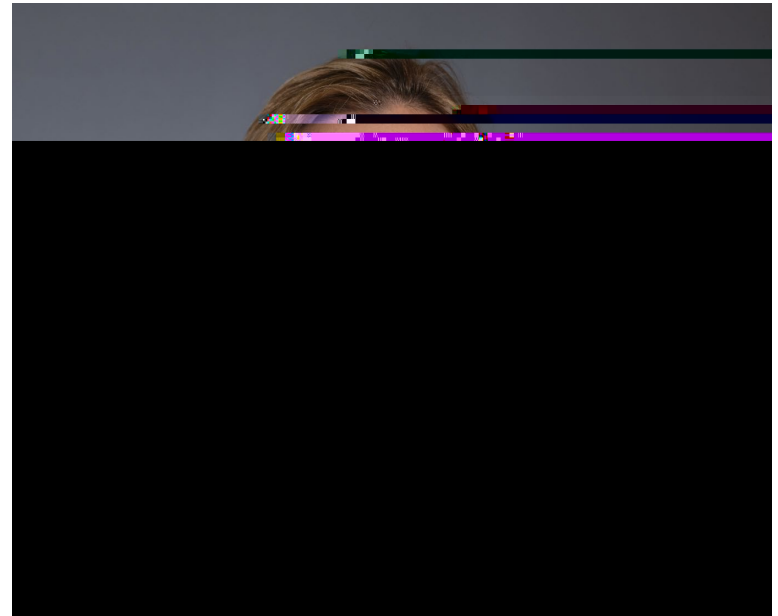
Tahir Aziz

Associate Director, Pension
Investments, Western



Cara Bourdeau

Sr. HR Consultant, Total Rewards,
Western



Agenda

1. Plan Member Questions
2. Plan Overview
3. Economic Update & Plan Performance
4. Investment Changes
5. Responsible Investing Update
6. Guest Speaker Mirova

1. Plan Member Questions





Support from Sun Life

Q: I called the Sun Life office in London, but they didn't seem to know about the pension plan. Did I call the right place?



A: No



| | | | |
|---|--|---|--|
|  <p>Client Care Centre: Getting answers and support</p> <p>1-866-733-8612</p> |  <p>System Education Consultants: Understanding your workplace</p> <p>uwo.ca/hr/pension</p> |  <p>Financial Services Consultants: Investment Advice & Retirement Planning</p> <p>1-866-634-4840</p> |  <p>Retirement Consultants: Converting savings to income</p> <p>1-866-224-3906</p> |
|---|--|---|--|



Responsible Investing

Q: Why fix the wheel if it isn't broken? The Socially Responsible fund has performed super fantastic, so why change?



Q: Does the Mirova Sustainable Global Equity Fund have any investments in alcohol, tobacco, adult entertainment, weapons, companies involved in extracting, transporting or processing fossil fuels or in companies involved of the financing of above

Q: What is the process for moving funds out of the Socially Responsible fund?

Opened:
Sustainable Global Equity Fund
On: February 1, 2024
Managed by Mirova
Approach: Impact

Closing:
Socially Responsible Global Equity Fund
On: April 1, 2024
Managed by: MFS
Approach: Exclusion

Inflation

Q: What has been Western's strategy for pension funds to respond to inflation? How has any strategy been communicated with those enrolled in Western pension plans?



A:

- Long term view
- Active management
- Resilient portfolios
- Individual mandates remain fully invested
- Enhancements to Diversified Equity Fund



Your Joint Pension Board (2023-2024)

| Name | Role at Western | Board Tenure |
|------------------|---|--------------|
| Ab Birch | Director, Financial Systems | Since 1997 |
| Stephen Foerster | Professor, Ivey Business School Chair, Academic Board; Vice Chair, Joint Pension Board | Since 2008 |
| Rachel Halaney | Acting Executive Director, Office of the Dean, Schulich School of Medicine & Dentistry | Since 2020 |
| Louise Koza | Director, Total Compensation, Human Resources | Since 2003 |
| Jim Loupos | Director, Internal Audit, Financial Services Chair, Administrative Board; Chair, Joint Pension Board | 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 | Since 2021 |
| Katey Senese | Financial Officer, Faculty of Education | Since 2021 |
| Joseph Shaw | Lecturer, Geography and Environment | Since 2022 |
| Shahbaz Sheikh | Professor, DAN Department of Management & Organizational Studies | Since 2021 |



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.

- \$1.4 bn in total assets as of December 31, 2023
 - Invested across 14 investment options

Investment Options in your Plan

| Fund Category | Style | Fund Name | Fund Management Fee (FMF)* |
|---------------------|---------|--|----------------------------|
| Balanced Portfolios | Mixed | Balanced Income (30 Equity / 70 Fixed Income) | 0.43% |
| | Mixed | Balanced Growth (70 Equity / 30 Fixed Income)** | 0.48% |
| Equity | Mixed | Diversified Equity Fund*** (changes in Q1/Q2 2024) | |
| | Active | Sustainable Global Equity (new February 2024) | |
| | Active | SRI Global Equity (closing April 2024) | |
| | Passive | Islamic Global Equity (new June 2023) | |
| | Active | Non-North American Equity (changes in Q1 2024) | |
| | Active | Canadian Equity | |
| | Passive | | |
| | | | |
| | | | |

Plan Asset Mix (at December 31, 2023)

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

3. Economic Update & Plan Performance

Economic Update

| Interest Rate (%) | 2021 | 2022 | 2023 |
|-------------------|------------|------------|------------|
| Canada | 0.25 | 4.25 | 5.00 |
| U.S. | 0.00- 0.25 | 4.25- 4.50 | 5.25- 5.50 |

| Inflation (%) | 2021 | 2022 | 2023 |
|---------------|------|------|------|
| Canada | 3.4 | 6.8 | 3.9 |
| U.S. | 4.7 | 8.0 | 4.1 |

| 10 Year Yield (%) | 2021 | 2022 | 2023 |
|-------------------|------|------|------|
| Canada | 1.4 | 3.3 | 3.1 |
| U.S. | 1.5 | 3.9 | 3.9 |

| Equity Returns (\$C%) | 2021 | 2022 | 2023 |
|-----------------------|------|-------|------|
| Canada (S&P/TSX) | 25.1 | -5.8 | 11.8 |
| U.S. (S&P 500) | 27.6 | -12.2 | 22.9 |
| International (EAFE) | 10.3 | -8.2 | 15.1 |
| Emerging Markets | -3.4 | -14.3 | 6.9 |

3. Investment Changes

Upcoming Investment Changes

Non-North American Equity Fund

- No change in investment objective or strategy
- Managed by MFS and AllianceBernstein

Upcoming Investment Changes

Diversified Equity Fund

- No change in investment objective
-

New Investment Options

Islamic Global Equity Fund

- Launched in June 2023
- 23 members invested with a total value of \$1.4 million

New Investment Options

Sustainable Global Equity Fund

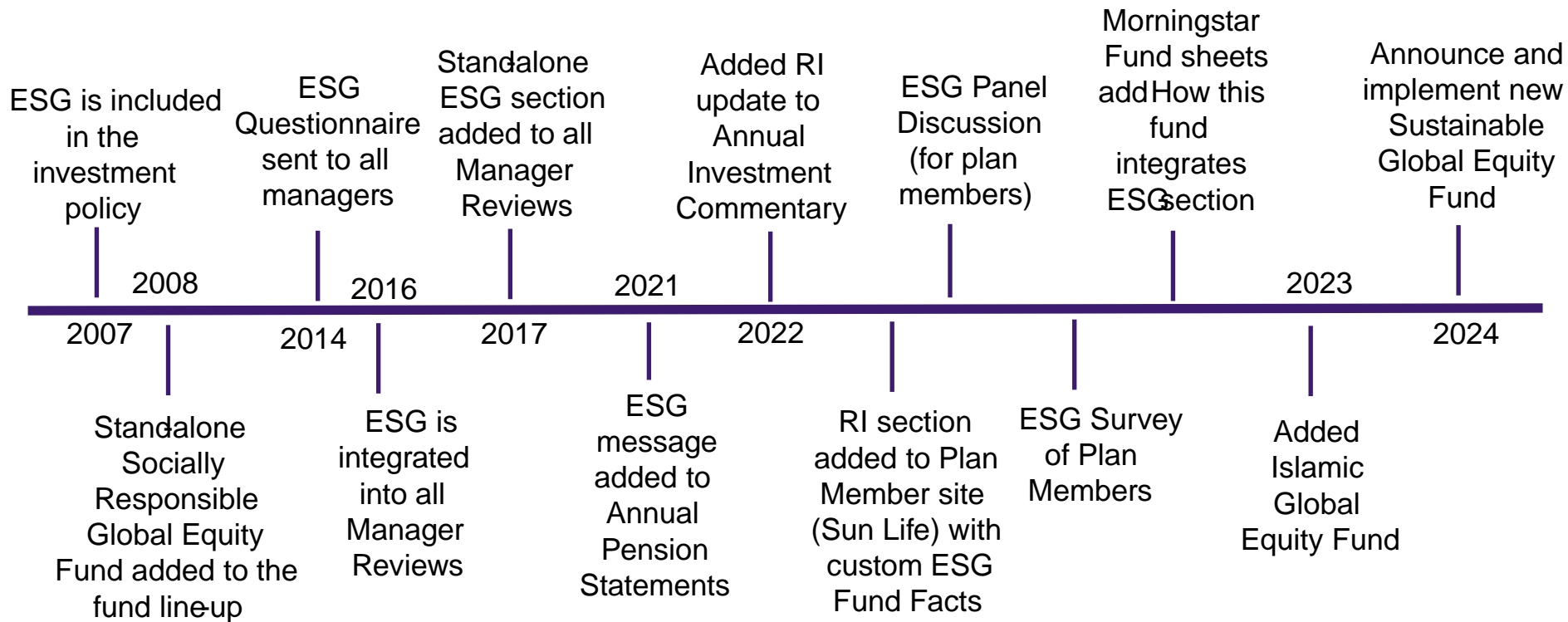
- Launched February 1, 2024
- Active Global Equity Strategy
- Managed by Mirova
- Fund Management Fee: 0.78%
- How does it impact you?
 - Invested in current SRI Global Equity Fund?
 - Option 1: Switch to new fund option or any of the other investment options
 - Option 2: Don't make a change and you will automatically be switched to the new option on April 3, 2024

Future Plans

- Review of Fixed Income offerings with a focus on Diversified Bond Fund
- Ongoing monitoring of all investment managers

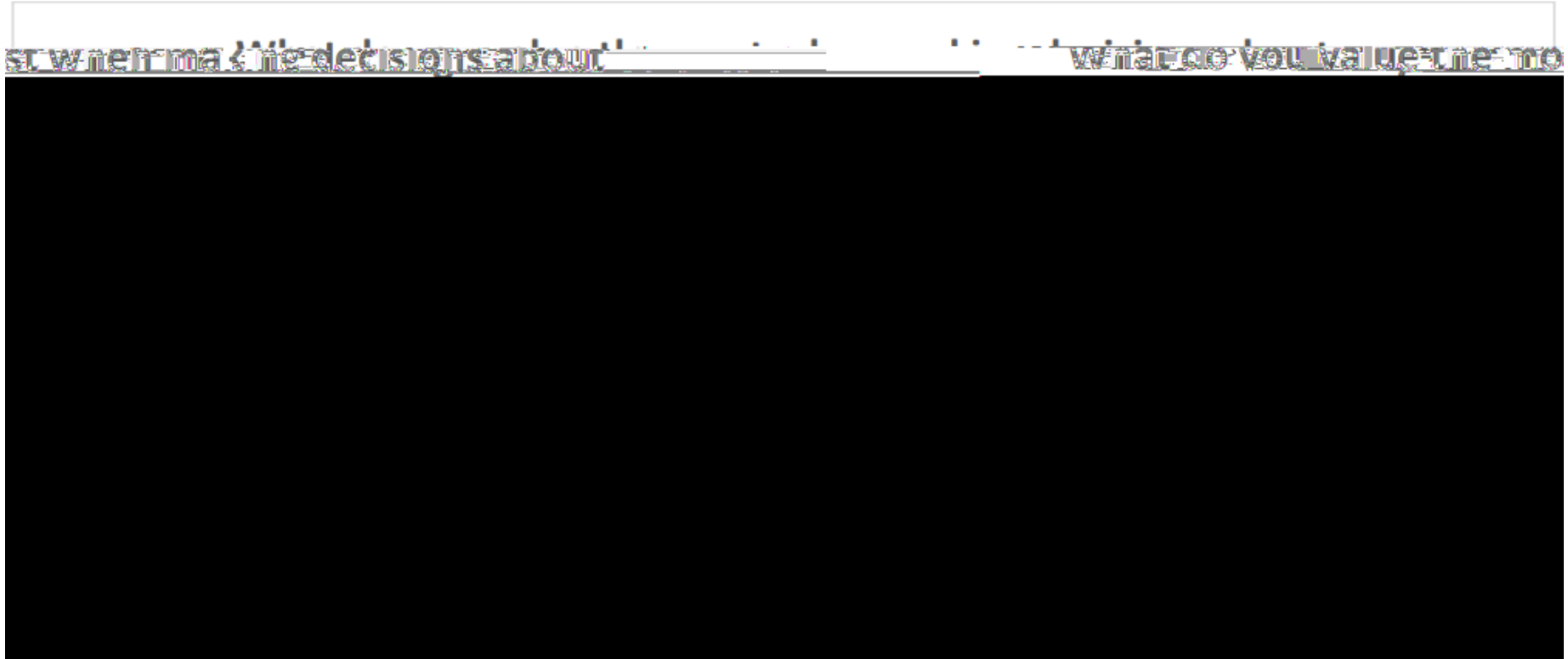
5. Responsible Investing Update

Responsible Investing: History



2019 onward: Monitor Carbon Metrics

Responsible Investing



Plan member survey May 31 - June 14, 2022

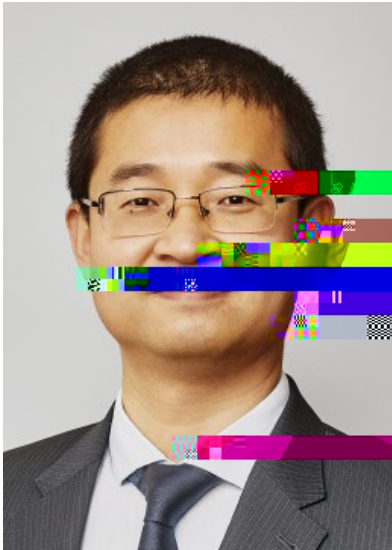
Responsible Investing

Plan member survey May 31 - June 14, 2022
n=613 ~ 10% of members

Responsible Investing

6. Guest Speaker Mirova

Mirova



Hua Cheng
Portfolio Manager



Ryan Hendy
Institutional Client Manager

