

April 20, 2010

To: Members of the Western Retirement Plans

Redemption restrictions on Liquidating Trust Units to be lifted

This announcement is of interest to any member of the Western Retirement Plans who is holding units of the Liquidating Trust in their retirement account. **Effective May 31, 2010 redemption restrictions on redeeming Liquidating Trust units will be lifted.**

If you are unsure if you hold any Liquidating Trust units, you may check by logging on at: <https://www.uwo.ca/humanresources/facultystaff/comp/pension/login.htm> . Click on 'Balances' and you will see any Liquidating Trust units clearly listed separately from any of your other fund investments.

What does this mean for members with Liquidating Trust units in their retirement account?

Members now have the option to:

1. Redeem all or some of your Liquidating Trust units at the market value for the month of the redemption. This can be done for any given month as long as the completed form is received in Human Resources by the 25th of the month. To do this you must complete a special form which will be available starting April 26, 2010 at:
http://www.uwo.ca/humanresources/facultystaff/comp/pension/forms_idx.htm

OR

2. Hold all or some of your Liquidating Trust units in your retirement account until you decide to redeem them in the future.

Western's Joint Pension Board, with the assistance of the Kilgour Advisory Group has been monitoring the market for the Restructured Notes ("Notes"), formerly non-bank Asset Backed Commercial Paper held in the Liquidating Trust. The Board has determined that there is now a sufficiently liquid market for the Notes so that members who want to redeem their Liquidating Trust units in full or part in any month may do so, beginning in the month of May. Requests for May 31st redemptions must be filed in Human Resources by May 25.

While this announcement means that Liquidating Trust units may now be sold monthly, it is **not** a recommendation to sell Liquidating Trust units or an endorsement that the

current market price is the fair value for Liquidating Trust units. Like all investment funds, members are responsible for choosing when to redeem their Liquidating Trust units. A list of considerations that members may wish to take into account are set out in the enclosed document “Redeeming or Holding Liquidating Trust Units – Key Facts and Considerations”. Members will not be required to redeem Liquidating Trust units except if, because of applicable pension, tax or securities laws, funds must be removed from a member’s retirement account.

The decision to remove redemption restrictions on the Liquidating Trust is based on the liquidity that has developed in the market for the Notes. There is a possibility that, in the future, the market for the Notes could again become illiquid (for instance, in the event of a very severe economic crisis). While we do not anticipate this situation will occur, such an event could mean that temporary redemption restrictions may again need to be placed on the Liquidating Trust.

Valuation of Liquidating Trust Units

The development of a more liquid market for the Notes also means that Liquidating Trust units will be valued using market bid information, rather than a value based on Kilgour Advisory Group’s valuation model. This change to the valuation method will apply to the March 31, 2010 unit values for the Liquidating Trust. [Values for the Liquidating Trust units](#) are updated monthly.

Information about the Restructured Notes held in the Liquidating Trust is available for your information:

- 1) Attached to this announcement is a document called “Redeeming or Holding Liquidating Trust Units - Key Facts and Considerations”.
- 2) A web-based workshop that includes scenarios and projections for the value of the Liquidating Trust over time will be available in early May.
- 3) The ABCP website has information about the Liquidating Trust:
<http://www.uwo.ca/humanresources/ABCP/>
- 4) The values for the Liquidating Trust will be posted at:
<http://www.uwo.ca/humanresources/docandform/docs/pension/fundperformance/Histvals.pdf>
- 5) Information on the options available to members will be discussed at the upcoming Annual Meetings for Retirement Plan members on April 22, April 28 and April 30.

It is recommended that members review this information and also consult with an independent financial advisor prior to making a decision regarding whether to redeem or continue to hold Liquidating Trust units.

Questions or a request for forms may be directed to: hr-communication@uwo.ca

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Redeeming or Holding Liquidating Trust Units - Key Facts and Considerations

Key Facts

- The Liquidating Trust holds 5 different kinds of fixed income securities called MAV II Restructured Notes (Notes) that were received in exchange for non-bank Asset Backed Commercial Paper. Every Liquidating Trust unit is a blend of the five different grades of notes and a small amount of cash.
- The Notes are fixed income securities and 90% of the Notes are rated investment grade BBB or A by external rating agencies.
- The Notes are not guaranteed and their value is affected by market factors including credit risk.
- The Notes earn a variable rate of interest at the rate paid by bankers' acceptances minus 0.50%. As of March 31, 2010, the current rate on bankers' acceptances is 0.48% annualized. As such, no interest payments are currently being paid on the Notes. From January 1, 2000 to March 31, 2010 the average bankers' acceptances rate has been 3.20%.
- The most recent market price for a Liquidating Trust unit is \$61.88 at March 31, 2010.
- The estimated expected value of a Liquidating Trust unit at maturity in January 2017 based on four possible economic scenarios is set out below. These calculations are based on the price of the Notes only and does not include any potential interest payments:
 - Optimistic: \$101
 - Realistic: \$ 94
 - Conservative: \$81
 - Worst case: \$0
- The deadline to submit a request to redeem your Liquidating Trust units is the 25th of any month.
- Updated monthly prices are available at:
<http://www.uwo.ca/humanresources/docandform/docs/pension/fundperformance/Histvals.pdf>

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Considerations:

- Get informed. Take the time to watch the online workshop which will be available online in early May and review the additional print materials.
- Consider the amount of your exposure relative to your portfolio and your need for liquidity.
- Assess your risk tolerance for your portfolio as whole and remember to re-balance your portfolio.
- Consider the upside and downside potential of redeeming or holding your Liquidating Trust Units. If you redeem your Liquidating Trust units, you will lose the opportunity for any improvements in price but will have eliminated the risk that these securities may lose further value.
- If you take no action to sell your Liquidating Trust units now or in future months, the units will remain in your retirement account until the Liquidating Trust investment fund is closed.
- Seek advice from an independent financial advisor.