

Western Pension Plans

Annual Member Update for 2025

**On behalf of Western's Academic Staff and
Administrative Staff Pension Boards**

March 4, 2026

Land Acknowledgement



Native-land.ca

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 Pension Boards



Tahir Aziz

Associate Director, Pension Investments
Financial Services, Western



Cara Bourdeau

Sr. HR Consultant, Total Rewards
Human Resources, Western

Agenda

1. Plan Overview
2. Plan Member Questions
3. Market Update and Plan Performance
4. Responsible Investing Update
5. Investment Changes
6. Featured Guest: Prof. Stephen R. Foerster
7. Other Questions (to 1:15 p.m.)

1. Plan Overview

Western Pension Plans

University of Western Ontario
Pension Plan for Members of the
Academic Staff

University of Western Ontario
Pension Plan for Members of the
Administrative Staff

Western's **defined contribution pension plans** are a type of capital accumulation plan:

- **Goal:** accumulate retirement savings for the individual, who will use the savings to provide an income in retirement
- **Contributions:** are made by the Employee and Employer, as defined within the Plans
- **Investment:** plan members invest their savings within the 14 options available
- **Pension Income:** created by the plan member using the accumulated savings, no later than the end of the year the member turns age 71

Western Pension Plans

- \$1.6 billion in total assets as of December 31, 2025

All the assets in the plan belong to you- the individual members

Plan	Active Members	Inactive/Retired Members	Total Members	Plan Assets	Avg Member Balance (active)	Avg Service (active)
Academic Staff	2658	423	3081	\$977 M	\$328,200	12.8 yrs
Administrative Staff	4225	953	5178	\$706 M	\$140,800	10.5 yrs

The plan offers **flexibility** and **choice**:

- ✓ Choose a higher **contribution** level to have more income in retirement
- ✓ Choose to use the **savings** for retirement income, or access it for other goals
- ✓ Choose the **investment** mix that fits your risk tolerance and meets your goals
- ✓ Choose how, when, and how much to **pay yourself** in retirement

Your Joint Pension Board (2025-2026)

Name	Role at Western	Board Tenure
Ankush Agarwal	Associate Professor, Statistics & Actuarial Science	Since 2025
Ab Birch	Director, Financial Systems Chair, Administrative Board; Chair, Joint Pension Board	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	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	Since 2021
Shahbaz Sheikh	Professor, DAN Department of Management & Organizational Studies Chair, Academic Board; Vice-Chair, Joint Pension Board	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

2. Plan Member Questions

Choose your contribution level

Q: Can we increase our contribution to the pension plan? If so, how?



A: First, ensure you have elected the higher required employee contribution (where applicable). Next consider voluntary contributions, up to the limit.

Current year to the Western Pension Plan
EmployER Regular + EmployEE Regular + EmployEE Voluntary
= MAXIMUM 18%*

- 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%)
- Additional voluntary contributions:
 - From EmployEE only
 - Start, Stop, Change any month
 - Elect with Sun Life

* Income Tax Act limit is the *lesser* of 18% of earnings and the money purchase limit (\$35,390 in 2026)

Lump sum contributions

Q: I have available RRSP room. How do I make a lump sum contribution to my pension?



A: RRSP “room”, as reported on your Notice of Assessment from Canada Revenue Agency, can only be used by contributing to an RRSP.

- The Western Pension Plans are registered pension plans (RPPs), and not registered retirement savings plans (RRSPs).
- You **cannot** make a lump sum contribution to the Western Pension Plan
- You **can** make additional voluntary contributions with each pay, up to the current years’ limit* under the Income Tax Act.
- You **can** contribute to an RRSP at your financial institution and then **transfer** the savings into your Western Pension Plan. Ask about fees charged by your financial institution.

* Income Tax Act limit is the *lesser* of 18% of earnings and the money purchase limit (\$35,390 in 2026)

Choose your income

Q: What happens to your Western pension plan when you leave Western?



A: Regardless of your age, length of service, or circumstances for leaving, all the savings in your account belong to you and you have options on what to do next.

- **You always own the full balance of your account:**

Including: your own contributions + Western's contributions + investment returns

- ✓ Do nothing (an option until the year you turn age 71)
- ✓ Transfer to a new employer
- ✓ Transfer to registered savings accounts at your financial institution (LIRA, RRSP)
- ✓ Transfer to registered income accounts to start an income (LIF, RRIF)
- ✓ Purchase an annuity
- ✓ Combination of the above

Subject to pension regulations related to age and locked-in funds. Check on account > Balances > Details > View more

Choose your investments

Fund Selection & Market Conditions

Q: Given current market volatility and economic uncertainty, what should I be thinking about when choosing my funds and investment mix to protect and grow my savings over the long term?



A: There is no one-size-fits-all answer, but our plan offers options designed for every type of investor, with tools and support to help you find the right fit.

- All-in-one, professionally-managed solutions: Balanced Growth and Balanced Income
- Building blocks: Diversified Equity and Diversified Bond
- Build your own portfolio: Choose from Canadian equity, U.S. equity, international equity, fixed income and capital preservation funds

Sun Life's **asset allocation tool** and **retirement planner** can help you identify the right mix based on your personal profile and goals.

Choose your investments

Geopolitical Risk & Portfolio Construction

Q: With so much happening in the world — from trade tensions to shifting global supply chains — how does this affect the funds in our plan?"



A: Global events can create short-term market turbulence, but our plan is built for the long term. Diversification and staying invested are your greatest advantages.

- **Built-in diversification** in Balanced Growth, Balanced Income, Diversified Equity and Diversified Bond Funds.
- **Professional fund managers** actively monitor global developments and factor those risks into investment decisions
- **Dollar-cost averaging** helps you buy-low with your periodic contributions.

For specific concerns about your exposure or comfort with risk, Sun Life's tools and consultants are available to help.



3. Market Update and Plan Performance

Global Events and Market Noise

It's about to get noisier...

February 2025 ➤ February 2026



(Image credit: Harley Schwadron / Copyright 2025 Cagle Cartoons, Inc.)

Source: TheWeek.com

- Trump 2.0 inauguration
- Canadian election
- “Liberation Day” (Tariffs)
- Artificial Intelligence
- Russia Ukraine War: 5th year
- Middle East Conflict
- Venezuela / Maduro operation
- Greenland 2.0

Market Update

Interest Rate (%)	2023	2024	2025
Bank of Canada Policy Interest Rate	5.00	3.25	2.25
U.S. Federal Funds Interest Rate	5.25 - 5.50	4.25 – 4.50	3.50 – 3.75

Inflation (%)	2023	2024	2025
Canada	3.4	1.8	2.4
U.S.	3.4	2.9	2.7

10 Year Yield (%)	2023	2024	2025
Canada	3.1	3.2	3.4
U.S.	3.4	2.9	2.7

Equity Returns (\$C%)	2023	2024	2025
Canada (S&P/TSX)	11.8	21.7	31.7
U.S. (S&P 500)	22.9	36.4	12.4
International (EAFE)	15.1	13.2	25.1
Emerging Markets	6.9	17.3	27.3

Investment Options in your Plan

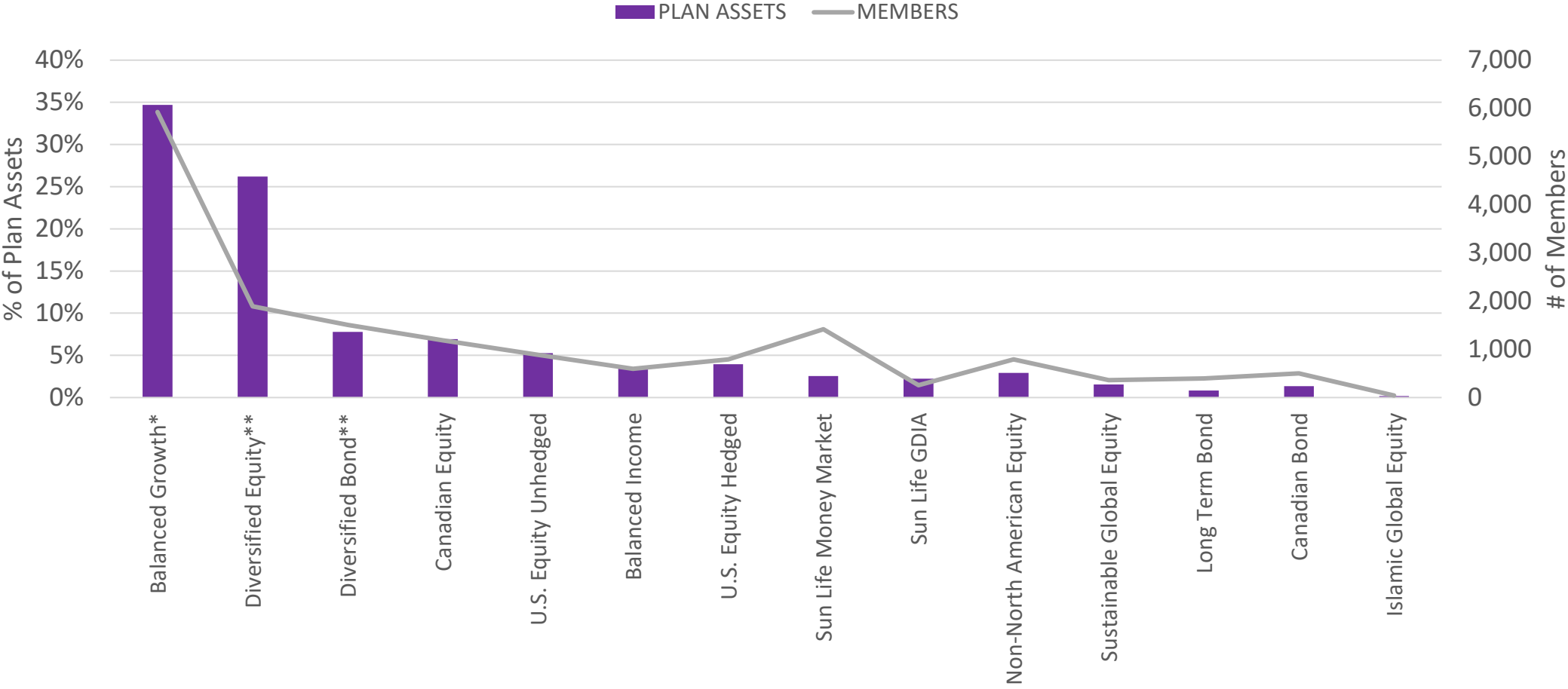
Fund Category	Style	Fund Name	Fund Management Fee (FMF)*
Balanced Portfolios	Mixed	Balanced Income (30 Equity / 70 Fixed Income)	0.47%
	Mixed	Balanced Growth (70 Equity / 30 Fixed Income)**	0.51%
Equity	Mixed	Diversified Equity Fund***	0.54%
	Active	Sustainable Global Equity	0.83%
	Active	Islamic Global Equity	0.66%
	Active	Non-North American Equity	0.50%
	Active	Canadian Equity	0.28%
	Passive	U.S. Equity Hedged (S&P 500 Index)	0.14%
	Passive	U.S. Equity Unhedged (S&P 500 Index)	0.10%
Fixed Income	Mixed	Diversified Bond Fund***(changes in Q2 2025)	0.44%
	Passive	Canadian Bond (FTSE Canada Universe Bond Index)	0.10%
	Passive	Canadian Long Term Bond (FTSE Canada Long Term Bond Index)	0.15%
Cash & Equivalents	N/A	Guaranteed Daily Interest Account (GDIA)	NA
	Active	Sun Life Money Market	0.08%

*Fund Management Fees as of January 31, 2026

**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, 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

Investment Returns (Net of fees, in %)

Fund Category	Style	Fund Name	2025	2024	2023	5-yr*
Balanced Portfolios	Mixed	Balanced Growth	12.2	15.4	11.7	7.9
	Mixed	Balanced Income	6.6	8.1	8.5	3.5
Equity	Mixed	Diversified Equity	16.6	21.1	14.0	11.2
	Active	Canadian Equity	25.1	18.7	10.4	14.7
	Passive	U.S. Equity Unhedged	12.2	36.2	22.8	16.0
	Passive	U.S. Equity Hedged	16.0	23.4	24.5	13.0
	Active	Non-North American Equity	25.4	10.8	15.2	10.9
	Active	Sustainable Global Equity	9.6	17.3**	n/a	n/a
	Passive	Islamic Global Equity	15.4	14.0	n/a	n/a
Fixed Income	Mixed	Diversified Bond	2.5	2.9	6.1	0.2
	Passive	Long Term Bond	(1.0)	1.2	9.5	(4.0)
	Passive	Canadian Bond	2.6	4.1	6.6	(0.5)
Cash & Equivalents	Active	Sun Life Money Market	2.8	4.7	4.7	2.8
	N/A	Guaranteed Daily Interest Account (GDIA)				

*Annualized total return for the 5-year period ended December 31, 2025

**Partial Year Return – Fund started in Feb 2024

Investment Returns

Q: What proportion of plan members achieved returns that exceed professionally managed plans like Teachers' and HOOPP?



A: This comparison isn't applicable to our plan. Teachers' and HOOPP are Defined Benefit (DB) plans, which operate very differently from our Defined Contribution (DC) plan.

- DB plans manage investments centrally — what matters is the plan's funded status, and if there is a shortfall, member and employer contributions may increase. In our DC plan, each member's return reflects their own choices.
- A direct comparison isn't apples-to-apples — that said, As of December 31, 2025, our default Balanced Growth fund delivered a 5-year gross annualized return of ~8.2% vs. 7.1% for the Canadian Public Pension Plans, and 6.6% for the Canadian Corporate Pension Plans¹
- The more important question — does your fund mix align with your goals and risk tolerance? Sun Life's tools and advisors are there to help

Source: BNY Canadian Asset Strategy View Universe Median Plan Returns

4. Responsible Investing Update

Responsible Investing Update

Plan-wide monitoring:

- RI has been part of the investment oversight and risk management process since 2007
- Carbon metrics have been tracked for the Plans since 2019
- Carbon footprint reporting has not yet been regulated; data and methodology is still evolving.

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 to sustainability

Responsible Investing Update

Islamic Global Equity Fund

- Launched in June 2023
- 42 members invested with a total value of \$2.8 million as of December 31, 2025
- Passive Global Equity tracking MSCI ACWI Islamic Index
- Managed by BlackRock Investment Management
- Fund Management Fees: 0.66%

Sustainable Global Equity Fund

- Launched February 1, 2024
- Active Global Equity Strategy providing a “double dividend”
- Managed by Mirova
- 359 members invested with a total value of \$25.9 million as of December 31, 2025
- Fund Management Fee: 0.83%

5. Investment Changes

Investment Changes in 2025

Diversified Bond Fund (DBF)– in Q2 2025

- No change in investment objective
- Increased Canadian Active Fixed Income Allocation from 38.1% to 48.5%
 - PH&N and Leith Wheeler to replace AllianceBernstein
- Reduced Global Fixed Income Allocation from 25.4% to 15.0%
 - PIMCO to replace AllianceBernstein
- Member Impact
 - No action was required
 - You did not see any transactions in your account
 - Similar and slightly better expected returns, lower expected volatility
 - Better manager diversification – going from 3 to 5 investment managers
 - No material change in Fund Management Fees: From 0.46% (2024) to 0.44% (2025)
 - Investment Management Fees increased by 0.04% but were offset by decrease in Operating Expenses by 0.06%

Upcoming Investment Changes

Diversified Equity Fund (DEF)

- The Joint Pension Board completed review of the fund in 2025
 - Focus of the review was regional allocation, style positioning, and performance analysis
 - The Board decided to maintain the current structure
- Ongoing manager oversight identified the need to replace one global equity manager.
 - We have completed the selection process for the replacement manager and are in the final stages
 - More details to come.

Upcoming

Pension Board Nominations

- Nominations are due to Cara by **12 p.m. on Friday, March 13, 2026**
- Academic Pension Board and Administrative Staff Pension Board work together as the Joint Pension Board.
- Each Board as 4 members elected by the membership and 3 University-appointed members common to both Pension Boards.
- Each Board has ONE full-term (4-year) position open (July 1, 2026 to June 30, 2030)

Pension Awareness Day Quiz

- Test your knowledge and learn about some common questions. Prize draw is open until March 6 at Noon!

Links to more information will be shared in the follow up email to this session

6. Featured Guest Presentation



Stephen R. Foerster

Professor, Finance

Academic Pension Board Member (2008-present)

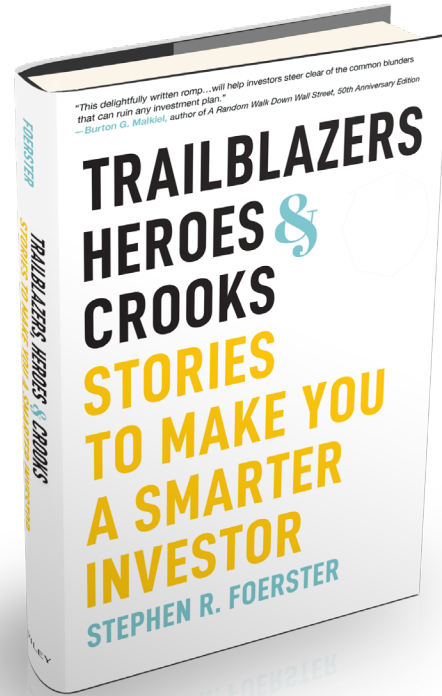


Photo by [Leonel Fernandez](#) on [Unsplash](#)

Autopilots Gone Wrong: Investing Lessons from Trailblazers, Heroes, and Crooks

Stephen R. Foerster

Western Pension Board Annual Meeting, March 4, 2026

Lessons



Photo by Stephen Foerster

- There may not be the expected downside protection from certain investment products in volatile markets; to mitigate, consider **diversification and investing for the long term**
- Always **consider whether your desired investment risk exposure matches your investments**; Western plan default is the Balanced Growth Fund (70% DEF/30% DBF)
- **Index funds**, some of which are part of Western’s pension fund, are like autopilots:
 - They may have the **benefits of diversification and efficiency**
 - **But be aware of the limitations** including sector and individual stock allocations
 - **Take our emotions out of play** and help us to avoid mistakes we might otherwise have made
- **Diversification**, broadly speaking even beyond index funds like in Western’s Diversified Equity Fund, is **the one true “free lunch”**
- Like a black box analysis, **always learn from any investing mistakes**



Book chapters:

Did Ronaldo Move the Stock Market?
Masterly Inactivity : The Art of Not Acting
Opportunity Cost: Why Pay Bonilla to Not Play Baseball
Madoff's Ponzi Scheme: Trust, But Verify Before Investing
How Investor FOMO Cost Newton a Fortune
Hetty Green, the Queen of Value Investing
Greed and Fear: Buffett and the Great Salad Oil Swindle
The Blank-Check Company Scam
A Tennis Book and the Index Revolution
Why Swiss Bankers Bet on Young Lives
Bre-X : All That Glitters Isn't Gold
Autopilots Gone Wrong
A Hostage Crisis and the Birth of Government Bonds
A Revolutionary Innovation to Fight Inflation
A Market Crash , Recovery, and Conspiracy Theories



Additional Steve Foerster links:

- My website: StephenRFoerster.com
- See my previous book website: [In Pursuit of the Perfect Portfolio](#)
- Watch for my next book: authorized biography of Nobel laureate William F. Sharpe (expected in late-2026)

