



Western
UNIVERSITY • CANADA

**Western Pension Plans
Academic and Administrative Staff
Pension Boards**

**2017
Annual Report to Members**

May 2018

May Education Sessions – UCC room 146

Annual Member Update, with guest Michael Carter

Tuesday May 1 (4:30)

Understanding the Value of your Western Plan

Tuesday May 8 (noon)

Annual Member Update

Wednesday May 9 (noon)

Retirement Ready: The Sun Life Retirement and Savings Plan for Western Retirees

Thursday May 10 (noon)

CPP/OAS (Service Canada)

Friday May 11 (noon)



Human Resources

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 2017
- Changes in 2018
- Next steps for managing your account
- Questions and feedback from you throughout and after

Welcome

- Western Pension Plans (as of December 31, 2017)
 - Plan for Academic Staff established in 1970
 - Plan for Administrative Staff established in 1974
 - \$1.2 billion in assets
 - 6039 active members

	Millennials	Gen X	Late Boomers	Early Boomers
% of Members	4.74%	31.66%	28.67%	34.93%
Total Assets	\$4,076,331	\$134,057,623	\$298,892,685	\$765,748,648
Average Assets	\$12,698	\$62,526	\$153,989	\$323,783
Average Years in Plan	1.91	6.44	12.21	19.72

- 14 investment options
- Governed by the Joint Pension Board (Academic Plan and Administrative Plan Boards)

Your Joint Pension Board (17-18)

Name	Role at Western	Tenure
Joanna Asuncion	Director, Administration & Finance, Faculty of Information and Media Studies	Since 2013
Ab Birch	Systems Support Analyst, Financial Services	Since 1997
John Ciriello	Prof. Department of Physiology and Pharmacology	Since 2015
Megan Clements	Director, Administration, Faculty of Music	Since 2016
Stephen Foerster	Prof. Richard Ivey School of Business	Since 2008
Steve Kopp	Prof. Department of Statistics and Actuarial Sciences	Since 2017
Louise Koza	Director, Total Compensation, Human Resources	Since 2003
Lynn Logan	Vice-President, Operations & Finance	Since 2009
Jim Loupos (Vice-Chair)	Internal Auditor, Financial Services	Since 2009
Michelle Loveland (Chair)	Prof. Department of Management and Organizational Studies	Since 2007
Jane O'Brien	Associate Vice-President, Human Resources	Since 2000

2017 Changes

- **Consolidation of services at Sun Life**
 - Joint Pension Board still responsible for governance and accountable for the composition of the investment platform and overall administration of the plans
 - Investments are the same
 - Fees are similar
 - New: Investment advice
 - New: Online tools
 - New: Daily valuation of investments
 - New: Mobile access

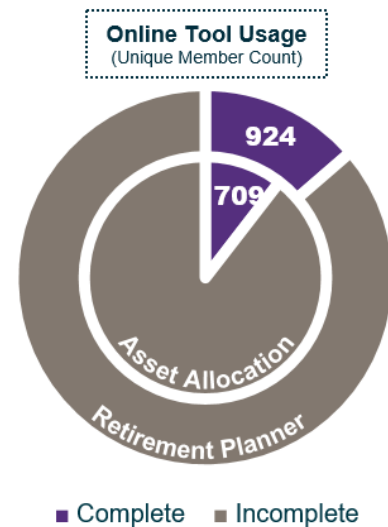
2017 Changes

- **Sun Life Account Management**

- Register your account access (online or by phone)
- Designate your beneficiaries (online or by form)
- Complete the Asset allocation tool
- Complete the Retirement planner tool
- Download the mobile app
- Adjust plan, seek advice, or confirm you are on track!

- **Communications from Sun Life**

- A message from Sun Life about phishing
<http://www.uwo.ca/hr/pension/plan/index.html>



2017 Changes

- **Statements**

- Semi-annual (June 30) and Annual (December 31)

- **Income Projections**

- My financial future: Provides an estimated monthly income
- Income source: Retirement Income Fund, withdrawals from savings at 4%
- Assumptions: salary, contributions, rate of investment return, retirement age, government benefits
 - *you can customize!*

Previously: estimated income from an Annuity using common assumptions for all members



2017 Changes

Income Projections

Retirement Income Funds and Annuities are different when it comes to:

- ...risks
- ...investment control
- ...income certainty
- ...income flexibility
- ...survivor income
- ...estate planning

Create your own projection

My money tools > Retirement Planner

Review: Retirement income, Retirement savings, Action Plan, Detailed report

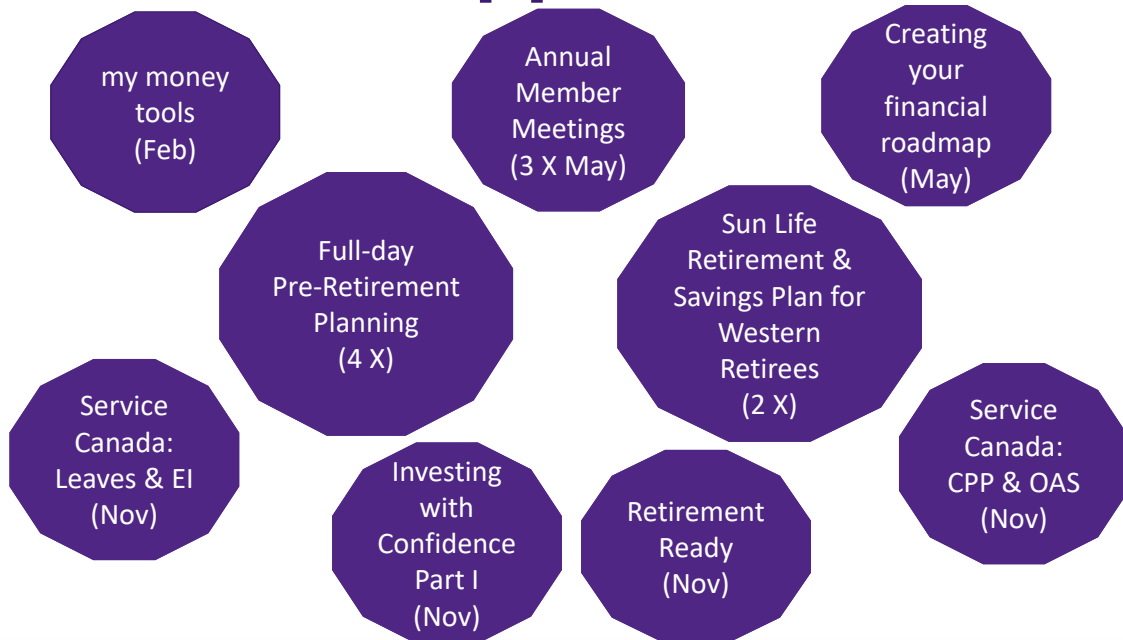
Test: the impact of different choices (retirement age, savings, investment return, targeted income)

2017 Changes

- **Liquidating Trust**
 - Fund closed in June
 - If no action taken, moved to Money Market Segregated Fund
- **Manager changes:**

Fund / Mandate	Previous Manager/Composition	New Manager/Composition
Canadian Equity	CC&L (Q Core) 33 1/3%	CC&L (Q Growth) 50%
	Beutel Goodman 33 1/3%	Beutel Goodman 50%
	Greystone 33 1/3%	
Diversified Bond	AB Canadian Core Plus 38.4%	AB Canadian Core Plus Advanced 38.4%
	AB Global Bonds (active) 25.6%	AB Global Bonds (active) 25.6%
	BlackRock Canadian Bonds (passive) 26%	BlackRock Canadian Bonds (passive) 26%
	Romspen Commercial Mortgages 10%	Romspen Commercial Mortgages 10%

Member Support 2017



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Member Support 2017

1:1 meetings, by appointment

- **with Sun Life Retirement Consultants**

- Off campus, for members likely to retire within 5 years
- Every month
- Call 1-866-224-3906 (Option 1)

265
meetings
held

- **with Sun Life Education Consultants**

- On campus, available for any member
- February, May and November
- Online registration

150
meetings
held

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2018 Changes

- 1:1 Consultations on campus
- Survey of Retirement Consultant clients
- TDF 2018 Maturing June 1, 2018
 - Alternatives: TDF June 2020 or Money Market Segregated Fund
- Pre-recorded webinars
 - Retirement Ready: The Sun Life Retirement & Savings Plan for Western Retirees (already available)
 - Understanding the Value of Your Western Plan



Our Members' Decisions

- Level of Savings
 - Required
 - Voluntary
- Investment Choices
 - Asset allocation
 - Number of funds
 - Choice of funds

Required Contributions

Employee required contribution levels:

Faculty Contribution Rates:

1.5% vs 5.5%

Administrative Contribution Rates:

2.5% vs 5.5%

Voluntary Contributions

	2017	2016	2015
% of members making voluntary contributions	24.3%	27.3%	27.7%
Total voluntary contributions	\$5.2 million	\$5.9 million	\$6.0 million
% of pay	4.6%	4.5%	4.7%
Transfers from RRSP/employers	\$ 2.3 million, 41 members	\$3.3 million, 48 members	\$2.3 million, 42 members

Maximum total contribution: the lesser of 18% of income and \$26,500 (in 2018)
(voluntary combined with required contributions)

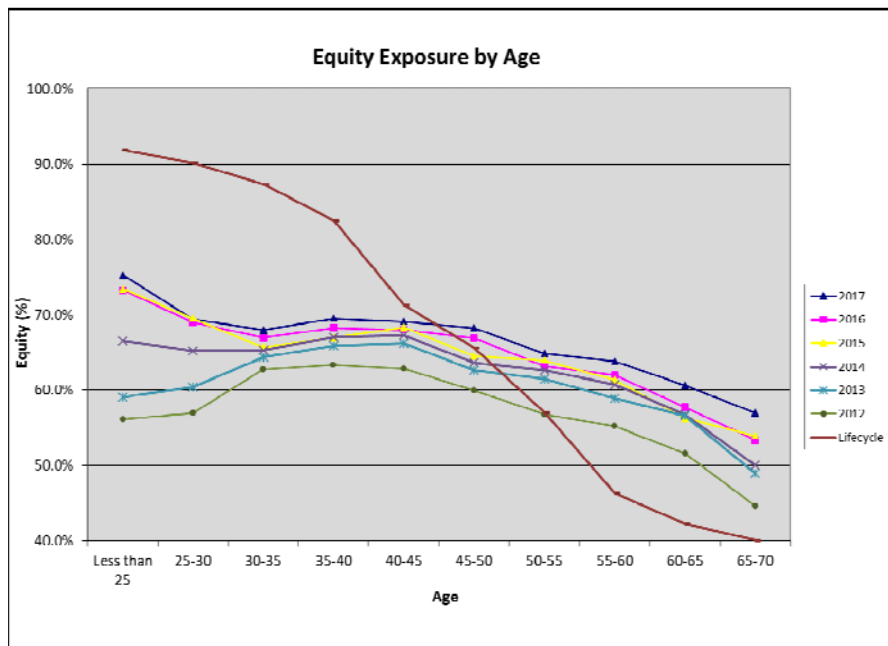
Changes to your elections can be made with Sun Life online or by phone.

Asset Mix

	2017	2016	2015
Cash	5%	5%	6%
Bonds	28%	31%	31%
Equities	67%	64%	63%

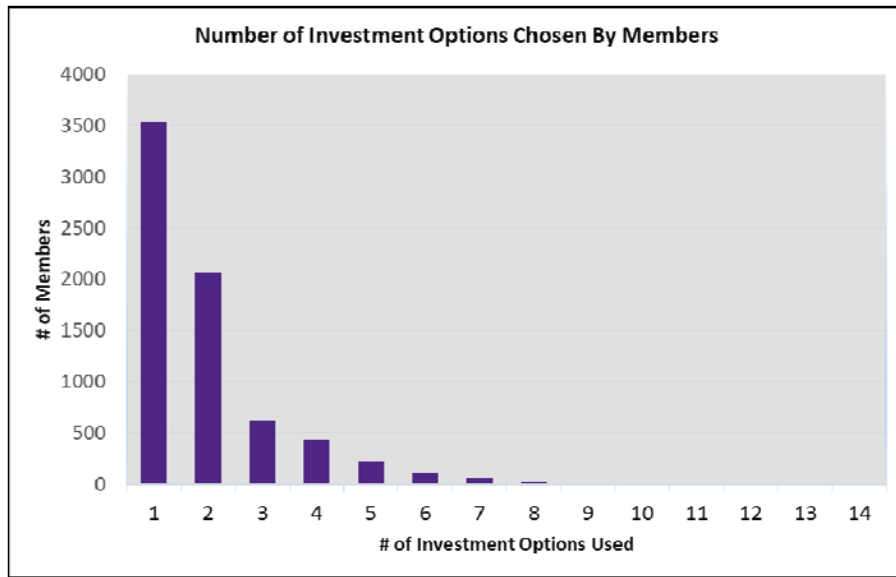
Investment Choices

Asset allocation



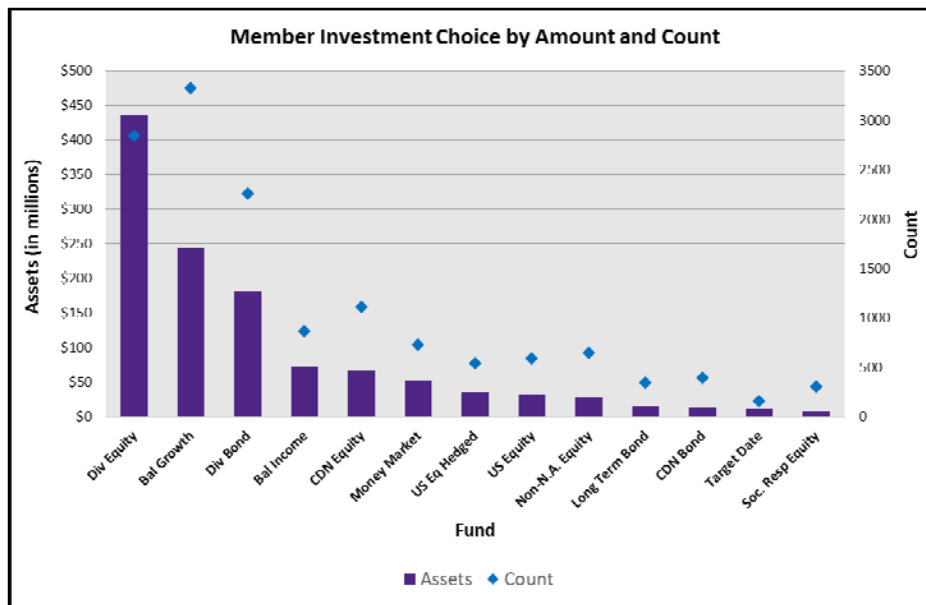
Investment Choices

Number of funds



Investment Choices

Choice of funds



Performance

- Rates of return
- Fees

Rates of Return

as at December 31, 2017 (net of fees)

Asset Class	Investment Fund	1 year Return
Balanced Portfolios	Balanced Growth	11.53%
	Balanced Income	6.60%
Equity	Diversified Equity	15.79%
	Canadian Equity	9.68%
	Non-North American Equity	19.26%
	US Equity-Hedged	21.05%
	US Equity-Unhedged	13.69%
	Socially Responsible Global Equity	16.09%
Fixed Income and Cash	Diversified Bond	3.26%
	Long Term Bond	7.54%
	Canadian Bond	2.40%
	Target Date Funds	0.60%
	Money Market	0.73%

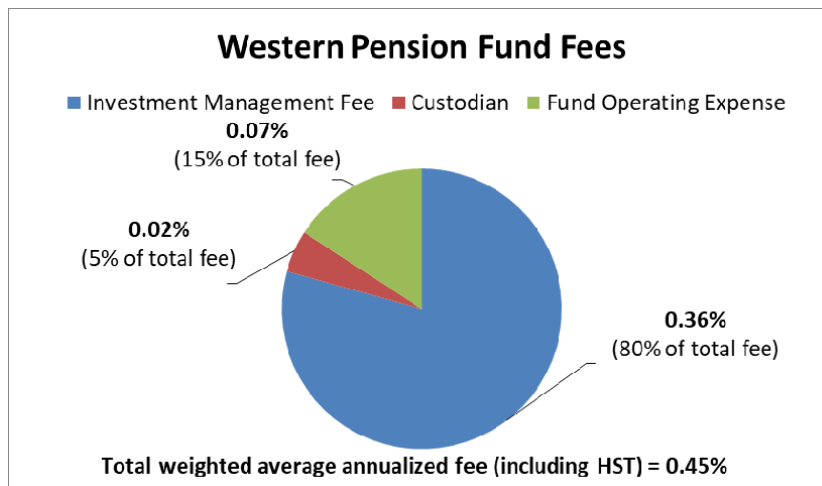
Rates of Return

by member (net of fees)

Individual Member Accounts	
2017 Return Breakdown	Historical Median Returns
• Maximum: 21.0%	• 1 year: 11.5%
• Average: 10.7%	• 3 year: 8.3%
• Median: 11.5%	• 5 year: 10.8%
• Minimum: -3.1%	

Fees

Fees are paid by members for investment management, custodian services and underlying fund operating expenses (which include accounting, legal and other administrative expenses related to managing an investment fund).



Fees

Fees are important because they can erode returns and therefore replacement income over time.

For example: 2% incremental fee per annum = significant reduction in income

- Investing \$500 per month in Western Diversified Equity Fund from March 1978 to February 2018= \$1,750,000
- Investing in a fund charging fees 2% higher over the same period = \$979,000

Entire difference (\$771,000) due to higher fees

Western Pension Plan	Retail Market
0.45%	1.50% - 2.50%



Fees have a huge impact!

Next Steps

- Monitor your progress
- Seek support from Sun Life
- Consider a financial planner
- Western Human Resources

Monitor your progress

- Advice on how to invest your account is available 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 from sunlife.ca/Western
choose: my financial centre > Resources > my money tools
 - Asset Allocation tool
 - Retirement Planner
 - Tools
- Consult a Financial Planner www.fpssc.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

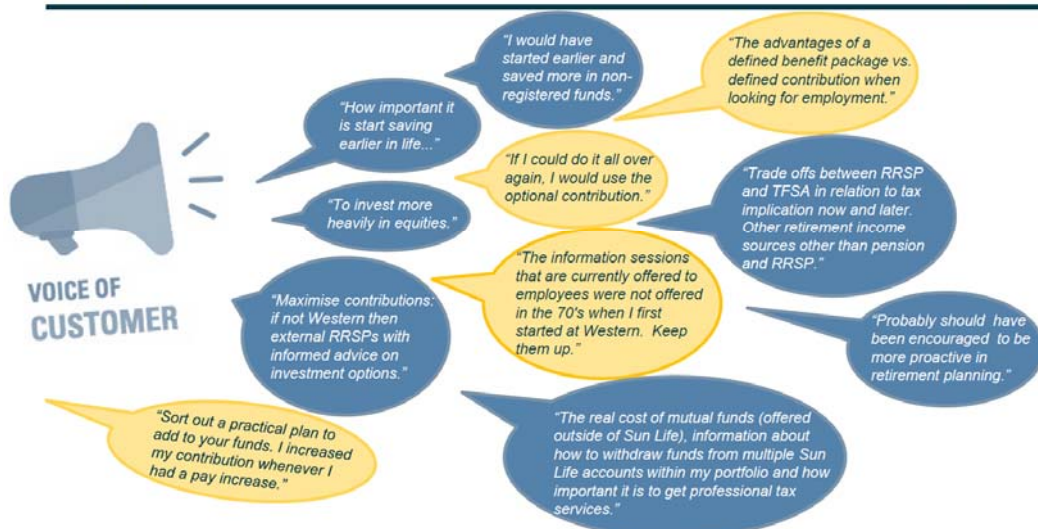
For questions about eligibility for retirement, post-retirement benefits or other employment or governance related questions contact Western HR at hrhelp@uwo.ca 519-661-2194

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From your colleagues

What would you have liked to have known earlier in your career about retirement planning?

Sun Life Financial



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