

2011 ANNUAL PENSION STATEMENT

January 29, 2013

What are your retirement goals? This personal pension statement can help you plan your journey to retirement and beyond. Your statement contains details on the contributions that you and Western have made to your plan, the current value of your investments and the returns you have realized. It contains projections about what retirement income may be possible, gives you a breakdown of your current holdings, and outlines the choices you made about how your future contributions will be invested.

Our Western plans are “defined contribution” (DC) plans, a type of capital accumulation plan in which contributions are made by the employer and the member. In a DC plan, members are responsible for making their investment decisions, depending upon personal retirement goals, current circumstances and the level of risk they are willing to take.

2012 Performance: Despite continuation of major global economic concerns such as the U.S. “fiscal cliff”, the European Debt crisis and China’s slowing economy, 2012 was an excellent year for the stock markets. All equity options in the Western Retirement Plans posted strong returns. The Canadian equity market lagged behind other stock markets around the world due to the weakness of the Energy and Materials sectors. Nevertheless, the investment managers of the Canadian Equity Fund managed to outperform the S&P/TSX Index by 2% after fees. The Joint Pension Board’s strategy to diversify investments outside Canada bore fruit. Both the Diversified Equity Fund and the Diversified Bond Fund significantly outperformed Canadian stock and bond markets by investing abroad. Fixed income returns were more muted in 2012 as yields on Canadian government bonds actually went up, but fixed income funds exposed to corporate debt, such as the Canadian Bond Fund and the Long-Term Bond Fund, had more attractive returns. Money market returns were nominal again this year as a result of the Bank of Canada’s decision to keep its key interest rate low. For more information about the performance of each individual investment option, please refer to the **Retirement Plans 2012 Investment Performance Review** (Annual Report) under *Investment Fund Commentary*. You should regularly review the composition of your portfolio to make sure that the expected return and risk tradeoffs of various asset classes are consistent with your goals and objectives. Be aware that past performance is not necessarily an indication of future performance.

Two noteworthy changes were made to the Western Retirement Plans: the Target-Date Fund 2012 matured and was replaced by the Target-Date Fund 2018, and Romspen, a manager of commercial mortgages, was added to the Diversified Bond Fund to improve yield and protect investors in the event of a rise in interest rates.

Please attend one of the annual member meetings outlined below to learn more about your plan. Western also provides workshops and planning tools, resources such a regular newsletter and other ways of getting to know your retirement plan and making the right investment decisions. Need more information? Call Human Resources at 519-661-2194 or email hrhelp@uwo.ca.

ANNUAL MEETINGS

Wednesday, April 24, 2013
and
Monday, April 29, 2013
12:00 - 1:00 p.m.
Spencer Engineering Building - Room 2202
Presented by Martin Bélanger (Director, Investments)

Thursday, April 25, 2013
7:00 - 9:00 p.m.
Spencer Engineering Building - Room 2202
Presented by Martin Bélanger (Director, Investments)
Bonus Presentation:
Ron Lloyd of Romspen Investment Corporation

Craig Dunbar, Chair
Academic Pension Board


Krys Chelchowski, Chair
Administrative Pension Board


Martin Bélanger
Director, Investments