

Pension & Benefits Committee

Open & Confidential Sessions

November 15, 2024

9:30 a.m. - 12:00 p.m.

Needles Hall

NH 3318

Waterloo Campus

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20241115 Pension & Benefits Committee Meeting Book

AGENDA

Governance Resources

<https://uwaterloo.ca/secretariat/governing-bodies/board-governors/pension-benefits-committee>

OPEN SESSION

9:30 a.m.	1. Agenda and Minutes		
	1.1. Declarations of Conflict of Interest		
	1.1. Agenda and Minutes		4
	1.2. Approval of Agenda	Decision	
	1.3. Approval of October 17, 2024 Minutes	Decision	
	1.3.3. PB 2024-10-17 OPEN Minutes		5
	1.4. Business Arising	Information	
9:40 a.m.	2. Reports from Sub-Committee		
	2.1. Report from Pension Investment Committee [Basdeo]	Information	
	2.1.1. Summary of Total Fund Investment Performance Q3 2024		
	2.1.1.1. Report of the Pension Investment Committee		9
	2.1.1.1. UW_Investment Performance Review_P&B Committee_2024 Q3 Report		11
10:00 a.m.	3. Pension		
	3.1. Pension Risk Management Dashboard, Q3 2024 [Aon]	Information	
	3.1.1. Pension Risk Management Dashboard Memo		31
	3.1.2. UW Dashboard_09302024 Report		32
	3.2. Maximum Pension Limits and CAP Adjustments Based on AIW Increase [Hornberger]	Information	
	3.2.1. Maximum Pension Limits and Caps Adjustments Based on AIW Increase Memo		50
	3.2.2. Pension Limits Impacted by AIW Increase Report		51
10:30 a.m.	4. Benefits		
	4.1. Extended Health & Dental Benefits - Indexation of Maxima Effective January 1, 2025 [Hornberger]	Decision	
	4.1.1. Extended Health & Dental Benefits - Indexation of		53

Maxima Effective January 1, 2025 Memo

4.1.2. Indexation of Healthcare Maximums Report 55

4.2. Health Care Spending Account Update [Hollis] Information

4.2.1. Health Care Spending Account Update Memo 56

11:30 a.m. 5. Other Business

5.1. Committee Orientation Information

5.1.1. Committee Orientation Memo 57

5.1.2. Orientation Slide Deck Report 58

5.2. Review of Work Plan [Willey-Thomas] Information

5.2.1. Review of Work Plan Memo 81

5.2.2. Pension & Benefits Committee Work Plan 2024-2025 Report.docx 82

12:00 p.m. 6. Adjournment

For Decision**Open Session**

Date of Meeting: November 15, 2024

To: Members, Pension & Benefits Committee

From: Sarah Willey-Thomas, Associate University Secretary

RE: **1) Approval of Agenda and Consent Items**

1.1. Declarations of Conflict of Interest

Members are invited to declare any conflicts related to the confidential agenda at this time. Should a conflict of interest arise during the course of discussion, Members are invited to declare a conflict of interest as it arises.

The Secretariat can provide guidance regarding any potential conflicts of interest in advance of or during the Board meeting.

Members are invited to review the Conflict of Interest webpage on the Secretariat [website](#).

1.2. Approval of Agenda

Recommendation:
That the November 15, 2024 meeting agenda be approved.

1.3. Minutes of the October 17, 2024 Meeting

Recommendation:
That the minutes of the October 17, 2024 meeting be approved.

1.4. Business Arising

All other matters of business arising will be addressed throughout the balance of the agenda.

Documentation Provided:

- October 17, 2024 Meeting Minutes

University of Waterloo
PENSION & BENEFITS COMMITTEE
Minutes of the October 17, 2024 Meeting
[in agenda order]

Present: Teresa Fortney (chair), Trevor Askes, Sara Cressman, Elizabeth Demers, Danielle Deveau, Melissa Graham, Sarah Hadley, Michelle Hollis, Lily Hua, Jacinda Reitsma, David Taylor, James Thompson, Sarah Willey-Thomas (secretary)

Guests: Linda Byron, Yessenia Guerrero, Lisa Habel, Lee Hornberger, Sara Perkins, David Porreca, Brad Richards, Kate Rybczynski, Allan Shapira, Tyler Wendland

Regrets: Linda Blair, Ashley-Ann Morgado, James Rush

Organization of Meeting: Teresa Fortney took the chair and Sarah Willey-Thomas acted as secretary. The secretary advised that a quorum was present.

1. Agenda and Minutes

1.1. Declarations of Conflict of Interest

No conflicts of interest were declared.

1.2. Approval of Agenda

The Committee noted a correction to the timing of the adjournment.

Hua and Graham.

That the October 17, 2024 meeting agenda be approved. CARRIED

1.3. Approval of the September 13, 2024 Minutes

Deveau and Hollis.

That the minutes of the September 13, 2024 meeting be approved.
CARRIED

1.4. Business Arising

Committee members requested a further discussion of gender affirmation coverage and eligible prescribers of medical equipment alongside the discussion of the Biosimilar Transition Program.

2. Benefits

2.1. Health Care Spending Account

Michelle Hollis introduced the Health Care Spending Account, noting the arbitrated decision and role of the Pension & Benefits Committee.

The Committee and guests discussed if the HCSA would be offered to other employee groups; decision making role for the Committee as articulated in the settlement and terms of reference, including what the arbitrated decision indicates would happen if the Committee does not approve the HCSA; discussion of benefits in negotiations and role of the Committee relative to negotiations; discussion of options if the HCSA is not approved by the Committee; impact of introduction of an HCSA on retirees; and confidentiality considerations regarding negotiations.

The Committee agreed that further conversations between administration and FAUW would be undertaken with an update to the Committee in November.

2.2. Biosimilar Transition Program

Jacinda Reitsma presented the Biosimilar transition program, noting the three different benefits previously discussed (i.e., Biosimilar Transition Program, gender affirmation, and eligible prescribers of medical equipment); cost savings associated with the change; and the financial situation of the University.

The Committee discussed the impact of recommending all three benefits to the Board of Governors at the same time; feedback from the Board regarding the Family Building Benefit; equity considerations related to the gender affirmation coverage; increase in nurse practitioners in primary care; financial context of the University; eligible prescriber benefit as a correction to the benefits plan; employee inquiries regarding gender affirmation benefits coverage; and messaging to the Board regarding the proposal.

Graham and Taylor.

That the Pension & Benefits Committee accept and recommend that the Board of Governors approve the adoption of the Biosimilar Transition program and the inclusion of coverage for gender affirmation and prescribing of medical equipment by nurse practitioners, with specifics as contained in the Pension and Benefits Committee agenda for September 15, 2024.

CARRIED

3. Pension

3.1. Review of SIPP and FIP

Sarah Hadley presented changes to the SIPP and FIP, noting changes reviewed by the Pension Investment Committee; annual process to review the SIPP and FIP;

engagement of Eckler to review of the documents; and, integration of best practices.

The Committee discussed corrections to the numbering and table of contents to reflect the changes to the document; adding a clarification sentence to asset mix chart in Section 12; challenges associated with valuation of illiquid asset classes, including private debt; clarification of the term investment manager as opposed to fund manager; risk associated illiquid asset classes and related risk mitigation; asset classes of other pension plans, including UPP; and, how PIC monitors returns of asset classes.

James Thompson left the meeting.

The Committee agreed to consider further revisions to the SIPP to clarify ongoing monitoring of SIPP and FIP.

The Committee agreed to amend the SIPP to reflected and updated table of contents; to replace references to investment manager with fund manager; and the additional clarification sentence to the asset mix chart in section 12; and editorial changes as discussed.

Askes and Taylor.

That the Pension & Benefits Committee accept and recommend that the Board of Governors approve changes to the Pension Statement of Investment Policies and Procedures, as amended. CARRIED

Reitsma and Graham.

That the Pension & Benefits Committee approve changes to the Fund Implementation Procedures, as presented. CARRIED

3.2. Plan Text Amendments

Lee Hornberger presented the Plan Text Amendments as per the recommendation from the September 2024 Committee meeting.

The Committee discussed the estimate of increase to the average industrial wage effective January 1, 2025 and heard that language in the plan text allows for adjustments as needed. Aon will bring back any concerns related to the estimate to the Committee as appropriate.

Taylor and Askes.

That the Pension & Benefits Committee recommend that the Board of Governors approve the Amendment Number 10 to the University of Waterloo Pension Plan for Faculty and Staff. CARRIED

4. Other Business

4.1. Pension & Benefits Committee Orientation

The Committee orientation was deferred to the November 2024 meeting.

4.2. Review of Work Plan

Sarah Willey-Thomas shared the Committee's work plan for information.

November 7, 2024

Sarah Willey-Thomas
Associate University Secretary

For Information

Open Session

Date of Meeting: November 15, 2024

To: Members, Pension & Benefits Committee

From: Sarah Willey-Thomas, Associate University Secretary

RE: **2. Reports from Sub-Committee**

2.1. Report of the Pension Investment Committee

Background:

In accordance with the [Terms of Reference for the Committee](#), the Pension Investment Committee is a subcommittee of the Pension & Benefits Committee that is mandated to oversee the investment of the assets of the University of Waterloo Pension Plan .

Additional information about the Committee can be found on the [Secretariat website](#).

Aubrey Basdeo, Chair, Pension Investment Committee (PIC), will provide the Committee with a verbal update regarding the activities of PIC, including the Summary of Total Fund Investment Performance for Q3 2024.

Key Items:

At its meeting held November 6, 2024, the Pension Investment Committee discussed the following:

Investment Performance Report:

The Committee reviewed the Pension Investment Performance report for Q3, 2024 as prepared by Eckler. An abridged version of the report has been included in the Committee's agenda package and appended to this report.

Key Highlights:

- The Pension Plan returned 5.3% over the quarter, underperforming the benchmark return of 7.0% by 1.7%, ranking in 4th quartile of the Eckler DB Pension Client Universe.
- The Pension Plan has underperformed its benchmark over all annualized periods reviewed ending September 30, 2024 on a gross return basis however, it has beaten the return target of CPI + 3.5% over the past two years. The Committee continued discussion of strategies to correct

underperformance and acknowledges unique challenges associated with the current and unusual market.

Fossil Fuels Report:

The Committee reviewed the Fossil Fuels report for Q3 2024 and in compliance with the Responsible Investing Advisory Group's recommendation of May 2021 as approved by the Board of Governors.

Pension Risk Management Dashboard:

The Committee reviewed the Pension Risk Management Dashboard for Q3 2024, as presented by Aon. The report is also included in the Pension & Benefits Committee package.

Investment Manager Meetings:

In accordance with the terms of reference, the Committee met with one of its investment managers regarding investment performance. The Committee had an initial discussion on investment manager evaluation and plans to continue discussion.

Documentation Provided:

- Summary of Total Fund Investment Performance, Q3 2024



ECKLER

University of Waterloo Pension Plan

Investment Performance Review – P&B Committee

Third Quarter 2024

Jason Campbell, CFA, CAIA

Gino Di Censo, CFA, CAIA

Table of Contents

	Page No.
Executive Summary	3
Performance and Risk	9
Review of Fund Assets	114
Appendix A:	
• Footnotes to Performance Summary	17
• Footnotes to 4-Year Performance and Risk Metrics Summary	18
• Definitions	19
• Disclosures	20

A background image showing four business professionals in a meeting. A woman on the right is standing and gesturing with her hands while speaking. Three other people (two men and one woman) are seated around a table, listening attentively. A laptop and a coffee cup are on the table. The scene is brightly lit, likely from a large window in the background.

Executive Summary

Capsule

Fund Update:

- The Pension Plan returned 5.3% (net) over the quarter, underperforming the benchmark return of 7.0% by 1.7%, ranking in the fourth quartile of the Eckler DB Pension Client Universe.
- The Pension Plan has underperformed its benchmark over all annualized periods reviewed ending September 30, 2024 on a net return basis. The Pension Plan has also underperformed the CPI + 3.5% target over 3-, and 4-periods reviewed ending September 30, 2024.
- Phase 1 of the long-bond transition was completed at the end of August.
- The first capital call for SoundPoint Capital was issued in September for \$16.7M CAD (42.78% of the total capital commitment)

Market Update:

- Inflationary trends in Canada and the US began to diverge during the third quarter, with Canadian inflation sources continuing to decline, while the US saw a slight uptick aligned with a robust labour market. Nonetheless, on an annualized basis, inflation has continued to decline in both countries.
- In Canada, the S&P/TSX increased 10.5% during the quarter which was ahead of the S&P 500's return of 4.5%. The S&P/TSX experienced a broad rally led by Financials, Materials and Information Technology sectors. In the US, although the Federal reserve cut interest rates by 50 basis points for the first time since 2020, the performance of US equities was outpaced by S&P/TSX as the Semi-conductor rally cooled, and the Information technology sector generated mixed results.
- Turning to Emerging Markets, Chinese equities experienced a strong rally in response to a significant stimulus package from the Bank of China in an attempt to stop deflationary pressures and falling real estate prices.
- Elsewhere international equities as measured by MSCI EAFE Index returned 5.9%. The positive performance can be attributed to gains in Financials, Industrials and Consumer Staples sectors.
- The Bank of Canada cut interest rates by 50 basis points over the quarter and signaled the potential of additional interest rate cuts contingent on whether the economy continues to weaken. This tailwind, led the Canadian Fixed Income market as measured by the FTSE Canada Universe Bond Index to a return of 4.7%.
- In Japan, the BoJ ended its decade long era of negative interest rates by increasing rates to 0.25% to curb the yen's unprecedented weakness against the US dollar.

Capsule

Sources of Performance (over the quarter, gross):

Passive Funds:

- The TD Emerald Canadian Equity fund returned 10.5% during the quarter, tracking the S&P/TSX Composite return.
- The TD Emerald Pooled U.S. fund returned 4.5% during the quarter, tracking the S&P 500 (\$C) return.
- The TD Emerald International Equity Index fund returned 5.9% during the quarter, tracking the MSCI EAFE Index (\$C) return.
- The TD Universe Bond Index fund returned 4.6% during the quarter, tracking the FTSE Canada Universe Bond Index return.

Active Funds:

- The TD Active Short Term Corporate fund returned 3.8% during the quarter, matching its benchmark's return.
- The RBC Global Focus Equity Fund returned 4.6% during the quarter, underperforming the MSCI ACWI Index (\$C) return of 5.3% by 0.7%.
- The Mirova Global Sustainable Equity Fund returned 4.2% during the quarter, underperforming the MSCI ACWI Index (\$C) return of 5.3% by 1.1%.
- The Walter Scott Global Equity Fund returned 3.0% during the quarter, underperforming the MSCI World Index (\$C) return of 5.0% by 2.0%.
- The IFM Global Infrastructure Fund returned 3.5% (\$CAD) during the quarter, underperforming its benchmark return of 12.3% by 8.8%.
- The CBRE Global Alpha Real Estate fund returned (\$CAD as of Q2 2024) 0.9%, outperforming its benchmark return of -1.1% by 2.0%.

Public Real Assets:

- The iShares S&P/TSX Capped REIT Index ETF returned 23.0% during the quarter, outperforming its benchmark's return of 14.9% by 8.1%.
- Brookfield Infrastructure Partners L.P. (BIP.UN) returned 27.8% during the quarter, outperforming its benchmark return of 12.3% by 15.5%.
- Brookfield Renewable (BEP.UN) returned 14.1% during the quarter, outperforming its benchmark return of 12.3% by 1.8%.

Capsule

Investment Manager Updates:

RBC GAM

- Marcus Lun, Senior Portfolio Manager will be leaving the firm on December 31, 2024 after 10 years at RBC Global Asset Management (UK) Limited and 17 years with the RBC Global Equity team. Ya (Anne) Xue has been working alongside Marcus since she joined the team over two years ago in September 2022 and will be taking over responsibility for leading the team's investment research in the Energy and Materials sectors.
- **Eckler View:** Anne Xue has close to 6 years of relevant professional work experience and is a senior analyst on the RBC Global Equity team. In addition to being a CFA charterholder and a CPA, Anne has an MBA from London Business School and a BBA in Accounting and Finance from Hong Kong Polytechnic University. While we recognized that a gap in knowledge next to her predecessor, Anne is also supported by 9 remaining senior portfolio managers who have worked on the strategy for over 10 years. Eckler believes that the team has sufficient collective experience and will continue to monitor for any adverse impacts following this change.

CBRE

- On September 5th, CBRE announced that Lucy Fletcher would be joining the firm as Lead Portfolio Manager for the CBRE Global Alpha Fund. Lucy succeeds Elisabeth (Liz) Troni, who separately has been appointed as Lead Portfolio Manager for the CBRE U.S. Core Partners Fund, the firm's open-end U.S. core real estate strategy. Lucy brings more than 25 years' experience of global real estate investing and has extensive experience in managing specialist funds, co-investments, clubs, joint ventures and investments with operating partners—which represent the full range of Global Alpha's preferred execution formats—in her prior roles in the Americas, APAC and Europe.
- Lucy joins the firm from QuadReal Property Group in Canada, where she most recently served as Managing Director and Global Head of Portfolio Management. In that role, she was responsible for investor oversight, portfolio construction and strategy, liquidity and capital allocations, portfolio impact analysis, performance analytics and identification of key investment risks across the firm's real estate equity and debt investment portfolio globally.
- **Eckler View:** While noting that this is the second change in Lead Portfolio Manager on Global Alpha in 4 years, overall we have no concerns with the appointment of Lucy Fletcher. Lucy has significant experience in global real estate and there are no other changes expected to the Investment Committee, investment team, or the investment process for Global Alpha. The Eckler research team has met with Lucy, and we do not anticipate any material changes within the portfolio in the near-term and do not recommend any change in allocation to Global Alpha at this time. We will continue to monitor Lucy's integration into the team and any transactional activity that indicates a drift in Global Alpha's strategic initiative.

Capsule

Investment Manager Updates (continued):

SoundPoint

- On October 30, SoundPoint informed Eckler that the firm and David DeSantis, Co-Head of USDL, have decided to part ways. David will no longer be involved in daily operations, aside from completing a few remaining projects. Over time, David's primary responsibilities had shifted; most recently, he managed third-party marketing relationships overseas and oversaw fund-level structuring with a team that remains at the firm. Following David's departure, Tom Newberry will assume the role of Executive Chairman for the Direct Lending group, while Andrew Eversfield and Dave Rous have been promoted to Co-Heads.
- **Eckler View:** The recent announcement from SoundPoint is significant, particularly given David's seniority within the team. It's our understanding that SoundPoint's decision stemmed from concerns about David's performance. There are no immediate plans to backfill his role, as much of his responsibility had already been distributed among existing team members. This departure does not trigger a Key Person Event; such an event would occur only if fewer than three Key Persons remain capable of fulfilling their responsibilities, and there are currently four. There are also no plans to replace David's seat on the Investment Committee at this time. Eckler will meet with SoundPoint's managing partners and CEO in the coming weeks to discuss this further and will provide updated insights as more information becomes available.

Capsule

SIP&P

- The SIP&P was last updated effective April 1, 2023.

Compliance

- IFM, Walter Scott, PH&N, Mirova and TDGIS claimed compliance with the SIP&P in the third quarter of 2024.

Total Fees (Estimated as of September 30, 2024)

Manager	Mandate	Market Values as of September 30, 2024	Quarterly Fee (\$)	Quarterly Fee (%)	Annual Fee (%)	Fee Percentile Rank	Fee Universe Median (%)
TDGIS	Passive Fixed Income and Equities	\$ 1,072,407,510	\$ 65,975	0.01%	0.02%	n/a	n/a
TDGIS	Active Fixed Income	\$ 388,387,299	\$ 92,968	0.02%	0.10%	n/a	n/a
PH&N*	Active Global Equities	\$ 111,951,257	\$ 148,689	0.13%	0.53%	46	0.55%
Mirova	Active Global Equities	\$ 125,060,846	\$ 171,959	0.14%	0.55%	51	0.54%
Walter Scott	Active Global Equities	\$ 559,590,882	\$ 736,989	0.13%	0.53%	67	0.44%
IFM	Global Infrastructure	\$ 88,027,466	\$ 169,453	0.19%	0.77%	n/a	0.85%
CBRE**	Global Real Estate	\$ 69,276,846	\$ 77,936	0.11%	0.45%	n/a	0.50%
SoundPoint	Private Debt	\$ 16,748,101	\$ 52,338	0.31%	1.25%	n/a	n/a
UW	Managed Account	\$ 285,924,925	N/A	N/A	N/A	n/a	n/a
UW	Operating Account	\$ 10,011,410	N/A	N/A	N/A	n/a	n/a
Total		\$ 2,727,386,542	\$ 1,516,306	0.06%	0.22%		

*Actual PH&N fees might be lower than the fees estimated as UW benefits from an aggregation discount.

**CBRE offers a 0.05% discount for Eckler clients (aggregation discount). The fund's standard fee is 0.50%.

There are performance fees with hurdles and catch-up considerations for the IFM and CBRE Funds which is not taken into consideration for this table.

Please also note IFM, CBRE & Mirova fees are netted.

A background image showing four business professionals in a meeting. A woman on the right is standing and gesturing with her hands while speaking. Three others (two men and one woman) are seated around a table, listening attentively. A laptop and a coffee cup are on the table. The scene is brightly lit, likely from a large window in the background.

Performance and Risk

Performance Summary (Net of Fees)

Fund	Net Annualized Rate Of Return (%) as of September 30, 2024 and Percentile Rank						
	MRQ	YTD	1 Year	2 Years	3 Years	4 Years	5 Years
Total Fund	5.3	12.6	21.0	15.1	5.7	7.4	6.8
Total Fund Benchmark ¹	7.0	15.7	25.7	17.1	6.9	8.5	7.8
CPI + 3.5% ²	0.7	4.4	5.2	6.3	7.7	7.8	7.0
Value Added (Total Fund Benchmark)	-1.7	-3.1	-4.7	-2.0	-1.2	-1.1	-1.0
Value Added (CPI + 3.5%)	4.6	8.2	15.8	8.8	-2.0	-0.4	-0.2
Canadian Equities	10.5	17.2	26.7	17.8	9.5	14.6	8.8
TD Emerald Canadian Equity Index³	10.5	17.2	26.6	17.8	9.5	13.9	10.9
S&P/TSX Composite Index	10.5	17.2	26.7	17.8	9.5	13.9	10.9
Value Added	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
U.S. Equities							
TD Emerald Pooled U.S. Fund	4.5	25.1	36.1	27.6	14.3	16.5	16.4
S&P 500 (\$C)	4.5	25.1	36.2	27.7	14.3	16.5	16.4
Value Added	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0
Active Global Equities	3.3	17.0	27.6	23.2	7.7	10.6	9.8
Global Equity Benchmark ⁶	5.3	21.6	31.7	25.1	10.5	13.0	12.7
Value Added	-2.0	-4.6	-4.1	-1.9	-2.8	-2.4	-2.9
Walter Scott Global Equity	2.9	15.0	25.6	23.6	8.6	11.2	11.8
MSCI World Index Net (\$C)	5.0	21.8	32.3	26.0	11.4	14.0	13.5
Value Added	-2.1	-6.8	-6.7	-2.4	-2.8	-2.8	-1.7
RBC Global Focus Equity⁴	4.5	21.5	30.8	17.6	4.1	8.9	11.1
Mirova Global Sustainable Equity^{4*}	4.2	23.2	34.5	26.9	7.6	11.0	14.3
MSCI ACWI Index Net (\$C)	5.3	21.6	31.7	25.1	10.4	12.9	12.6
Value Added (RBC Global Focus Equity)	-0.8	-0.1	-0.9	-7.5	-6.3	-4.0	-1.5
Value Added (Mirova Global Sustainable Equity)	-1.1	1.6	2.8	1.8	-2.8	-1.9	1.7
International Equities							
TD Emerald International Equity Index	5.9	15.8	24.7	24.1	7.8	10.6	8.7
MSCI EAFE Index Net (\$C)	5.9	15.8	24.7	24.1	7.8	10.5	8.6
Value Added	0.0	0.0	0.0	0.0	0.0	0.1	0.1

*Beginning Q3 2023, the fees were charged directly to the investment vehicle

Performance Summary (Net of Fees)

Fund	Net Annualized Rate Of Return (%) as of September 30, 2024 and Percentile Rank						
	MRQ	YTD	1 Year	2 Years	3 Years	4 Years	5 Years
Fixed Income	4.5	5.1	11.8	6.2	1.2	0.6	1.7
TDAM Universe Bond Index	4.6	4.2	12.7	5.4	-0.1	-1.0	0.5
FTSE Canada Universe Bond Index	4.7	4.3	12.9	5.5	-0.1	-0.9	0.6
Value Added	-0.1	-0.1	-0.2	-0.1	0.0	-0.1	-0.1
TDAM Canadian Long Bond Broad Market Index	5.7	2.0	17.1	5.2	-2.9	-4.2	-1.8
FTSE Canada Long Bond Index	5.7	2.2	17.3	5.2	-2.9	-4.2	-1.7
Value Added	0.0	-0.2	-0.2	0.0	0.0	0.0	-0.1
TDAM Active Short Term Corporate	3.8	6.0	11.2	6.9	2.5	2.1	2.7
FTSE Canada Short Term Corporate Bond Index	3.8	6.2	11.2	7.0	2.5	2.2	2.9
Value Added	0.0	-0.2	0.0	-0.1	0.0	-0.1	-0.2
Real Estate⁵							
iShares S&P/TSX Capped REIT Index ETF	23.0	14.5	24.7	12.7	1.4	9.6	2.0
FTSE EPRA Nareit Developed	14.9	15.4	30.1	14.7	3.6	8.3	2.8
Value Added	8.1	-0.9	-5.4	-2.0	-2.2	1.3	-0.8
Real Estate⁵ (Lagged)							
CBRE Global Alpha - Net (\$C)*	0.9	1.8	-0.6	-0.5	3.9	3.6	4.3
CBRE Global Alpha - Net (Local \$)*	0.1	0.3	-3.0	-3.3	2.7	4.2	4.1
MSCI Global Property Fund Index (\$C)	0.5	0.1	-4.4	-5.1	1.8	2.3	2.7
Value Added (\$C)	0.4	1.7	3.8	4.6	2.1	1.3	1.4
Infrastructure⁵							
IFM Global Infrastructure Fund - Net (\$C)	3.5	4.5	7.3	8.2	8.8	10.7	9.3
OECD Total CPI +5%	2.1	7.8	9.8	10.7	12.4	11.8	10.7
Value Added (IFM Global Infrastructure Fund)	1.4	-3.3	-2.5	-2.5	-3.6	-1.1	-1.4
Brookfield Infrastructure Partners L.P. (BIP.UN)	27.8	18.2	25.4	3.2	5.1	7.5	8.8
Brookfield Renewable (BEP.UN)	14.1	14.3	36.6	-0.9	-	-	-
FTSE Global Core Infrastructure 50/50 Index	12.3	19.8	29.8	13.8	9.9	10.1	6.5
Value Added (Brookfield Infrastructure Partners L.P. (BIP.UN))	15.5	-1.6	-4.4	-10.6	-4.8	-2.6	2.3
Value Added (Brookfield Renewable (BEP.UN))	1.8	-5.5	6.8	-14.7	--	--	--
Private Debt							
SoundPoint U.S. Direct Lending III**	-	-	-	-	-	-	-
SOFR + 4%	-	-	-	-	-	-	-
Value Added (\$C)							

*Returns as of Q2 2024, Q3 2024 returns were not available for CBRE at the time of this report.

**Returns not yet available

4-Year Performance (Net of Fees)

Fund	4-Year Rolling Net Annualized Returns (%) as of September 30,				Risk Analyses (over 4 years)				
	2024	2023	2022	2021	Std. Dev	Risk Return	Info Ratio	UMC	DMC
Total Fund	7.4	3.5	3.0	7.8	9.4	SE	-0.6	92.7	99.7
Total Fund Benchmark ¹	8.5	3.7	3.6	8.8	9.9	SE			
CPI + 3.5% ²	7.8	7.5	7.0	5.8	N/A	SW			
Value Added (Total Fund Benchmark)	-1.1	-0.2	-0.6	-1.0					
Value Added (CPI + 3.5%)	-0.4	-4.0	-4.0	2.0					
Canadian Equities					12.4	SE	0.5	103.8	99.5
TD Emerald Canadian Equity Index	13.9	7.3	6.7	9.7	12.0	SE			
S&P/TSX Composite Index	13.9	7.3	6.7	9.7	12.0	SE			
Value Added	0.0	0.0	0.0	0.0					
U.S. Equities									
TD Emerald Pooled U.S. Fund	16.5	11.9	8.8	16.8	12.9	NW			
S&P 500 (\$C)	16.5	12.0	8.8	16.8	13.0	NW			
Value Added	0.0	-0.1	0.0	0.0					
Global Equities	10.6	5.7	2.3	11.5	14.4	SE	-0.5	101.1	128.3
Global Equity Benchmark ⁶	13.0	8.3	4.9	12.7	12.5	NW			
Value Added	-2.4	-2.6	-2.6	-1.2					
Walter Scott Global Equity	11.2	8.6	5.5	16.1	14.5	SE	-0.6	97.5	125.3
MSCI World Index Net (\$C)	14.0	9.2	5.5	13.0	12.7	NW			
Value Added	-2.8	-0.6	0.0	3.1					
RBC Global Focus Equity	8.9	6.7	6.6	17.7	14.6	SE	-0.7	90.4	126.1
Mirova Global Sustainable Equity*	10.9	9.7	7.2	18.8	15.8	SE	-0.3	111.8	148.5
MSCI ACWI Index Net (\$C)	12.9	8.3	4.7	12.2	12.4	NW			
Value Added (RBC Global Focus Equity)	-4.0	-1.6	1.9	5.5					
Value Added (Mirova Global Sustainable Equity)	-2.1	1.4	2.5	6.6					
International Equities									
TD Emerald International Equity Index	10.6	5.0	-0.1	6.8	13.7	NW			
MSCI EAFE Index Net (\$C)	10.5	5.0	-0.2	6.7	13.7	NW			
Value Added	0.1	0.0	0.1	0.1					

*Beginning Q3 2023, the fees were charged directly to the investment vehicle

4-Year Performance (Net of Fees)

Fund	4-Year Rolling Net Annualized Returns (%) as of September 30,				Risk Analyses (over 4 years)				
	2024	2023	2022	2021	Std. Dev	Risk Return	Info Ratio	UMC	DMC
Fixed Income	0.6	-0.7	0.9	3.4	5.7	NW	0.6	79.5	59.9
TDAM Universe Bond Index	-1.0	-2.3	0.3	3.5	7.8	SW			
FTSE Canada Universe Bond Index	-0.9	-2.2	0.4	3.6	7.8	SW			
Value Added	-0.1	-0.1	-0.1	-0.1					
TDAM Canadian Long Bond Broad Market Index	-4.2	-6.0	-0.9	4.9	14.6	SW			
FTSE Canada Long Bond Index	-4.2	-6.0	-0.8	5.0	14.6	SW			
Value Added	0.0	0.0	-0.1	-0.1					
TDAM Active Short Term Corporate	2.1	0.7	1.3	3.1	3.9	NE	0.0	99.2	98.6
FTSE Canada Short Term Corporate Bond	2.2	0.9	1.4	3.2	3.9	NE			
Value Added	-0.1	-0.2	-0.1	-0.1					
Real Estate									
iShares S&P/TSX Capped REIT Index ETF	9.6	-3.0	0.9	9.9	19.7				
FTSE EPRA Nareit Developed	8.3	-3.1	0.5	6.9	15.2				
Value Added	1.3	0.1	0.4	3.0					
Real Estate (Lagged)									
CBRE Global Alpha - Net (\$C)*	3.6	5.5	7.2	6.8	5.1				
CBRE Global Alpha - Net (Local \$)*	4.2	5.9	9.0	7.6	4.7				
MSCI Global Property Fund Index (\$C)	2.3	4.5	7.1	5.6	5.4				
Value Added (\$C)	1.3	1.0	0.1	1.2					
Infrastructure									
IFM Global Infrastructure Fund	10.7	9.7	10.2	12.6	3.1				
OECD Total CPI +5%	11.8	10.9	9.7	7.8	--				
Value Added (IFM Global Infrastructure Fund)	-1.1	-1.2	0.5	4.8					
Brookfield Infrastructure Partners L.P. (BIP.UN)	7.5	5.0	17.8	15.4	21.7				
Brookfield Renewable (BEP.UN)	--	--	--	--	--				
FTSE Global Core Infrastructure 50/50 Index	10.1	1.4	6.5	7.0	9.8				
Value Added (BIP.UN)	-2.6	3.6	11.3	8.4					
Private Debt									
SoundPoint U.S. Direct Lending III**	--	--	--	--	--				
SOFR + 4%	--	--	--	--	--				
Value Added (\$C)									

*Returns as of Q2 2024, Q3 2024 returns were not available for CBRE at the time of this report.

**Historical returns not available.



Review of Fund Assets

Asset Allocation

		Canadian Equities	Global Equities	Fixed Income	Real Estate	Infrastructure	Private Debt	Cash & Short-Term	Total Market Value ⁽¹⁾
TD Global Investment Solutions		159,618,837	562,606,366	738,163,391				406,214	1,460,794,809
	% of Mandate	10.9%	38.5%	50.5%				0.0%	100.0%
	% of Fund	5.9%	20.6%	27.1%				0.0%	53.6%
PH&N			111,951,257						111,951,257
	% of Mandate		100.0%						100.0%
	% of Fund		4.1%						4.1%
Walter Scott			559,590,882						559,590,882
	% of Mandate		100.0%						100.0%
	% of Fund		20.5%						20.5%
Mirova			125,060,846						125,060,846
	% of Mandate		100.0%						100.0%
	% of Fund		4.6%						4.6%
IFM						88,027,466			88,027,466
	% of Mandate					100.0%			100.0%
	% of Fund					3.2%			3.2%
CBRE					69,276,846				69,276,846
	% of Mandate				100.0%				100.0%
	% of Fund				2.5%				2.5%
iShares S&P/TSX Capped REIT Index ETF					72,692,171				72,692,171
	% of Mandate				100.0%				100.0%
	% of Fund				2.7%				2.7%
Brookfield Infrastructure Partners L.P. (BIP.UN)						78,236,494			78,236,494
	% of Mandate					100.0%			100.0%
	% of Fund					2.9%			2.9%
Brookfield Renewable (BEP.UN)						52,414,849			52,414,849
	% of Mandate					100.0%			100.0%
	% of Fund					1.9%			1.9%
SoundPoint							16,748,101		16,748,101
	% of Mandate						100.0%		100.0%
	% of Fund						0.6%		0.6%
BAs/U.S. and CDN Cash								82,581,413	82,581,413
	% of Mandate							100.0%	100.0%
	% of Fund							3.0%	3.0%
UW Operating								10,011,410	10,011,410
	% of Mandate							100.0%	100.0%
	% of Fund							0.4%	0.4%
Total Fund		159,618,837	1,359,209,352	738,163,391	141,969,016	218,678,808	16,748,101	92,999,037	2,727,386,542
	% of Total Fund - Current Quarter	5.9%	49.8%	27.1%	5.2%	8.0%	0.6%	3.4%	100.0%
	<i>New Policy Asset Mix</i>	5.0%	48.0%	20.0%	10.0%	10.0%	5.0%	2.0%	100.0%
	<i>Current Policy Asset Mix</i>	5.0%	48.0%	25.0%	10.0%	10.0%	-	2.0%	100.0%
	<i>Current Constraints</i>	0%-10%	40%-55%	20%-35%	5%-15%	5%-15%	-	0%-5%	

¹All market values shown above are as reported by the CIBC Mellon custodial statements with the exception of SoundPoint which was provided by the manager.



Appendix A

Footnotes to Performance Summary

Notes:

¹Total Fund Benchmark was implemented as a performance objective in February 2022. The Total Fund Benchmark consists of 2% FTSE TMX Canada 91-Day T-Bill, 25% FTSE TMX Universe Bond, 5% S&P/TSX Composite, 48% MSCI ACWI, 10% FTSE Developed Core Infrastructure 50/50 and 10% FTSE EPRA/NAREIT Developed (CAD).

²CPI+3.5% benchmark has been implemented since February 2022. CPI+3.6% benchmark has been implemented retrospectively since 1 November 2018. From 1 January 2017 to 31 October 2018, CPI+3.5% benchmark was used. From 1 January 2016 to 31 December 2016, CPI + 3.7% benchmark was used. From 1 January 2014 to 31 December 2016, CPI+3.75% benchmark was used. Prior to 1 January 2014, CPI+3.85% benchmark was used.

³TD Emerald Canadian Equity Index added July 2020. Returns prior to these dates are presentative only.

⁴In August 2021, RBC Global Focus Equity and Mirova Sustainable Global Equity strategies were added. Returns prior to these dates are representative only.

⁵Quartiles not shown due to limited number of comparable funds.

⁶Global Equities Benchmark is 100% MSCI ACWI as of February 2022. The benchmark was MSCI World in the period before that.

Footnotes to 4-Year Performance and Risk Metrics Summary

- Figures in **green** font exceed the relevant benchmark; figures in **red** font fall short of the relevant benchmark.
- Risk/return quadrant refers to the location on a volatility versus return scattergram, where:
 - the upper left or northwest (NW) quadrant represents higher return and lower volatility than the median manager
 - the upper right or northeast (NE) quadrant represents higher return and higher volatility than the median manager
 - The lower left or southwest (SW) quadrant represents lower return and lower volatility than the median manager
 - The lower right or southeast (SE) quadrant represents lower return and higher volatility than the median manager.
- Risk measures are based on 4 years of data.

Definitions

Alpha (value-added) – is a measure of incremental return that a manager has earned due to non-market factors. A positive alpha indicates that the manager has been able to add value above expectations based on the level of market risk taken.

Information Ratio - is a measure of the value added over an index per unit of active risk. As such, we can view it as a measure of performance “efficiency” (i.e., are we getting enough excess return for the active risk being taken?).

Market Capture Ratio - is a measure of the manager’s performance in up (or down) markets relative to the market itself. A value of 110 suggests the manager performs ten percent better (worse) than the market when the market is up (down) during the selected time period. The return for the market for each quarter is considered an up (down) market if it is greater than or equal to (less than) zero. The ideal position in a market capture chart is toward the upper left or NW corner (higher upside capture – lower downside capture).

Standard Deviation - is a measure of how widely dispersed or tightly bunched a set of returns are around their average return. The higher the standard deviation, the higher the dispersion over time and hence it is used to gauge performance volatility. Generally, equity performance has higher standard deviation than fixed income performance. The ideal position in a risk vs. returns chart is toward the upper left or NW corner (higher return – lower risk or volatility).

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For Information**Open Session**

Date of Meeting: November 15, 2024

To: Members, Pension & Benefits Committee

From: Sarah Willey-Thomas, Associate University Secretary

RE: **3. Pension**

3.1.1. Pension Risk Management Dashboard, Q3 2024**Background:**

Linda Byron, Aon, will present the Pension Risk Management Dashboard for Q3 2024, presented for the Committee's information.

Members will recall that this report is provided quarterly to the Committee and is intended to track changes in the funded status of the Pension Plan and quantify risk to which the Pension Plan is exposed.

The Pension Investment Committee reviewed for information the Pension Risk Management Dashboard at its meeting on November 6, 2024.

Documentation Provided:

- Pension Risk Management Dashboard, Q3 2024



Pension Risk Management Dashboard

University of Waterloo

As of September 30, 2024



About these Materials

This dashboard was prepared for the University of Waterloo to track changes in the funded status of the Pension Plan over successive reporting periods, as well as quantify the amount of risk to which the Pension Plan is exposed. The report presents the funded status and performs the analysis on three bases:

Risk-Free Benchmark Basis – This liability is calculated using best estimate assumptions for retirement, termination and other demographic experience, and discount rate and inflation assumptions determined with reference to the risk-free environment. For this report, the liability has been determined using the real return bond yield plus a 40 basis point credit spread to reflect the additional yield that can be achieved with relatively little additional risk. This liability differs from the solvency calculation in that the demographic assumptions are best estimate and statutory “grow-in” provisions are not included.

Going Concern Basis – This liability is calculated using the going concern assumptions at the most recent valuation. The analysis is performed using the market value of assets with a Provision for Adverse Deviation, as prescribed by the *Pension Benefits Act* (Ontario).

Solvency Basis – This liability is calculated using assumptions determined in accordance with the Canadian Institute of Actuaries Annuity Purchase guidance and Commuted Value standards in effect at each measurement date shown in this report. A summary of these assumptions is included on page 15.

This dashboard also contains a reconciliation that compares the going concern liability with the liability calculated using the risk-free benchmark. The difference between the two liabilities represents the amount of return expected to be provided by taking on risk in the investment portfolio. Over successive quarters the tool helps quantify how that risk changes as the underlying interest rates change.

On all bases the following information is shown:

- Current Funded Status and Historical Asset Liability Performance
 - How well funded is the plan?
 - What has been the return on plan assets and liabilities?
- Detailed Asset and Liability Performance Attribution
 - What factors drove the performance of assets and liabilities over the prior period?
 - What is the relative impact of these factors on the assets and liabilities in isolation and in combination?

For the Risk-Free Benchmark Basis, the following information is also shown:

- Scenario Testing
 - What risk exposures does the plan face?
 - What would be the impact of a downside event for each risk factor?

Highlights

Over the Quarter:

- The fund had a rate of return after fees of 5.4%.
- Nominal risk-free rates decreased.
- Inflation expectations implicit in the underlying bond yields marginally decreased.

As a Result:

- The going concern funded position improved from a \$24.8 million surplus to a \$136.5 million surplus over the quarter. This was primarily due to better than expected asset returns and contributions exceeding the cost of benefit accruals.
- The risk-free deficit decreased from \$553.5 million to \$500.7 million over the quarter primarily due to the better than expected returns on the Plan's risk seeking assets.
- The solvency surplus increased from \$403.5 million to \$427.3 million over the quarter primarily due to the better than expected returns on the Plan's risk seeking assets, although this was partially offset by a decrease in the risk free rates which increased the value of the Plan's solvency liabilities.

Highlights (cont'd)

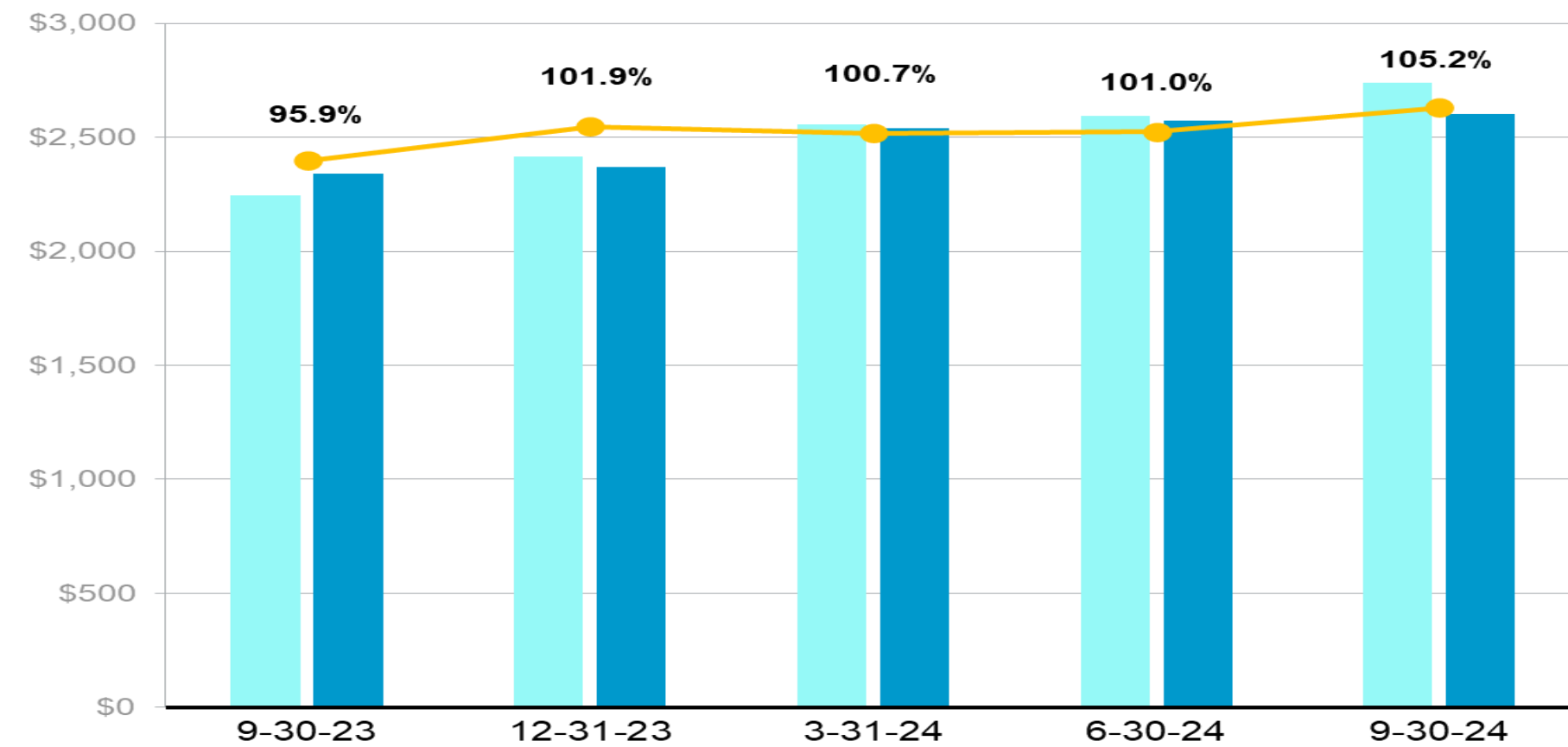
- The estimated September 30, 2024 liabilities are projected based on the final results of the most recent actuarial valuation of the Plan as at January 1, 2024. We updated the June 30, 2024 liabilities with the final new valuation cashflows.
- The December 31, 2023 liabilities shown are based on the December 31, 2022 actuarial valuation projected forward.
- The annuity purchase guidance educational note for valuations on or after September 30, 2024 (published as of September 30, 2024) has been reflected in the interest rates used to calculate the September 30, 2024 Solvency liabilities.
- The estimated transfer ratio has not decreased by 10% or more over the period; no Regulation 19 filing is required.
- All figures are in \$1,000,000 (CAD).



Executive Summary – Going Concern

Values in \$1,000,000 (CAD)

Funded Status



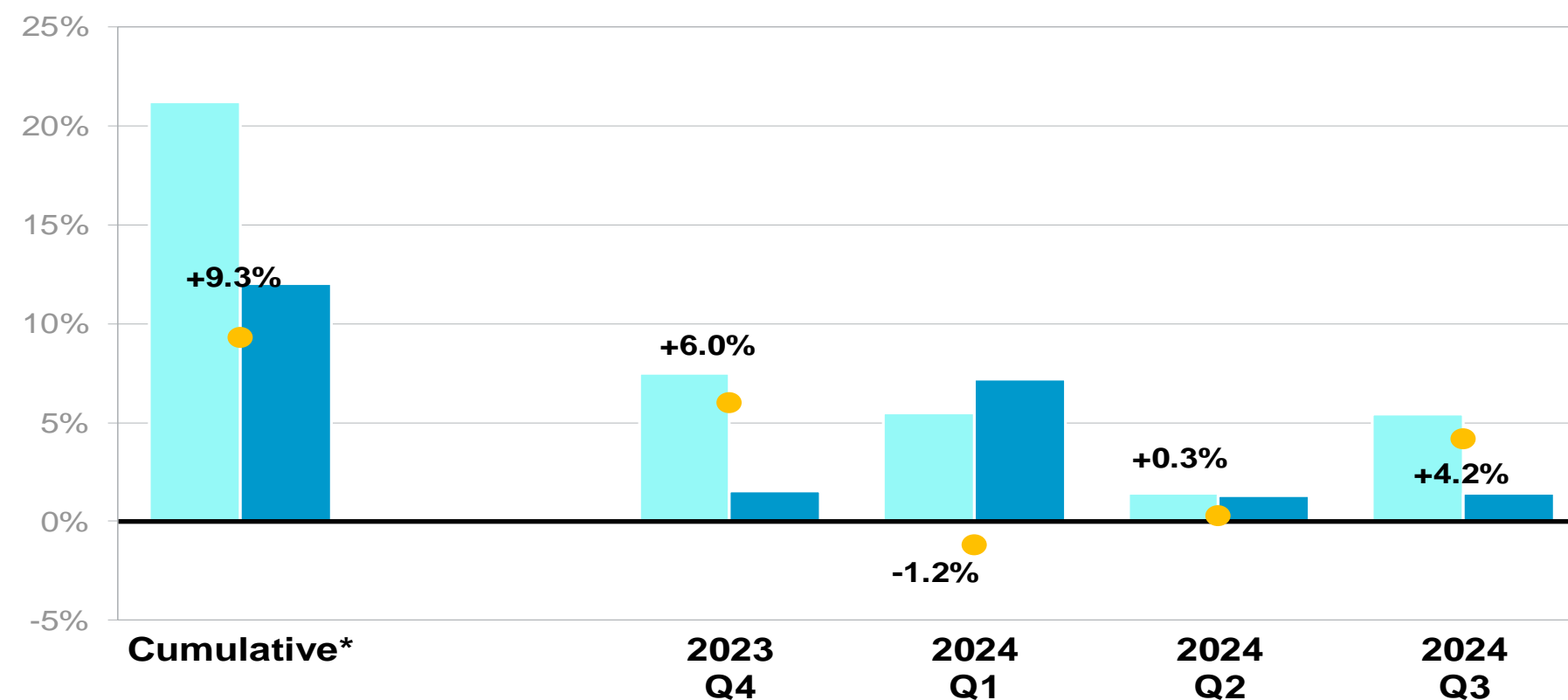
Highlights for the Quarter-Ending 09/30/24

The plan's funded ratio increased to 105.2% at 09/30/24. This result was primarily due to better than expected asset returns and contributions exceeding new benefit accruals.

	09/30/23	12/31/23	03/31/24	06/30/24	09/30/24*
Market Value of Assets	\$ 2,244.4	\$ 2,416.3	\$ 2,555.6	\$ 2,595.7	\$ 2,737.9
Going Concern Liability	2,341.2	2,370.4	2,538.5	2,570.9	2,601.4
Surplus/(Deficit)	\$ (96.8)	\$ 45.9	\$ 17.1	\$ 24.8	\$ 136.5
Periodic Contributions	\$ 39.8	\$ 30.6	\$ 30.6	\$ 30.8	\$ 32.0*
Effective Interest Rate	6.25%	6.25%	6.00%	6.00%	6.00%
Funded Ratio:	95.9%	101.9%	100.7%	101.0%	105.2%
Interest rate sensitivity:					
Asset:	1.4	1.5	1.4	1.3	1.3
Going Concern Liability					
Duration:	13.2	13.2	13.5	13.4	13.4

* Includes employee and University contributions to end of quarter; excludes investment manager and consulting expenses not yet invoiced

Asset-Liability Return



Asset Liability Return for Quarter-Ending 09/30/24

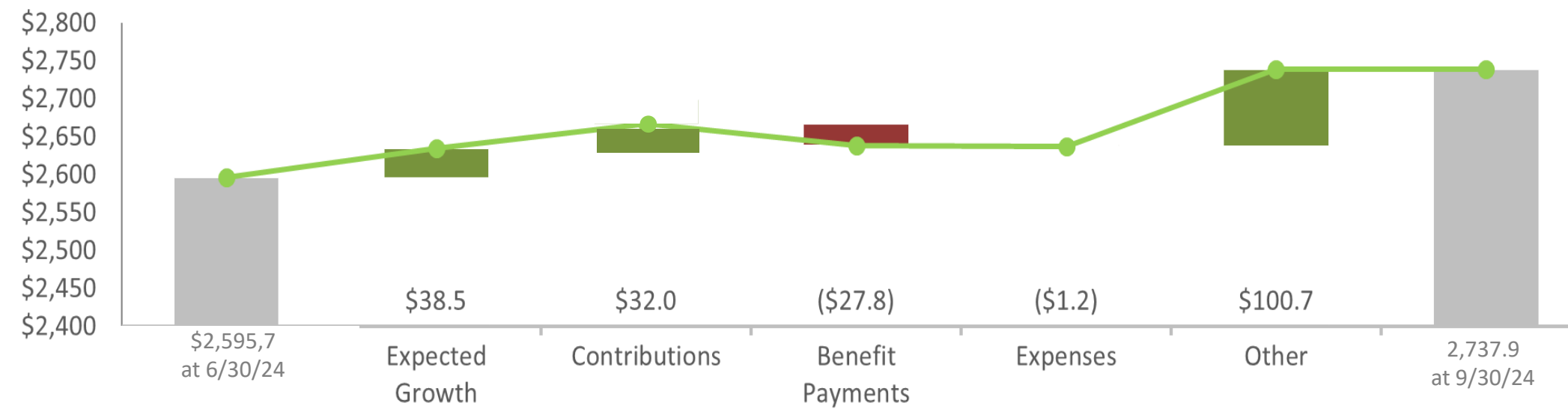
Assets returned 5.4% during the quarter while liabilities returned 1.4%, resulting in a funded status increase of 4.2%.

Periodic Return/Change	Cumulative	12/31/23	03/31/24	06/30/24	09/30/24
Market Value of Assets Return	21.2%	7.5%	5.5%	1.4%	5.4%
Going Concern Return	12.0%	1.5%	7.2%	1.3%	1.4%
Funded Ratio Change	9.3%	6.0%	-1.2%	0.3%	4.2%

Asset-Liability Performance Attribution – Going Concern

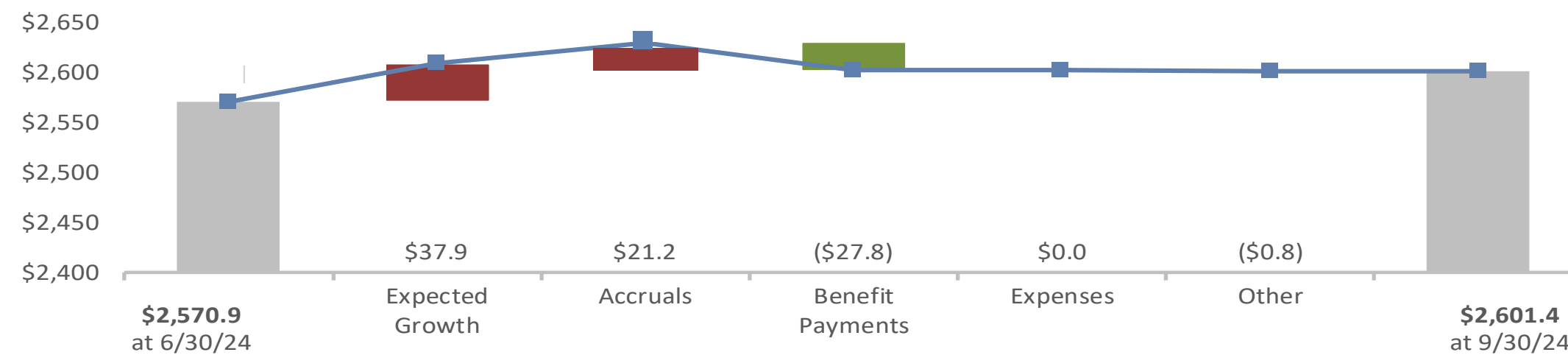
Values in \$1,000,000 (CAD)

Assets



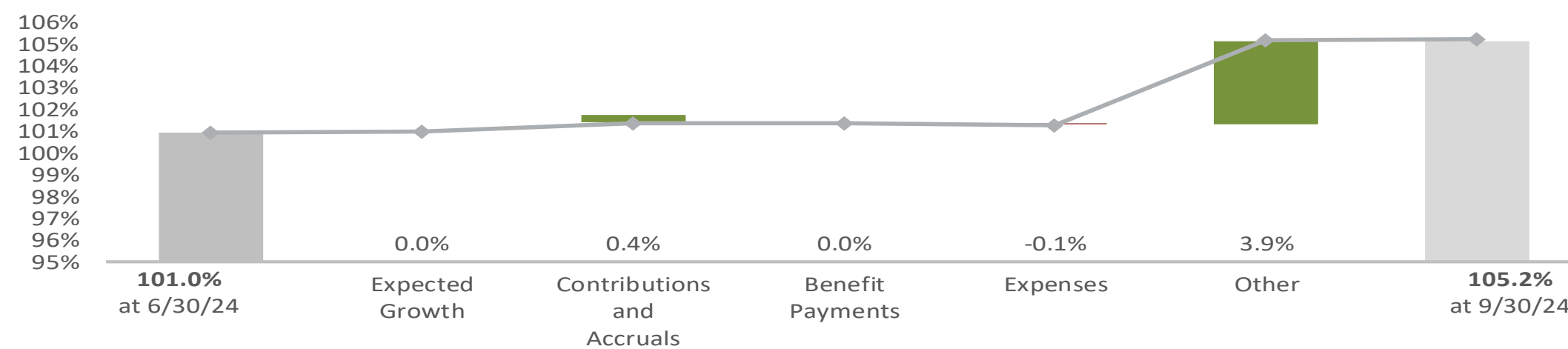
- Overall, assets returned 5.4% during this quarter.
- Return-seeking assets performed better than expected during the quarter.
- The University and members made \$32.0 million in contributions during the quarter and the trust paid \$27.8 million in benefits to the participants.
- “Other” represents the scale of the Plan’s asset outperformance relative to expectation.

Liability



- Liabilities were expected to grow by \$37.9 million due to interest cost during the quarter.
- New benefit accruals increased the liability by \$21.2 million during the quarter.
- Plan liabilities decreased by \$27.8 million during the quarter as benefits were paid.

Funded Ratio

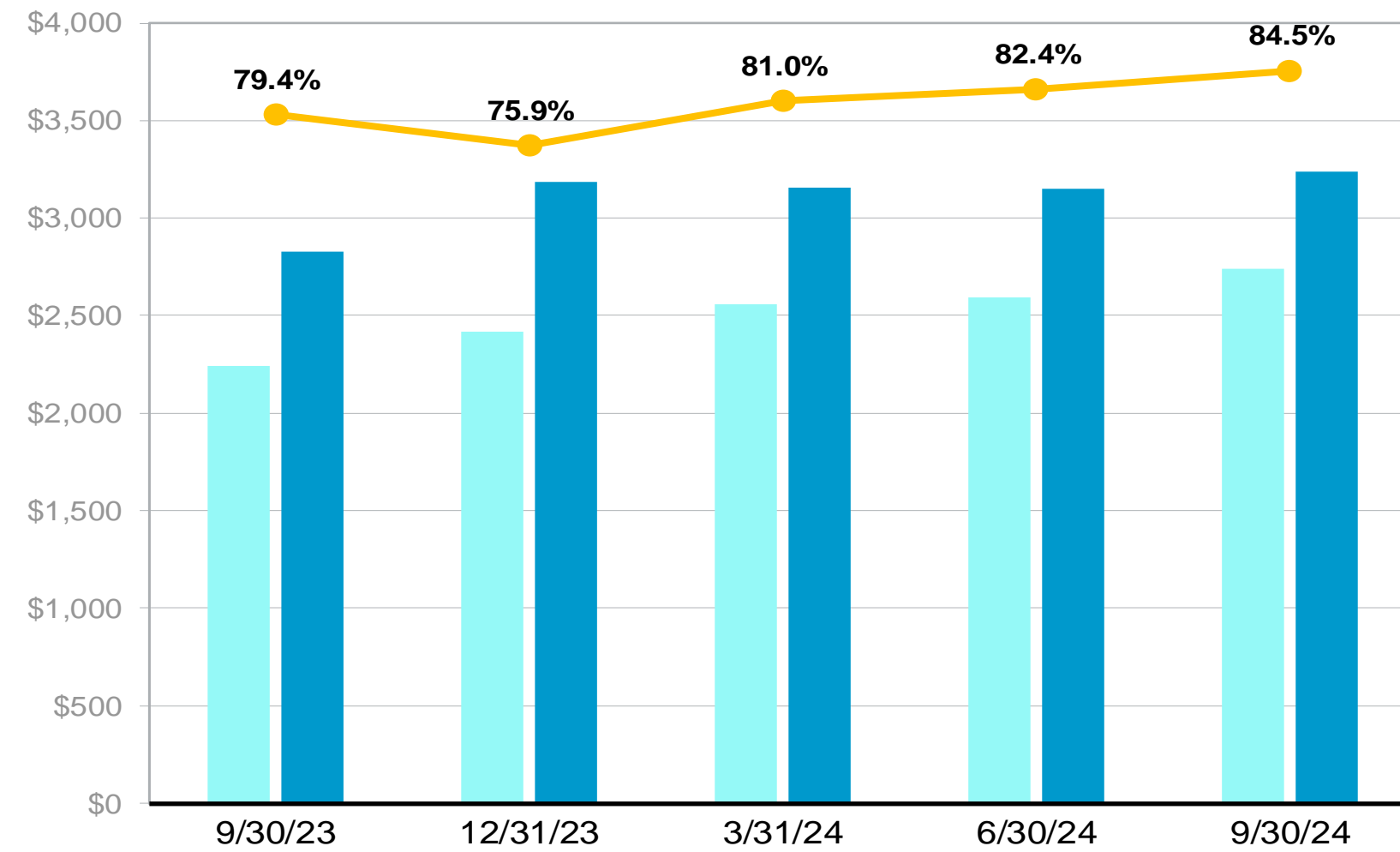


- Contributions exceeded benefit accruals over the quarter, resulting in an improvement of 0.4% in the Plan’s funded ratio.
- “Other” represents the impact of asset outperformance relative to the liabilities which resulted in an improvement in funded ratio of 3.9%.

Executive Summary – Risk Free

Values in \$1,000,000 (CAD)

Funded Status



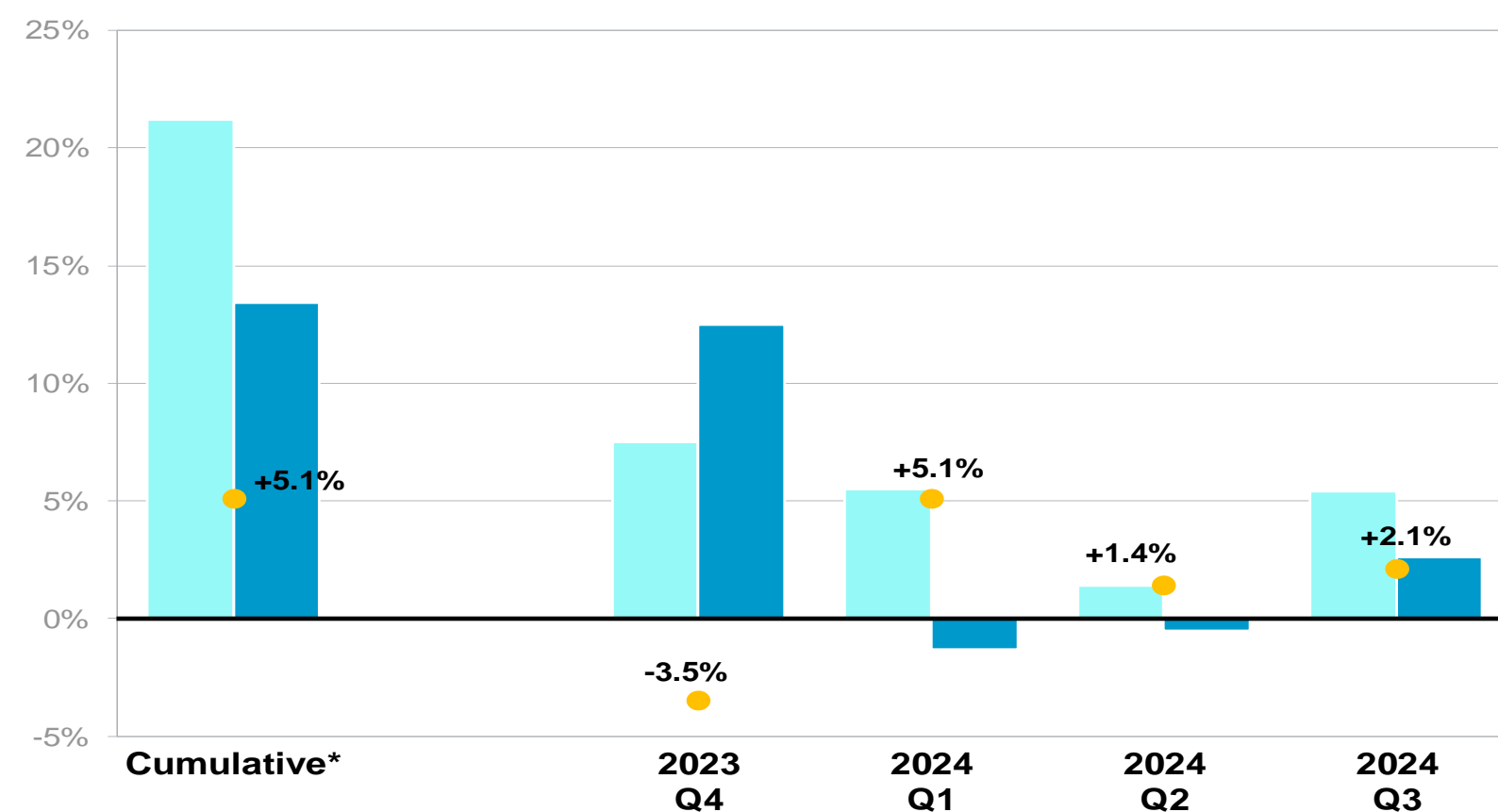
Highlights for the Quarter-Ending 9/30/24

The plan's funded ratio increased to 84.5% at 9/30/24. This result was primarily due to better than expected asset returns on the Plan's risk seeking assets.

	09/30/23	12/31/23	03/31/24	06/30/24*	09/30/24*
Market Value of Assets	\$ 2,244.4	\$ 2,416.3	\$ 2,555.6	\$ 2,595.7	\$ 2,737.9
Risk-Free Liability	2,825.8	3,185.3	3,154.9	3,149.2	3,238.6
Surplus/(Deficit)	\$ (581.4)	\$ (769.0)	\$ (599.3)	\$ (553.5)	\$ (500.7)
Periodic Contributions	\$ 39.8	\$ 30.6	\$ 30.6	\$ 30.8*	\$ 32.8*
Discount Rate	2.46%	1.80%	1.90%	1.99%	1.89%
Funded Ratio: Assets/Risk-Free Liability	79.4%	75.9%	81.0%	82.4%	84.5%
Interest rate sensitivity:					
Assets:	1.5	1.5	1.5	1.5	1.5
Risk-Free Liability:	15.8	16.8	16.5	16.3	16.3

* Includes employee and University contributions to end of quarter; excludes investment manager and consulting expenses not yet invoiced

Asset-Liability Return



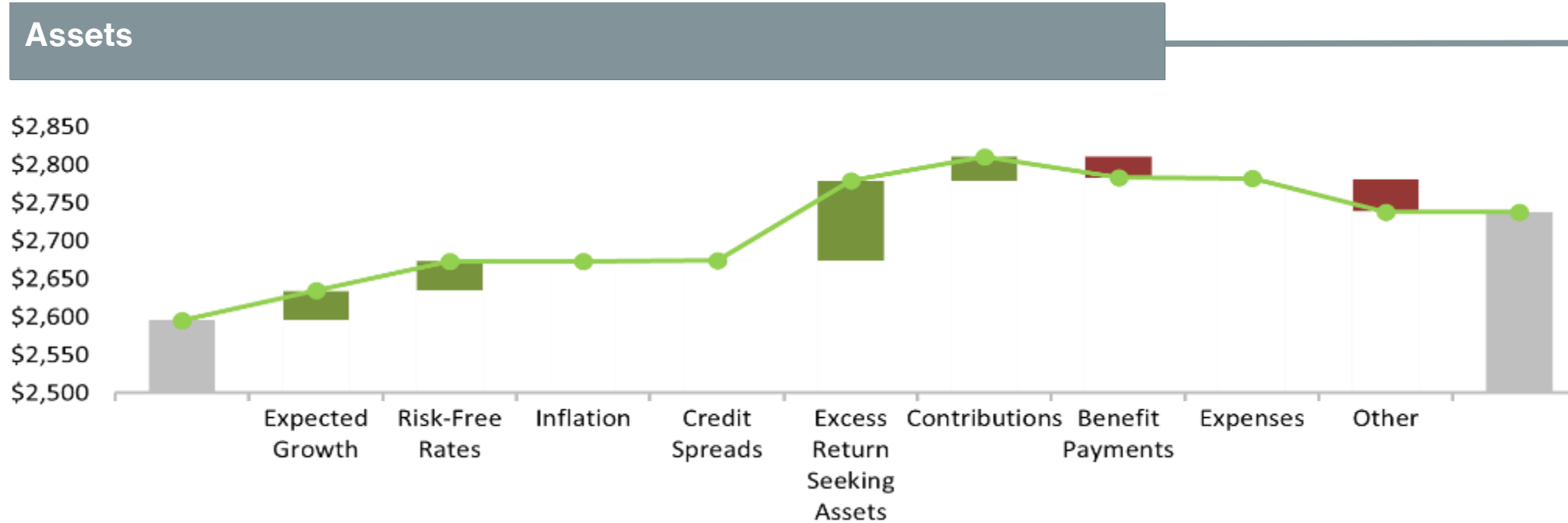
Asset Liability Return for Quarter-Ending 9/30/24

Assets returned 5.4% during the quarter while liabilities returned 2.6%, resulting in a funded status increase of 2.1%.

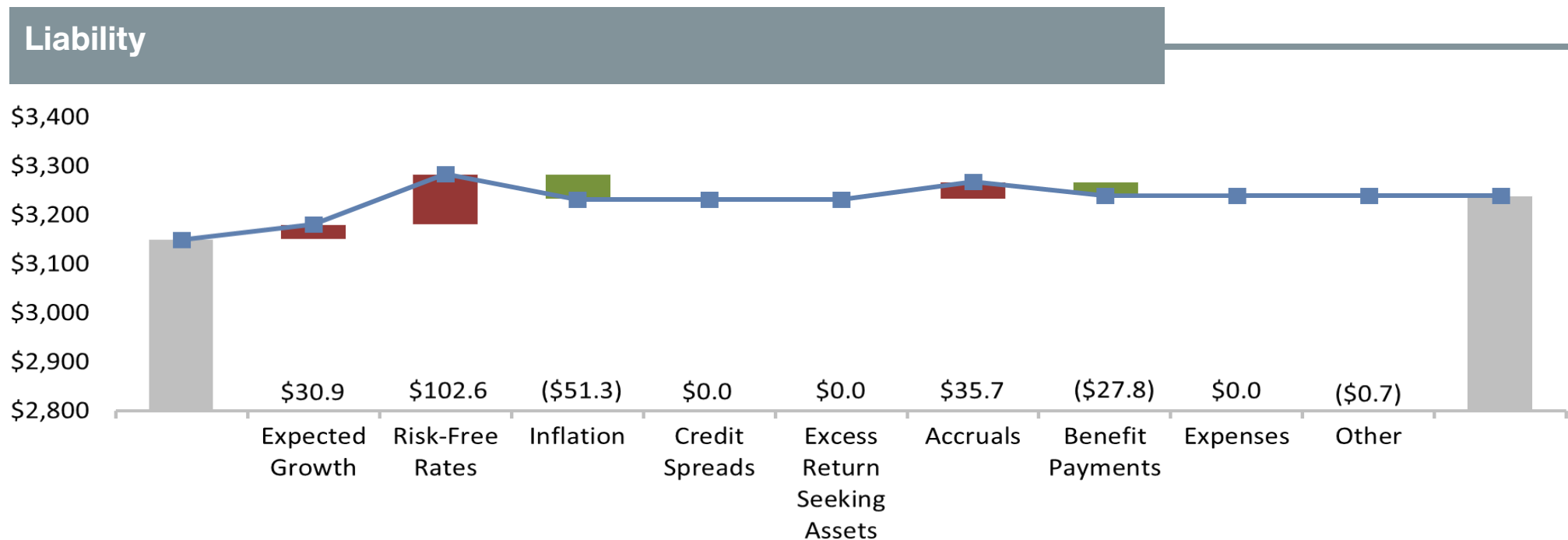
Periodic Return/Change	Cumulative	12/31/23	03/31/24	06/30/24	09/30/24
Market Value of Assets Return	21.2%	7.5%	5.5%	1.4%	5.4%
Risk-Free Liability: Return	13.4%	12.5%	-1.3%	-0.5%	2.6%
Funded Ratio Change	5.1%	-3.5%	5.1%	1.4%	2.1%

Asset-Liability Performance Attribution – Risk Free

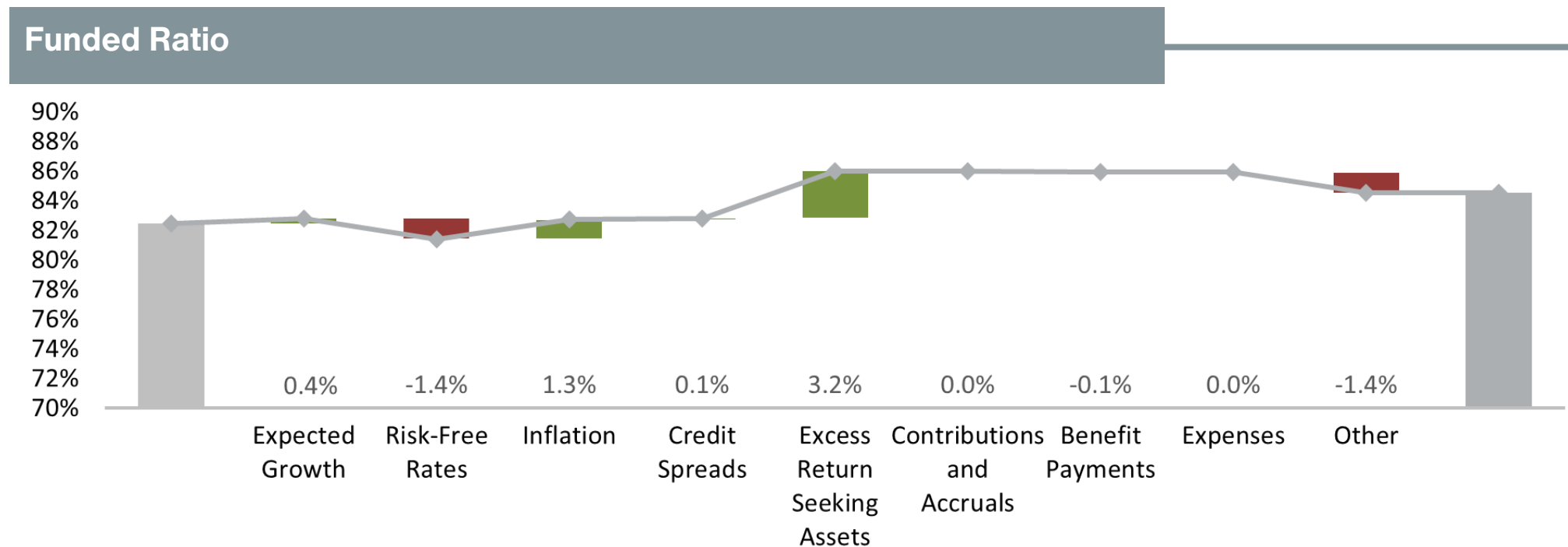
Values in \$1,000,000 (CAD)



- Overall, assets returned 5.4% during the quarter.
- Return-seeking assets performed better than expected during the quarter, resulting in a gain of \$104.8 million.
- The University and members made \$32.0 million in contributions during the quarter and the trust paid \$27.8 million in benefits to the participants.
- “Other” includes the impact of active management, and differences between benchmark and actual investment allocations.



- Liabilities were expected to grow by \$30.9 million due to the interest cost during the quarter.
- New benefit accruals increased the liability by \$35.7 million during the quarter.
- Plan liabilities decreased by \$27.8 million during the quarter as benefits were paid out.
- A decrease in the risk-free rate net of inflation led to an increase of approximately \$51.3 million in the Plan’s liabilities.

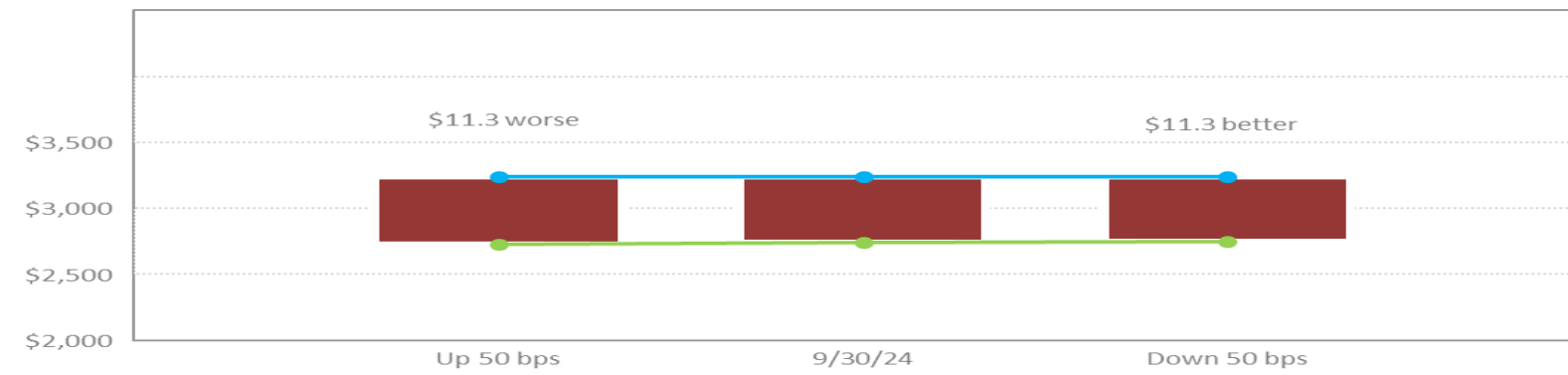


- The combination of the decrease in the risk-free rate used to measure liabilities and the reduction in inflation expectations over the period resulted in little change to the Plan’s overall funding ratio on the risk-free basis.
- The improvement in the funding ratio was largely driven by the excess returns on risk seeking assets, partially offset by the impact of active management, and differences between benchmark and actual investment allocations.

Sensitivity Analysis – Risk Free Benchmark

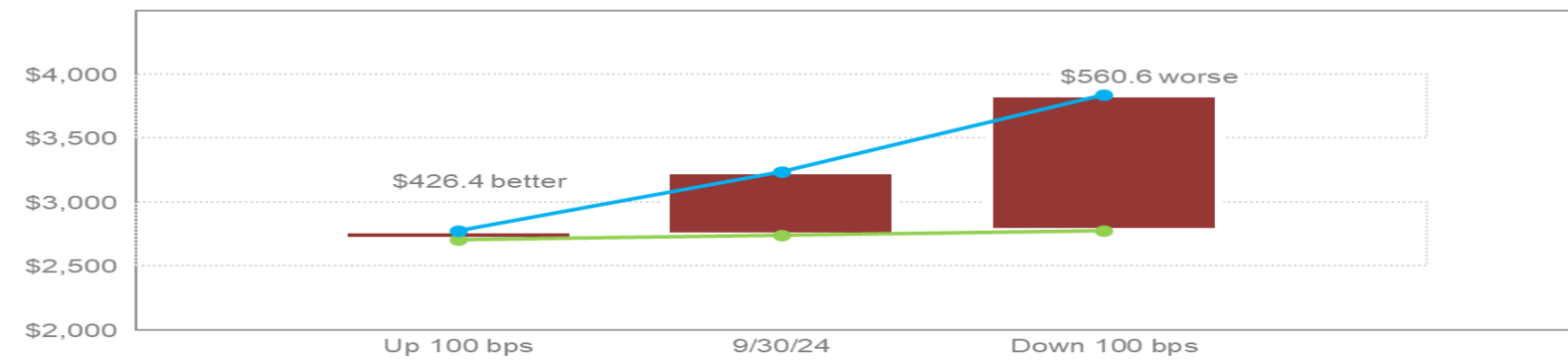
Values in \$1,000,000 (CAD)

Credit Spreads



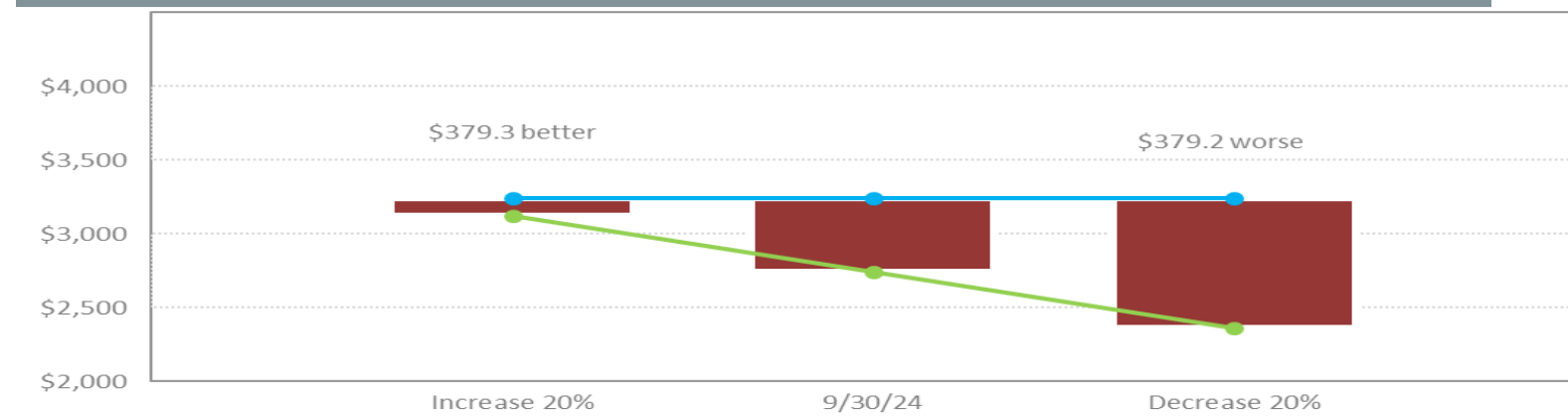
	Up 50bps	Current	Down 50bps
Market Value of Assets	\$2,726.6	\$2,737.9	\$2,749.2
Risk Free Liability	\$3,238.6	\$3,238.6	\$3,238.6
Surplus/(Deficit)	(\$512.0)	(\$500.7)	(\$489.4)
Change		(\$11.3)	\$11.3

Risk Free Rates



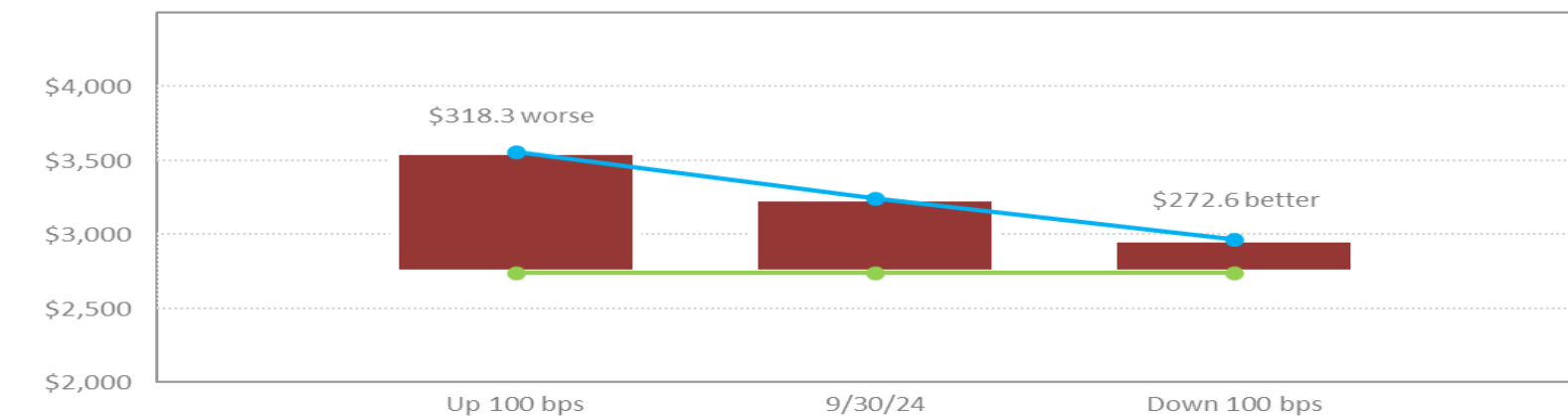
	Up 100bps	Current	Down 100bps
Market Value of Assets	\$2,702.3	\$2,737.9	\$2,773.9
Risk Free Liability	\$2,776.6	\$3,238.6	\$3,835.2
Surplus/(Deficit)	(\$74.3)	(\$500.7)	(\$1,061.3)
Change		\$426.4	(\$560.6)

Return-Seeking Assets



	Increase 20%	Current	Decrease 20%
Market Value of Assets	\$3,117.2	\$2,737.9	\$2,358.7
Risk Free Liability	\$3,238.6	\$3,238.6	\$3,238.6
Surplus/(Deficit)	(\$121.4)	(\$500.7)	(\$879.9)
Change		\$379.3	(\$379.2)

Inflation

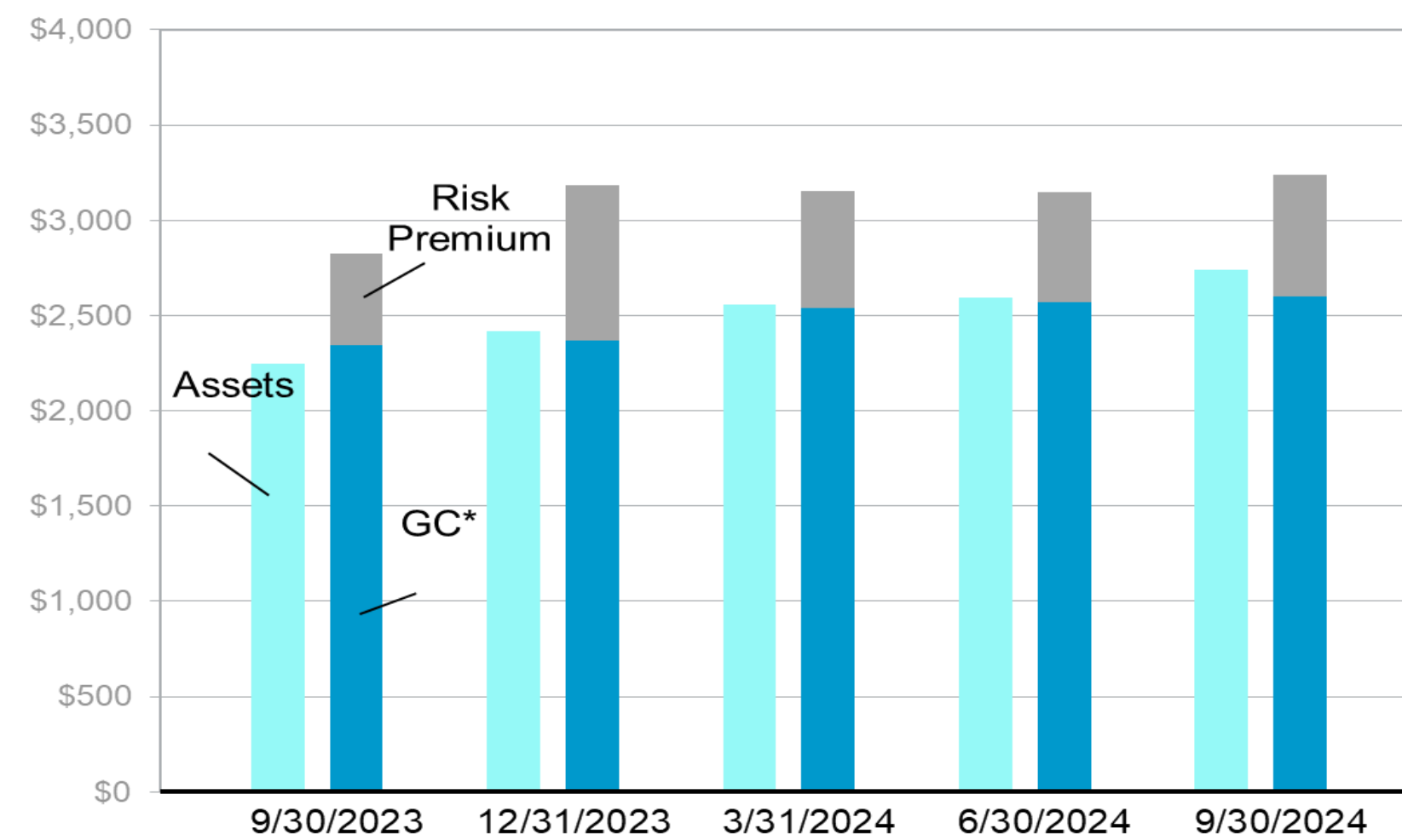


	Up 100bps	Inflation	Down 100bps
Market Value of Assets	\$2,737.9	\$2,737.9	\$2,737.9
Risk-Free Liability	\$3,556.9	\$3,238.6	\$2,966.0
Surplus/(Deficit)	(\$819.0)	(\$500.7)	(\$228.1)
Change		(\$318.3)	\$272.6

Reconciliation of Risk-Free Benchmark and Going Concern Funded Status

Values in \$1,000,000 (CAD)

Funded Status



	09/30/23	12/30/23	03/31/24	06/30/24	09/30/24
Market Value of Assets	\$ 2,244.4	\$ 2,416.3	\$ 2,555.6	\$ 2,595.7	\$ 2,737.9
Going Concern Liability	\$ 2,341.2	\$ 2,370.4	\$ 2,538.5	\$ 2,570.9	\$ 2,601.4
Risk Premium	<u>484.6</u>	<u>814.9</u>	<u>616.4</u>	<u>578.3</u>	<u>637.2</u>
Risk-Free Liability	\$ 2,825.8	\$ 3,185.3	\$ 3,154.9	\$ 3,149.2	\$ 3,238.6

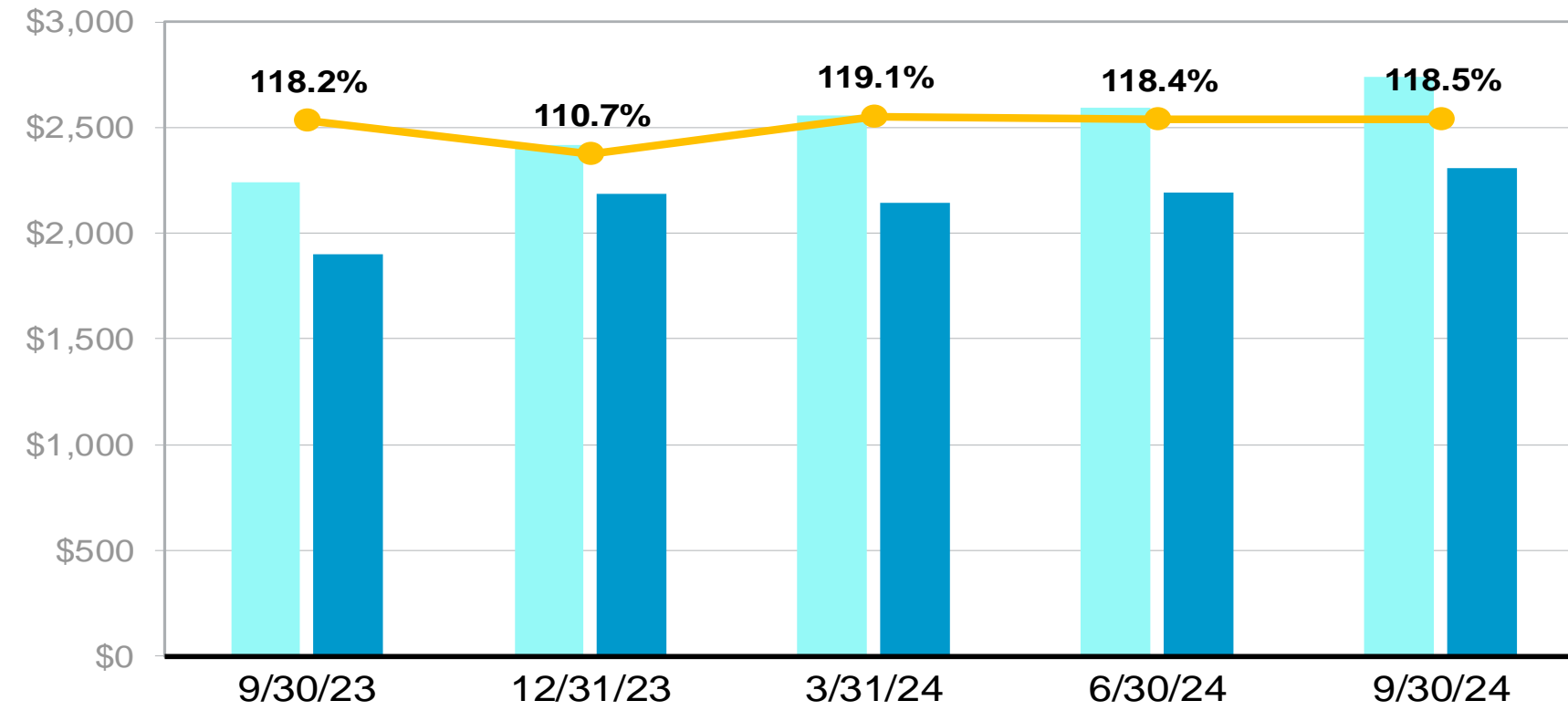
* Going Concern

The difference between the Risk-Free Liability and the Going Concern Liability is a measure of the amount of risk premium on which the Pension Plan funding is based.

Executive Summary – Solvency

Values in \$1,000,000 (CAD)

Funded Status



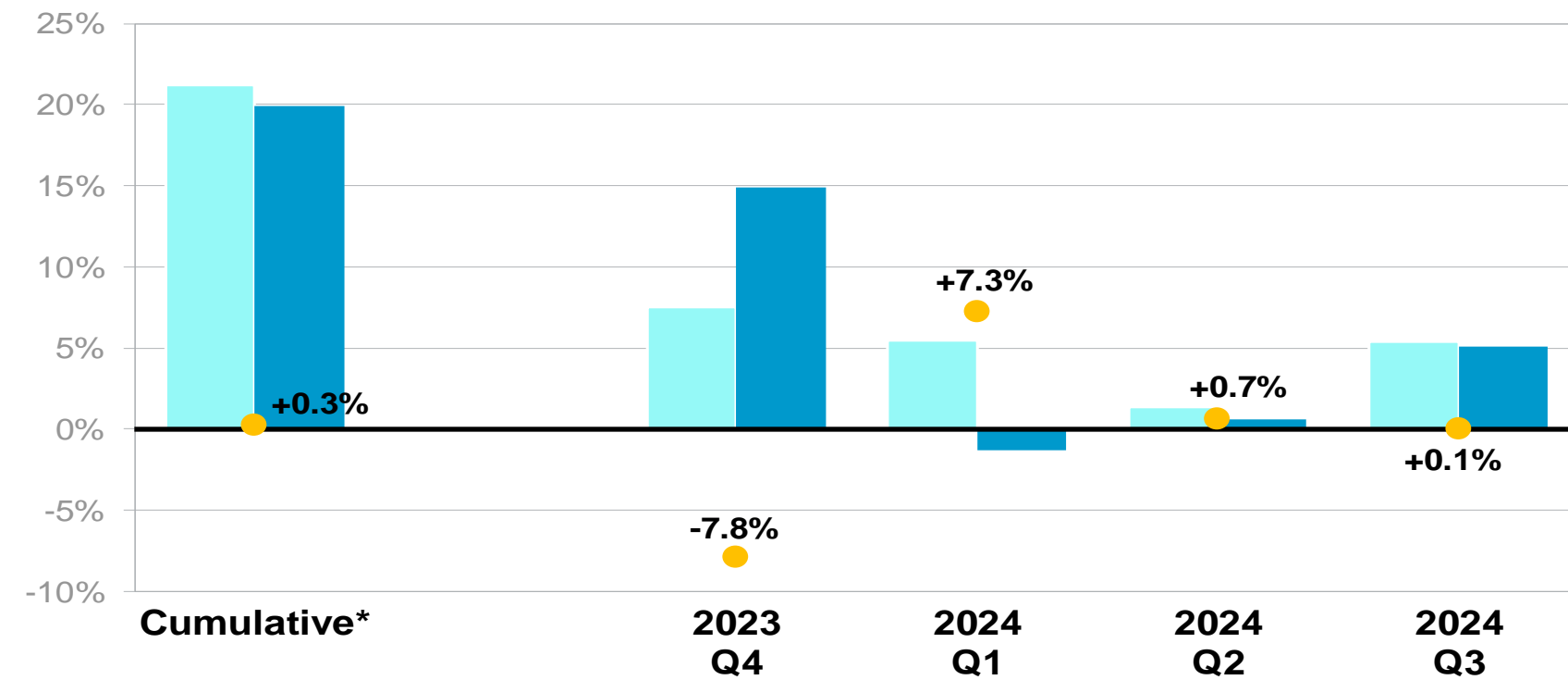
Highlights for the Quarter-Ending 9/30/24

The plan's solvency ratio marginally increased to 118.5% at 09/30/24. This result was primarily due to the combined effect of better than expected asset returns offset by an increase in liabilities, caused by the decrease in the risk free interest rates.

	09/30/2023	12/31/2023	03/31/2024	06/30/2024	09/30/2024
Market Value of Assets	\$ 2,244.4	\$ 2,416.3	\$ 2,555.6	\$ 2,595.7	\$ 2,737.9
Solvency Liability	1,898.6	2,188.2	2,170.7	2,192.2	2,310.6
Surplus/(Deficit)	\$ 345.8	\$ 228.1	\$ 384.9	\$ 403.5	\$ 427.3
Periodic Contributions	\$ 39.8	\$ 30.6	\$ 30.6	\$ 30.8*	\$ 32.0*
Effective Interest Rate	5.44%	4.40%	4.72%	4.77%	4.46%
Funded Ratio:					
Assets/Solvency Liability	118.2%	110.7%	117.7%	118.4%	118.5%
Interest rate sensitivity:					
Assets	1.5	1.5	1.5	1.5	1.5
Solvency Liability	11.7	12.8	11.7	12.8	12.8

* Includes employee and University contributions to end of quarter; excludes investment manager and consulting expenses not yet invoiced

Asset-Liability Return



Asset Liability Return for Quarter-Ending 09/30/24

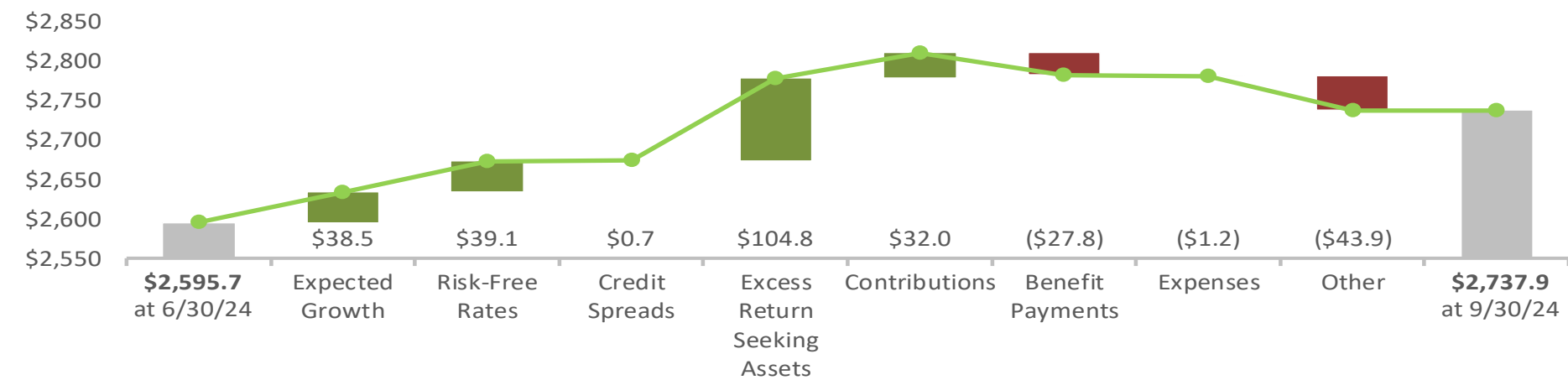
Assets returned 5.4% during the quarter while liabilities returned 5.1%, resulting in a funded status increase of 0.1%.

Periodic Return/Change	Cumulative	12/31/23	03/31/24	06/30/24	09/30/24
Market Value of Assets Return	21.2%	7.5%	5.5%	1.4%	5.4%
Solvency Liability:					
Return	19.9%	14.9%	-1.3%	0.6%	5.1%
Funded Ratio Change	0.3%	-7.8%	7.3%	0.7%	0.1%

Asset-Liability Performance Attribution – Solvency

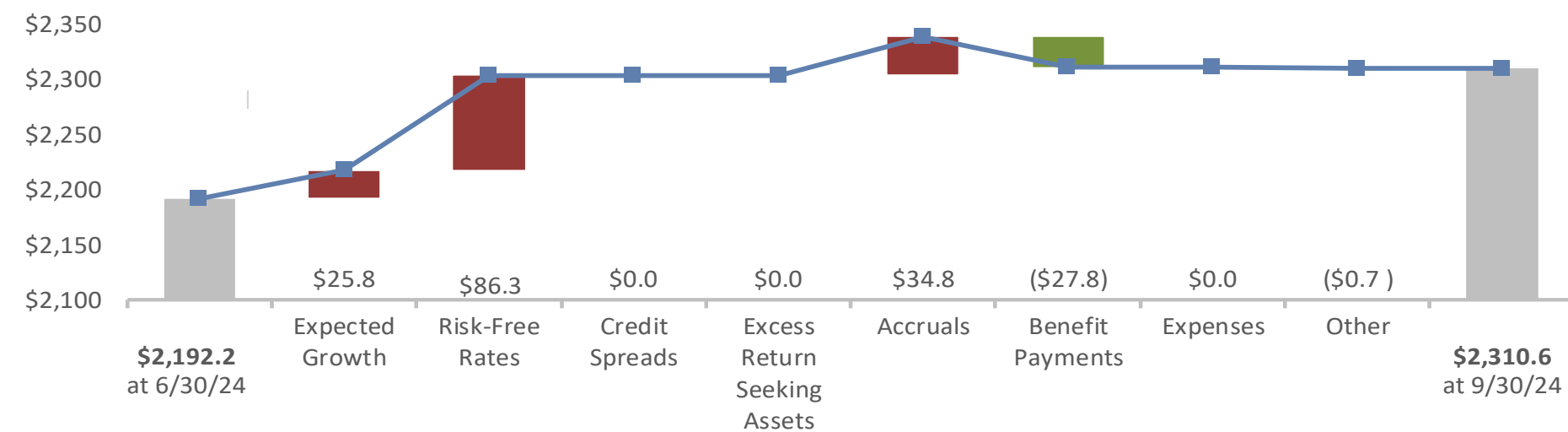
Values in \$1,000,000 (CAD)

Assets



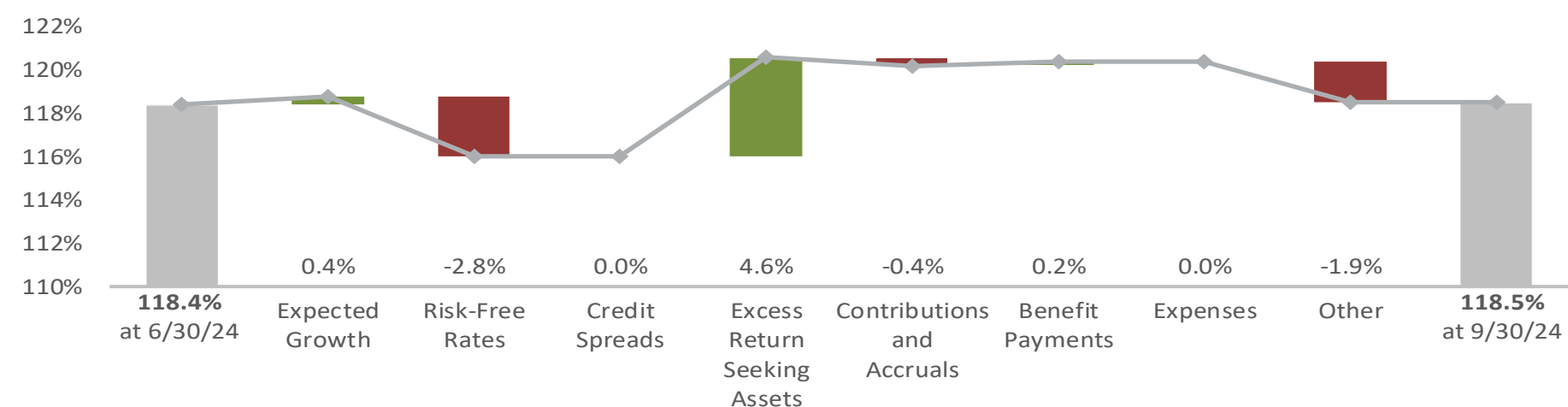
- Overall, assets returned 5.4% during the quarter.
- Return-seeking assets performed better than expected during the quarter, resulting in a gain of \$104.8 million.
- The University and members made \$32.0 million in contributions during the quarter and the trust paid \$27.8 million in benefits to the participants.
- “Other” includes the impact of active management, and differences between benchmark and actual investment allocations.

Liability



- Liabilities were expected to grow by \$25.8 million due to interest cost during the quarter.
- Risk-free rates decreased, resulting in a net increase of \$86.3 million.
- New benefit accruals increased the liability by \$34.8 million during the quarter.
- Plan liabilities decreased by \$27.8 million during the quarter as benefits were paid out.

Funded Ratio

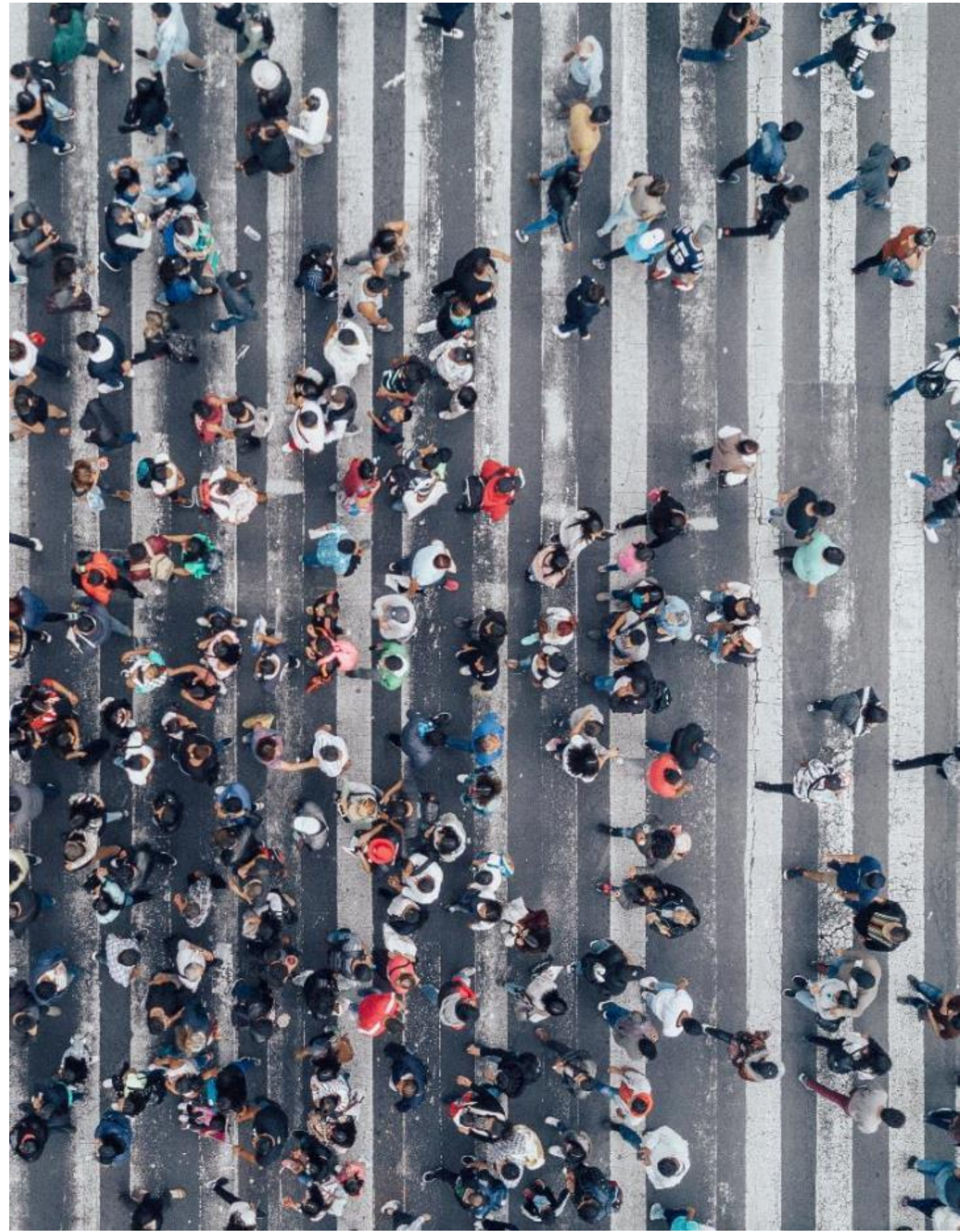


- The difference in exposure to risk-free rates between assets and liabilities combined with changes in risk-free rates resulted in a decrease in solvency ratio of 2.8%.
- Return-seeking assets performed in excess of expectations during the quarter, resulting in an increase in the solvency ratio of 4.6%. However, this was partially offset by the impact of active management and differences between benchmark and actual investment allocations.
- Benefit accruals exceeded contributions during the quarter, resulting in a net decrease of 0.4% in the funded status.

Appendix



Plan Provisions & Membership Data



The Plan provisions and membership data are outlined in the Actuarial Valuation as at January 1, 2024.

Actuarial Methods & Assumptions

Our analysis of the estimated financial position of the Pension Plan is based on the following:

	09/30/23	12/31/23	03/31/24	06/30/24	09/30/24
Going Concern					
Discount Rate	6.25%	6.25%	6.00%	6.00%	6.00%
Inflation	2.00%	2.00%	2.00%	2.00%	2.00%
Salary Increase	3.00%/4.00% ¹	3.00%/4.00% ¹	4.00% ²	4.00% ²	4.00% ²
PfAD	9.60%	9.60%	9.60%	9.60%	9.60%
Mortality	CPM2014Public	CPM2014Public	CPM2014Public	CPM2014Public	CPM2014Public
Risk-Free Benchmark					
Discount Rate (Net of inflation)	2.46%	1.80%	1.90%	1.99%	1.89%
Solvency					
Annuity Purchase Interest Rate	5.48%	4.55%	4.87%	4.92%	4.61%
Effective Date of Annuity Purchase Guidance Used	10/24/23	1/22/24	4/29/24	6/30/24	9/30/24
Lump Sum Value Interest Rate (Years 1-10) ³	5.30%	4.10%	4.30%	4.40%	3.70%
Lump Sum Value Interest Rate (Years 10+) ³	5.10%	4.20%	4.60%	4.60%	4.60%
Mortality ⁴	CPM2014	CPM2014	CPM2014	CPM2014	CPM2014
Underlying Canadian Reference Data					
CANSIM v39054 (7 Year)	4.11%	3.09%	3.45%	3.49%	2.81%
CANSIM v39056 (30 Year Long Term)	3.81%	3.02%	3.34%	3.39%	3.19%
CANSIM v39057 (30 Year Real Return)	2.06%	1.40%	1.50%	1.59%	1.49%
CANSIM v39062 (Over 10 Years)	3.88%	3.05%	3.37%	3.42%	3.11%

¹ 3.00% per year for 1 year; 4.00% year thereafter

² 4.00% per year

³ Lump Sum Value Interest Rates are based on rates in effect on the first day of the month following quarter end (i.e., January 1st, April 1st, July 1st and October 1st).

⁴ With improvement scale MI-2017 for Going Concern and Risk Free and CPM-B for Solvency.

All other assumptions and methods are the same as those shown in the Actuarial Valuation Results presentation as of January 1, 2024. For the Risk-Free Benchmark basis, all other assumptions and methods are the same as those used for the Going Concern basis.

Actuarial Attestation

This document is intended to provide the University of Waterloo with a summary of the performance of the Pension Plan as of September 30, 2024.

This analysis is intended to assist the University of Waterloo with a review of the associated issues and options, and its use may not be appropriate for other purposes. This analysis has been prepared solely for the benefit of the University of Waterloo. Any further dissemination of this report is not permitted without the prior written consent of Aon.

In conducting the analysis, we have relied on plan design, demographic and financial information provided by other parties, including the plan sponsor. While we cannot verify the accuracy of all the information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy or completeness of the information and believe that it has produced appropriate results.

Experience different than anticipated could have a material impact on the ultimate costs of the benefits. In addition, changes in plan provisions or applicable laws could have a substantial impact on cost. Actual experience may differ from our modeling assumptions.

Aon
November 2024

Asset Allocation and Benchmarking

Asset Class	09/30/24
Alternatives	
• FTSE EPRA NAREIT DEVELOPED Total Return Index USD	2.7%
• MSCI USA Infrastructure Index	6.4%
Fixed Income	
• FTSE TMX Universe Bond Index	30.7%
Equities	
• MSCI World Index	45.0%
• S&P TSX	15.2%
Total	100.0%

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For Information**Open Session**

Date of Meeting: November 15, 2024
To: Members, Pension & Benefits Committee
From: Sarah Willey-Thomas, Associate University Secretary
RE: **3. Pension**

3.2.1. Maximum Pension Limits and CAP Adjustments Based on AIW Increase**Background:**

Lee Hornberger, Director, Total Rewards, will provide the Committee with the 2025 Maximum Pension Limit and CAP for the Registered Pension Plan.

Members will recall that the enclosed report is noted on the workplan and an annual report provided to the Committee for its information.

Documentation Provided:

- 2025 Maximum Pension Limit and CAP – Registered Pension Plan (RPP)

**Report to the Pension & Benefits Committee
15 November 2024**

FOR INFORMATION

**Pension Limits Impacted by AIW Increase
From Human Resources and Finance**

Maximum Annual Pension per year of Pensionable Service. The Income Tax Act (ITA) governs the maximum pension payable from the Registered Retirement Plan (RPP). Each January 1st, the limit is adjusted based on the previous year’s Average Industrial Wage (AIW) increase. The AIW increase in 2025 over 2024 is 4.06% (in comparison, the AIW increase in 2024 over 2023 was 2.94%).

Member Contributions. The RPP was amended effective January 1, 2025 to align the maximum earnings on which contributions are withheld (“Contributory Earnings”) to the estimated maximum earnings on which benefits are earned. Prior to January 1, 2025, member contributions were limited to the annual ITA limit on member contributions to a RPP.

RPP Funding Cap. The plan text limits the maximum pension payable from the RPP by the funding CAP. Effective January 1, 2023, the plan was amended to increase the RPP funding CAP to \$4,000, with automatic increases beginning January 1, 2024, equal to one-third of the AIW increase.

The pension limits effective January 1, 2025 are shown in the following table:

Provision	2024 Limit	2025 Limit	Change
Maximum Annual Pension per year of Pensionable Service	\$3,610.00	\$3,756.67	4.06%
Final Average Earnings (FAE) Threshold that achieves the Maximum Annual Pension per year of Pensionable Service	\$199,718	\$207,808	4.05%
Maximum Annual Member Contribution	\$23,323	\$22,720	-2.59%
Contributory Earnings ¹ (prior to 2025, Annual Earnings Threshold)	\$229,036	\$224,500	-1.98%
RPP Funding CAP	\$4,039.29	\$4,093.96	1.35%

¹New definition in RPP plan text meaning the maximum earnings on which contributions are withheld. In the future, contributory earnings will increase at the same rate as the increase in the ITA defined benefit limit.

The RPP funding CAP has an impact on the valuation of the liability associated with the RPP. The following table provides a projection of when the ITA maximum pension limit might reach the RPP funding CAP at various annual AIW increase projections:

Calendar Year	Projection of Limits at Various AIW Increases							
	2.75%*		3.00%		4.00%		5.00%	
	ITA	RPP CAP	ITA	RPP CAP	ITA	RPP CAP	ITA	RPP CAP
2026	3860	4131	3870	4135	3907	4148	3945	4162
2027	3966	4169	3986	4176	4064	4204	4142	4231
2028	4076	4207	4105	4218	4226	4260	4349	4302
2029	4188	4246	4229	4260	4395	4316	4567	4374
2030	4303	4285	4355	4303	4571	4374	4795	4446
2031	4421	4324	4486	4346	4754	4432	5035	4521
2032	4543	4364	4621	4389	4944	4491	5286	4596
2033	4668	4404	4759	4433	5142	4551	5551	4672
2034	4796	4444	4902	4477	5347	4612	5828	4750

*2.75% is the AIW increase valuation assumption

Other Information – Member Contributions

RPP member contributions through payroll deductions are based on the following formula:

- 7.8% of earnings up to the YMPE
Plus
- 11.20% of earnings in excess of the YMPE up to the maximum Member’s Contributory Earnings

The following table provides an illustration of the contributions that participating employees are making towards the pension plan on a monthly basis, at sample salary levels:

Sample Salary	Monthly Pension Contributions for Members		
	2024 (YMPE is \$68,500)	2025 (YMPE is \$71,300)	Difference
\$50,000	\$325.00	\$325.00	\$0
\$75,000	\$505.92	\$497.98	(\$7.93)
\$100,000	\$739.25	\$731.32	(\$7.93)
\$125,000	\$972.58	\$964.65	(\$7.93)
\$150,000	\$1,205.92	\$1,197.98	(\$7.93)
\$175,000	\$1,439.25	\$1,431.32	(\$7.93)
\$200,000	\$1,672.58	\$1,664.65	(\$7.93)
\$224,500 (maximum for 2025)	\$1,901.25	\$1,893.32	(\$7.93)
\$229,036 (maximum for 2024)	\$1,943.59	\$1,893.32	(\$50.27)

Given that participation is mandatory for eligible employees who are over age 35 (or after 5 years of employment for Definite Term Assistant Professors, Teaching Stream), the above information is helpful to share through recruitment activities so that prospective employees understand their contributions towards the benefit through payroll deductions.

For Decision**Open Session**

Date of Meeting: November 15, 2024

To: Members, Pension & Benefits Committee

From: Sarah Willey-Thomas, Associate University Secretary

RE: **4. Pension**

4.1.1. Extended Health & Dental Benefits – Indexation of Maxima Effective January 1, 2025**Background:**

Lee Hornberger, Director, Total Rewards, will present the indexation of extended Health and Dental Benefits maxima effective January 1, 2025.

Members will note that the item is presented annually to the Committee and reflected on the Committee’s work plan.

Members will note that the Committee’s [terms of reference](#) note the following with respect to changes to the benefit plans:

“e. To recommend changes in pension and benefits plans to keep them current with respect to other universities and major employers, being mindful of the financial context in which the University operates.”

“f. To make policy decisions relevant to administration of benefits plans and to periodically adjust plans as required to comply with legislation, changes in medical fee schedules, changes in insurance premiums due to changing experience ratings or other causes, creation of new categories of employees and other such changes required to keep benefit plans current.”

Recommendation:

That the Pension & Benefits Committee will approve to maintain the current maxima of extended health and dental benefits, effective January 1, 2025.

Documentation Provided:

- Indexation of Health Care Maximums Report

**Report to the Pension & Benefits Committee
15 November 2024**

FOR DECISION

**Indexation of Healthcare Maximums
From Human Resources**

Recommendation

Members have discussed that the costs associated with the extended health and dental benefits continue to increase on an annual basis with the existing plan design, and that the University is currently conducting significant and important work to return to a balanced annual operating budget. As such, proceeding with plan design changes that result in additional costs to the University would not be prudent given the current financial state. The recommendation is that the Pension & Benefits Committee pause the annual adjustment for 2025.

Background

The University’s plan design for healthcare benefits has been subject to an annual cost-of-living adjustment for the plan maximums for several years. At the November 2008 Pension & Benefits Committee meeting, members decided to pause the practice in light of economic conditions and because the maximums were considered competitive at that time. The practice then continued to be paused due to a legislative freeze which continued when that legislation was lifted, due to a subcommittee’s work on a review of the benefits plan design; however, it was reinstated effective January 1, 2015 and has continued annually thereafter.

The adjustment to the maximums has been calculated by Aon as in previous years and the impact is identified in the table below. To increase the benefit maximums for January 1, 2025 based on 1-year inflation would result in a \$157,800 annual ongoing cost.

Provision	Current Maximum	Proposed Maximum (1 Year Inflation)	Change
Paramedical/Hearing Aids	\$841	\$887	5.42% ¹
Psychologist/Social worker (Actives & Retirees Post 6-6-2000)	\$1,067	\$1,125	5.42% ¹
Psychologist/Social worker (Retirees 1-1-1996 to 6-5-2000)	\$841	\$887	5.42% ¹
Private Duty Nursing	\$25,478	\$26,859	5.42% ¹
Out of pocket max: Single	\$143	\$147	3.00% ²
Out of pocket max: Family	\$288	\$297	3.00% ²
Dental Basic	\$2,803	\$2,938	4.80% ³
Dental Major	\$4,224	\$4,427	4.80% ³
Dental Orthodontia	\$4,224	\$4,427	4.80% ³
Total Additional Annual Cost of Indexing ⁴		\$157,800	

¹ Percentage increases are calculated from Stats Can Other Health Care index rates for each year that the inflation is applied.

² Percentage increases are calculated from Stats Can Medicinal and Pharmaceutical index and Other Health Care index rates for each year that the inflation is applied based on 60%/40% weighting.

³ Dental Maxima increases based on the 2024 increase to the dental fee guide as an estimate for 2025 fee guide increase (current year fee guide applies)

⁴ These costs are above the annual total claim costs projected based on UW’s claims experience from October 2023 to September 2024, inclusive of administration fees and applicable taxes. These are not a one-time cost but will be additional costs to claims experience on an on-going basis. This amount does not include any increase to the non-pension postretirement benefits liability or annual expense related to the plan amendment created by improving the ongoing retiree benefits design.

For Information**Open Session**

Date of Meeting: November 15, 2024
To: Members, Pension & Benefits Committee
From: Sarah Willey-Thomas, Associate University Secretary
RE: **4. Benefits**

4.2.1. Health Care Spending Account Update**Background:**

Michelle Hollis, Chief Human Resources Officer, will provide the Committee with an update with respect to the Health Care Spending Account (HCSA) Update.

Members will recall that a motion was presented to approve an HCSA for active faculty members at the October 2024 meeting. Upon discussion, the matter was deferred to a future meeting of the Pension & Benefits Committee.

Documentation Provided:

- N/A

For Information**Open Session**

Date of Meeting: November 15, 2024

To: Members, Pension & Benefits Committee

From: Sarah Willey-Thomas, Associate University Secretary

RE: **5. Other Business**

5.1.1. Pension & Benefits Committee Orientation

The Pension & Benefits receives an annual orientation, typically held during the first meeting of Fall semester. Due to full agendas, the orientation has been deferred to this meeting.

The orientation slide deck is enclosed for the information of members and is intended to provide a high level summary of key policies, documents and resources for the Committee as well as logistical information related to the Committee.

Committee Resources will present the Committee Orientation slide deck.

Documentation Provided:

- Pension & Benefits Orientation Slide Deck

Pension and Benefits Committee Orientation

September 2024



COMMITTEE TERMS OF REFERENCE

Key Elements of Terms of Reference

The Committee has the full power to administer the employee pension and benefits plans, including but not limited to:

- Pension Plan Administration
- Oversight of Pension Investments
- Reporting and Liaison

The Committee delegates day-to-day responsibility for the administration of the pension and benefits plans to Human Resources of the University.

The purpose of the Committee is to make and enforce such rules and regulations necessary for the effective and efficient administration of the plans.

Key Elements of Terms of Reference - Pension Plan Administration

- Facilitate effective and efficient administration of the pension plan in accordance with legislation and regulations and decide all questions concerning the pension plan.
- Provide an annual report to the Board of Governors with respect to the operation of the Pension Plan.
- Review annual audit of the Pension Plan Fund Financial Statements.
- Appoint actuary and commission research on pension or benefits.
- Recommend changes in pension and benefits plans – being mindful of the financial context / impact to the University.
- Make policy decisions relevant to administration of benefits of plans.
- Recommend appointment of custodians / trustees to the Board.

Key Elements of Terms of Reference - Oversight of Pension Investments

- **Investment Policy for pension assets**
 - Receive recommendations from the Pension Investment Committee on updates / revisions to:
 - Statement of Investment Policy and Procedures (SIPP) and
 - Fund Implementation Procedures (FIP)
 - Recommend Investment Policy to the Board of Governors
- **External Fund Managers**
 - Receive recommendations from the Pension Investment Committee related to:
 - The approval / termination of external fund managers and / or mandates for the pension fund investments
 - Approve on behalf of the Board of Governors
- **Responsible Investment Policy**
 - Oversee and ensure compliance with the policy through the Pension Investment Committee
- **Asset mix changes and investment decisions** where the cumulative annual amount is **greater than 20%** of the Plan's total assets
 - Approve recommendations received from PIC

Key Elements of Terms of Reference – General Provisions

- Members of the Committee may participate in the benefits under the pension plan provided they are otherwise eligible to do so.
- No compensation for committee members except as otherwise provided by the Board of Governors of the University.
- No bond or other security shall be required of any member of the Committee in such capacity in any jurisdiction, except as expressly required by law.
- No personal liability unless willful and intentional.
- Entitled to rely conclusively on information provided by third parties and experts.
- Decisions / actions apply to all persons with like circumstances; no person specific exceptions.

Committee Membership

<i>Constituency</i>	<i>Name</i>
Vice-President, Academic & Provost	James Rush
Vice-President, Administration & Finance	Jacinda Reitsma
Community-at-Large / Lieutenant Governor in Council	Teresa Fortney [Chair] Linda Blair
Presidential Appointed members	Michelle Hollis Sarah Hadley
Regular Faculty	James Thompson Elizabeth Demers Danielle Deveau
Regular University Support Staff	Lily Hua Melissa Graham
CUPE Local 793 Staff	Trevor Askes
OPSEU	Ashley-Ann Morgado
Retiree	David Taylor
Non-Voting AFIW	Sarah Cressman

Committee Work Plan

- Provides a basic timeline for items to come before the Committee
- Intended for planning purposes but subject to change and adjustment throughout the year
- Available in each agenda package

UNIVERSITY OF WATERLOO

2024-2025 Pension & Benefits Committee Work

Pension & Benefits Committee Agenda Items	May 17, 2024	June 11, 2024	September 13, 2024	October 17, 2024	November 15, 2024	January 17, 2025	February 11, 2025	March 21, 2025
<p>P - Planned ✓ - Complete</p>								
OPEN SESSION								
Execution against Committee Work Plan	✓	✓	✓	P	P	P	P	P
Minutes of the Previous Meeting	✓	✓	P	P	P	P	P	P
GOVERNANCE								
Previous Years' Fees and Expenses	✓							
Annual Audit of the Pension Plan Fund Financial Statements	✓							
Carbon Metrics Reporting	✓							
Summary of Total Fund Investment Performance		✓	✓		P	P		
Statement of Investment Policies and Procedure and Fund Implementation Procedures; Pension Statement SIPP					P			
Pension Risk Management Dashboard (Quarterly)	✓	✓			P	P		
Approval of Actuarial Valuation Assumptions						P		
RPP Actuarial Valuation, decision on filing								P
Review of RPP Contribution and Protocol Caps					P			
BENEFITS								
Extended Health & Dental Benefits – Indexation of Maxima effective January 1						P		
Retiree Life Insurance – Indexation of Coverage effective January 1						P		
Annual Benefits Utilization Report						P		
Maximum Pension Limits and Caps Adjustments, Based on Average Industrial Wage Increase (AIW)						P		
Cost of Living Adjustments								P
• Pensions in Pay								
• Deferred Pensions								
• Pensionable Earnings for Members on LTD								
Group Benefits program – Annual Renewal								
• Life Insurance – Premium Rate								
• Long Term Disability						P		
• Premium Rate								
• Maximum Insured Salary (Indexation)								
• Health Care Benefits – ASO Fees/Charges								
• Health Care Benefits – Budget Rates								

UNIVERSITY OF WATERLOO

2024-2025 Pension & Benefits Committee Work

Pension & Benefits Committee Agenda Items	May 17, 2024	June 11, 2024	September 13, 2024	October 17, 2024	November 15, 2024	January 17, 2025	February 11, 2025	March 21, 2025
<p>P - Planned ✓ - Complete</p>								
GOVERNANCE								
Review of Committee Terms of Reference		✓						
Annual Report to the Community								P
Annual Committee Self-Assessment								P
Committee Planning								P
CONFIDENTIAL SESSION								
Minutes of the Previous Meeting	✓	✓	✓	✓	P	P	P	P
Other Business	✓	✓	✓	✓	P	P	P	P
IN CAMERA SESSION								
Minutes of the Previous Meeting	✓	✓	✓	✓	P	P	P	P
Other Business	✓	✓	✓	✓	P	P	P	P

For more information:
uwaterloo.ca/secretariat
board@uwaterloo.ca

Committee Workplan Highlights for 2024-25

- Annual Audit of the Pension Plan Fund Financial Statements
- Review of RPP Contribution and Protocol Caps
- Annual Benefits Utilization Report
- Group Benefits program – Annual Renewal
 - Life Insurance – Premium Rate
 - Long Term Disability
 - Premium Rate
 - Maximum Insured Salary (Indexation)
 - Health Care Benefits – ASO Fees/Charges
 - Health Care Benefits – Budget Rates

OVERVIEW OF PENSION PLAN

PIC & P&B: Registered Pension Overview

Facts

- # of Retirees: 2,566
- # of Active Members: 5,249
- Market Value of Investments as of June 30, 2024: \$2.585b
- Going Concern Liability as of June 30, 2024: \$2.571b

Investments

	Actual Allocation	Benchmark	Permitted Ranges
Cash & Equivalents	3.48%	2%	0%-5%
Fixed Income	27.84%	25%	20%-35%
<i>Canadian Equity</i>	<i>5.60%</i>	<i>5%</i>	<i>0%-10%</i>
<i>Global Equity</i>	<i>50.58%</i>	<i>48%</i>	<i>40%-55%</i>
Total Equity	56.18%	53%	40%-65%
<i>Infrastructure</i>	<i>7.49%</i>	<i>10%</i>	<i>5%-15%</i>
<i>Real Estate</i>	<i>5.01%</i>	<i>10%</i>	<i>5%-15%</i>
Real Assets	12.50%	20%	10%-30%

PIC & P&B: Responsible Investment

- The Board has approved a Responsible Investment Policy
 - Responsible investing actively **incorporates ESG factors into each investment decision** and monitors those decisions
- UN PRI signatory for endowment and pension
- The Board has endorsed carbon footprint reduction targets for endowment and pension
 - Scorecard approach to carbon measurement including: Total Carbon Emissions, Carbon Footprint, and Weighted Average Carbon Intensity
 - Carbon footprint reduction targets, for scope 1 & 2 emissions
 - 50% by 2030, relative to 2018, Carbon Neutral by 2040
 - New University Task Force on Social Responsibility in Investing will begin work in September 2024

Pension Service Providers

- Aon – Actuarial Consultants
- Pension Administration – In house (UW) with Ariel system (provided by Telus Health) with payments provided by CIBC Mellon
- Pension Asset Custodian – CIBC Mellon
- Pension Investment Consultant – Eckler and Investment Managers

Consideration of Pension Plan Changes

Design changes to pension plans are significant undertakings and as a result are infrequent due to the complexity that revisions create for participants and administrators. To ensure the impact of a change is fully understood, a review process is followed:

- Rationale associated with the investigation of a plan design change (e.g. legislative or regulatory change, financial sustainability, employee value proposition, etc.);
- Actuarial analysis to determine the estimated impact on the current service cost;
- A review of administrative impacts and the feasibility of supporting system and process changes, and any related technology, vendor, and administration staffing requirements;
- Financial analysis associated with the implementation effort and ongoing management of a plan design change;
- A review of options (i.e. comparability to pension plans at peer institutions and within the comparator market); and
- Assessment of community involvement to support change management for active, retired, and deferred plan participants.

OVERVIEW OF BENEFIT PLANS

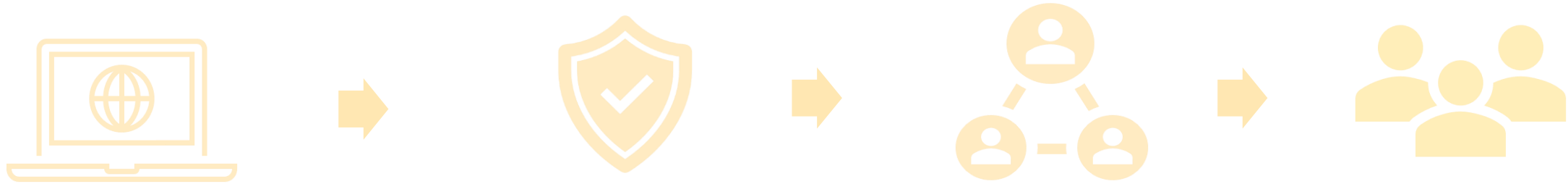
Benefits provided

- Health & Dental Benefits
- Life Insurance
- Long Term Disability
- Employee & Family Assistance Program
- Sick Leave

Benefits Service Providers

- Aon – Benefits Consultants
- Sun Life Financial – Life Insurance (University Health Insurance Plan) and Long Term Disability insurer
- GreenShield – Health & Dental Benefits provider
- Homewood Health – Employee & Family Assistance Program (EFAP) provider
- Sick Leave – In House (UW) with Telus Health for complex disability management case support

Benefit Claim Support Model



Step 1: Self-Service

- GreenShield
 - GSCeverywhere
 - Support Centre
- Human Resources
 - Websites
 - Workday
 - Chatbot

Step 2: Contact GreenShield

- Customer Contact Centre (Email/Phone)
- Travel Assistance Agents if medical emergency while travelling

Step 3: Contact Human Resources

- Tier 1 – HR Coordinators
- Tier 2 – Benefits Administrator
- Tier 3 – Manager/Director level

Step 4: Contact Pension & Benefits Committee

- Contact Committee Secretary with a Copy to Director, Total Rewards

Note: Members of the P&B Committee are welcome to contact the Director, Total Rewards with inquiries or feedback; however, members of the community need to follow the established inquiry support model

SECRETARIAT SUPPORT

Secretariat Website

- Meeting dates, agendas, minutes (open session)
- Terms of Reference, membership
- Informing and Governing Documents
- Policies, Guidelines and Procedures
- Board Manual

SECRETARIAT

UNIVERSITY OF WATERLOO

Jump to Search

Governing Bodies Employee and Student Relations Committees Discipline and appeals Policies and procedures Chancellor Contacts

Welcome to the Secretariat

The Secretariat's mission is to manage and support the University's bicameral governance system consistent with statutory requirements, the University of Waterloo Act, the By-laws and regulations of the Board of Governors and Senate, and good governance practices.

We provide support services for the Board of Governors, the Senate and their Committees and ensure membership is duly constituted and bodies receive materials that support informed decision-making. We ensure that decisions taken by Senate, Board and their committees are available to the university community and provide advice to senior administration and Board leadership so that the process of decision-making is clear, efficient and effective.

We also support the work of faculty, staff and student relations committees which are the primary venues for collegial employee/employer and student relations activities. We maintain the library of institutional policies and support

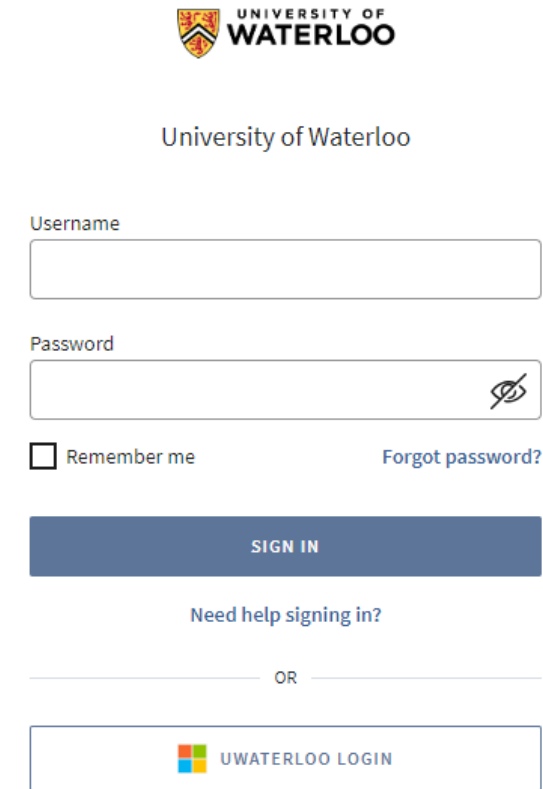
Our greatest impact happens together

You+Waterloo: Our greatest impact happens together

LET'S BUILD THE FUTURE TOGETHER

BoardEffect Portal

- Integration with single sign on for internal users
- Dual-factor authentication for external users
- Access to meeting books, surveys, events/invitations, RSVP function
- <https://uwaterloo.boardeffect.com/login?destination=%2F>



The screenshot shows the login interface for the University of Waterloo BoardEffect Portal. At the top right is the University of Waterloo logo. Below it, the text "University of Waterloo" is centered. The login form includes a "Username" field, a "Password" field with a toggle for visibility, a "Remember me" checkbox, and a "Forgot password?" link. A blue "SIGN IN" button is positioned below the password field. Underneath the button is a link for "Need help signing in?". A horizontal line with "OR" in the center separates the main login form from a secondary "UWATERLOO LOGIN" button, which features the university's logo.

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Secretariat Support and Main Contacts

- Committee Secretary: Sarah Willey-Thomas (swilleythomas@uwaterloo.ca)
- Secretariat Support for the Committee:
 - Gen Gauthier-Chalifour, University Secretary (gen.gauthier-chalifour@uwaterloo.ca)
 - Melanie Figueiredo, Governance Officer (m2figueiredo@uwaterloo.ca)
 - Melissa Benjamin, Governance Assistant (melissa.benjamin@uwaterloo.ca)
- Please RSVP to meetings – for in person meetings please indicate if joining virtually or in person
- Meetings typically have a Zoom option or held via Zoom

UNIVERSITY OF WATERLOO



Questions?

board@uwaterloo.ca

For Information**Open Session**

Date of Meeting: November 15, 2024

To: Members, Pension & Benefits Committee

From: Sarah Willey-Thomas, Associate University Secretary

RE: **5. Other Business**

5.2.1 Review of Work Plan

Sarah Willey-Thomas will provide an overview of the Committee Work Plan.

Members will recall that the work plan is an iterative document which is supplied for the Committee's information and reference at each Committee meeting.

The Work Plan is derived from responsibilities outlined in the Committee's terms of reference.

Documentation Provided:

- 2024/25 Pension & Benefits Committee Work Plan

2024-2025 Pension & Benefits Committee Work

Pension & Benefits Committee Agenda Items	May 17, 2024	June 11, 2024	September 13, 2024	October 17, 2024	November 15, 2024	January 17, 2025	February 11, 2025	March 21, 2025
P – Planned ✓ - Complete								
OPEN SESSION								
Execution against Committee Work Plan	✓	✓	✓	✓	P	P	P	P
Minutes of the Previous Meeting	✓	✓	✓	✓	P	P	P	P
GOVERNANCE								
Previous Years' Fees and Expenses	✓							
Annual Audit of the Pension Plan Fund Financial Statements	✓							
Carbon Metrics Reporting	✓							
Summary of Total Fund Investment Performance		✓	✓		P		P	
Statement of Investment Policies and Procedure and Fund Implementation Procedures; Pension Statement SIPP					P			
Pension Risk Management Dashboard (Quarterly)	✓		✓		P		P	
Approval of Actuarial Valuation Assumptions						P		
RPP Actuarial Valuation, decision on filing								P
Review of RPP Contribution and Protocol Caps					P			
BENEFITS								
Extended Health & Dental Benefits – Indexation of Maxima effective January 1					P			
Retiree Life Insurance – Indexation of Coverage effective January 1					P			
Annual Benefits Utilization Report					P			
Maximum Pension Limits and Caps Adjustments, Based on Average Industrial Wage Increase (AIW)					P			
Cost of Living Adjustments <ul style="list-style-type: none"> • Pensions in Pay • Deferred Pensions • Pensionable Earnings for Members on LTD 								P
Group Benefits program – Annual Renewal <ul style="list-style-type: none"> • Life Insurance – Premium Rate • Long Term Disability • Premium Rate • Maximum Insured Salary (Indexation) • Health Care Benefits – ASO Fees/Charges • Health Care Benefits – Budget Rates 					P			

2024-2025 Pension & Benefits Committee Work

Pension & Benefits Committee Agenda Items	May 17, 2024	June 11, 2024	September 13, 2024	October 17, 2024	November 15, 2024	January 17, 2025	February 11, 2025	March 21, 2025
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Review of Committee Terms of Reference		✓						
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CONFIDENTIAL SESSION								
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Other Business	✓	✓	✓	✓	P	P	P	P
IN CAMERA SESSION								
Minutes of the Previous Meeting	✓	✓	✓	✓	P	P	P	P
Other Business	✓	✓	✓	✓	P	P	P	P

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