

Pension & Benefits Committee

Open and Confidential Sessions

October 3, 2025

1:00 p.m. - 3:30 p.m.

NH 3318

200 University Avenue West

Waterloo, ON N2L 3G1

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2025 10 03 Pension & Benefits Committee Meeting Book

AGENDA

1 Governance Resources

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

2 OPEN SESSION

1:05 p.m.

3 Agenda and Minutes

3.1 Declarations of Conflict of Interest Information

3.1.1 Agenda and Minutes Memo 4

3.2 Approval of Agenda Decision

3.3 Approval of the May 23, 2025 Meeting Minutes Decision

3.3.1 Minutes - May 23, 2025 5

3.4 Business Arising Information

1:00 p.m.

4 Committee Education

4.1 Remarks from the Chair [Fortney] Information

4.1.1 Remarks from the Chair Memo 8

4.1.2 Orientation Slide Deck 9

4.1.3 Committee Work Plan 2025-2026 32

1:10 p.m.

5 Reports from Sub-Committees

5.1 Report of the Pension Investment Committee [Basdeo] Information

5.1.1 Report of the Pension Investment Committee 34

5.1.2 Investment Performance Review - Q2 2025 35

1:25 p.m.

6 Pension

6.1 Pension Risk Management Dashboard, Q2 2025 [Aon] Information

6.1.1 Pension Risk Management Memo 55

6.1.2 Risk Dashboard Q2 2025 56

6.2 Annual Payment to the Ontario Pension Benefit Guarantee Fund [Hadley] Decision

6.2.1 Payment to the Ontario Pension Benefit Guarantee Fund Memo 73

6.2.2 Payment to the Ontario Pension Benefit Guarantee Fund Briefing Note 74

	6.3 Review of SIPP, FIP and Compliance Report [Hadley]	Decision	
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	6.4 Review of Proposed RIP Amendments [Hadley]	Information	
	6.4.1 Draft RIP Amendments		108
2:10 p.m.	7 Other Business		
	7.1 Committee Restructure Update [Gauthier-Chalifour]	Information	
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	7.2.1 UPP Update Memo		125
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For Decision**Open Session**

Date of Meeting: October 3, 2025

To: Members, Pension & Benefits Committee

From: Melanie Figueiredo, Governance Officer

RE: **3. Agenda and Minutes**

3.1 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](#).

3.2 Approval of Agenda**Recommendation:**

That the October 3, 2025 meeting agenda be approved.

3.3 Minutes of the May 23, 2025 Meeting**Recommendation:**

That the minutes of the May 23, 2025 meeting be approved.

3.4 Business Arising

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

Documentation Provided:

- May 23, 2025 Meeting Minutes

University of Waterloo
PENSION AND BENEFITS COMMITTEE
Minutes of the May 23, 2025 Meeting
[in agenda order]

Present: Teresa Fortney (Chair), Trevor Askes, Linda Blair, Sara Cressman, Danielle Deveau, Melissa Graham, Sarah Hadley, Michelle Hollis, Lily Hua, Jacinda Reitsma, James Rush, David Taylor, James Thompson, Melanie Figueiredo (secretary).

Regrets: Elizabeth Demers

Resources/Guests: Anata Alphonso, Melissa Benjamin, Matthew Betik, Linday Byron, Gen Gauthier-Chalifour, Patti Hancock, Lee Hornberger, Sue McGrath, Brad Richards, Allan Shapira, Jessica Tran, Tyler Wendland.

Organization of Meeting: Teresa Forney took the Chair and Melanie Figueiredo acted as secretary. The secretary advised that a quorum was present.

OPEN SESSION

1. Governance Resources

2. Confidential Session

3. Agenda and Minutes

3.1. Declarations of Conflict of Interest

No conflicts of interest were declared.

3.2. Approval of Agenda

The Committee discussed the inclusion of item 9.3, Annual Evaluation Survey Results, in the confidential agenda, and chose to move this item to open session as item 6.3.

Hollis/Thompson.

That the May 23, 2025 meeting agenda be approved, as amended.

CARRIED

3.3. Approval of the March 21, 2025 Minutes

An amendment to the minutes had been provided to the committee secretary in advance of the meeting. This amendment would add a subheading over the recommendations for the cost-of-living adjustment to clarify which recommendation referred to pensions in pay and which referred to deferred pensions.

Reitsma/Hollis.

That the minutes of the March 21, 2025 meeting be approved, as amended.

CARRIED

3.4. Business Arising

Jacinda Reitsma advised that the committee work plan for next year will include an item for members to provide feedback on pension services provided by Human Resources.

4. Reports from Sub-Committees

4.1. Report of the Pension Investment Committee

Aubrey Basdeo, Chair the Pension Investment Committee (PIC), provided a verbal update on the PIC meeting that took place on May 23. The Committee discussed the performance of the various investment classes for Q1, 2025; benchmarks; plans to address specific manager performance ; and how general economic unrest will impact investment.

5. Pension

5.1. Annual Audit of the Pension Plan Fund and Financial Statements

Sarah Hadley provided an overview of the statements and the previous years' fees and expenses, as included in the agenda package.

Matthew Betik, KPMG, spoke to the audit results and noted that there were no concerns.

Taylor/Graham.

That the Pension & Benefits Committee approve the financial statements for the University of Waterloo Pension Plan as of December 31, 2024.

CARRIED

5.2. Pension Risk Management Dashboard, Q1 2025

Linda Byron presented the Pension Risk Management Dashboard for Q1 2025 as included in the agenda package.

The Committee discussed interest in historical tracking (previous 10- years), and risk premiums.

5.3. Carbon Disclosure Report

Tyler Wendland, Director, Treasury, presented the annual carbon disclosure report as included in the agenda package.

The Committee discussed trends year over year and the likelihood that the carbon footprint could increase next year.

6. Other Business

6.1. Review of Work Plan

The Committee received the work plan for information.

6.2. Annual Report to the Community

The Committee received a revised version of Annual Report to the Community. The Committee requested additional language was included regarding the Fairness Protocol so that it was clear that over contributions would no longer occur. The final version would be posted on the Committee's webpage.

6.3. Committee Self-Assessment (removed from confidential session)

The Chair reviewed the committee self assessment survey results, noting that 6 responses were received out of 15.

The Committee discussed improvements to onboarding for off-cycle member additions and continuing to improve the relationship between members and administration.

September 10, 2025

Melanie Figueiredo
Governance Officer

For Information**Open Session**

Date of Meeting: October 3, 2025

To: Members, Pension & Benefits Committee

From: Melanie Figueiredo, Governance Officer

RE: **4. Committee Education**

4.1 Remarks from the Chair

Teresa Fortney, Chair, will provide opening remarks to the Committee.

A slide deck has been attached for the information and orientation of all committee members.

In addition, the 2025-2026 work plan has been included for the reference of all members. The work plan is an iterative document which is supplied for the Committee's information at each Committee meeting.

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

Documentation Provided:

- Pension & Benefits Committee Orientation slide deck
- 2025-26 Committee Work Plan

Pension and Benefits Committee Orientation

October 2025



UNIVERSITY OF
WATERLOO



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>Name</i>	<i>Membership / Title</i>
Thomas Duever	Member, Vice-President, Interim Academic & Provost
Jacinda Reitsma	Member, Vice-President, Administrative & Finance
Teresa Fortney [Chair]	Member, Board of Governors
Linda Blair	Member, Board of Governors
Michelle Hollis	Member, Presidential Appointee
Sarah Hadley	Member, Presidential Appointee
Elizabeth Demers	Member, Faculty Appointee
Danielle Deveau	Member, Faculty Appointee
James Thompson	Member, Faculty Appointee
Vacant	Member, Staff
Lily Hua	Member, Staff
Trevor Askes	Member, CUPE Appointee
David Taylor	Member, Retiree Appointee
Ashley-Ann Morgado	Member, OPSEU Appointee
Sarah Cressman	Member, AFIW Appointee, (non-voting)

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

2024-2025 Pension & Benefits Committee Work											
Pension & Benefits Committee Agenda Items											
P - Planned ✓ - Complete											
OPEN SESSION											
Execution against Committee Work Plan	✓	✓		P	P	P	P	P			
Minutes of the Previous Meeting	✓	✓		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 (AIWI)					P						
Cost of Living Adjustments											
• Pensions in Pay											P
• Deferred Pensions											
• Pensionable Earnings for Members on LTD											
Group Benefits program - Annual Renewal											
• Life Insurance - Premium Rate											
• Long Term Disability											
• Premium Rate											
• Maximum Insured Salary (Indexation)											
• Health Care Benefits - ACO Fees/Charges											
• Health Care Benefits - Budget Rates											

2024-2025 Pension & Benefits Committee Work											
Pension & Benefits Committee Agenda Items											
P - Planned ✓ - Complete											
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	P	P	P
Other Business		✓	✓		P	P	P	P	P	P	P
IN CAMERA SESSION											
Minutes of the Previous Meeting		✓	✓		P	P	P	P	P	P	P
Other Business		✓	✓		P	P	P	P	P	P	P

For more information:
uwat@uwaterloo.ca
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

RPP Overview, as at Jan 1, 2025

Membership

- # of Pensioners (including Survivors): 2,691
- # of Deferred Members: 726
- # of Active Members (including Leaves and those in receipt of LTD benefits): 5,213

Finances

- Market Value of Assets = \$2.795 Billion
- Positive Cash Flow (monthly contributions exceed monthly benefit payments)

Investments

Asset Class	Actual Allocation	Benchmark	Permitted Ranges
Cash & Equivalents	3.9%	2%	0%-5%
Fixed Income	26.3%	20%	15%-25%
Canadian Equity	5.9%	5%	0%-10%
Global Equity	50.5%	48%	40%-55%
Listed Infrastructure	4.3%	5%	0%-10%
Direct Infrastructure	3.3%	5%	0%-10%
Listed Real Estate	2.2%	5%	0%-10%
Direct Real Estate	2.7%	5%	0%-10%
Private Debt	0.9%	5%	0%-10%

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

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

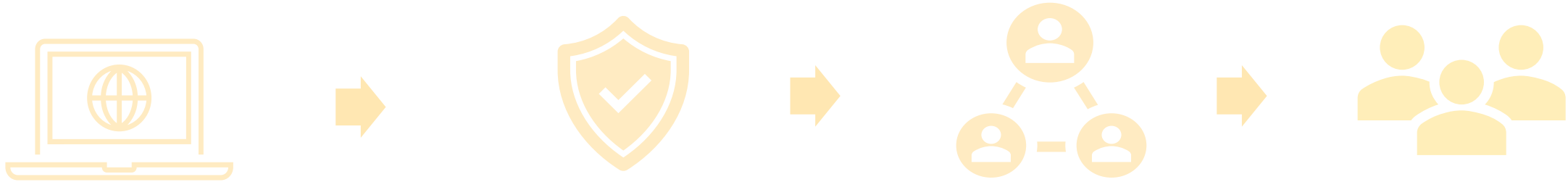
Benefits provided

- 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

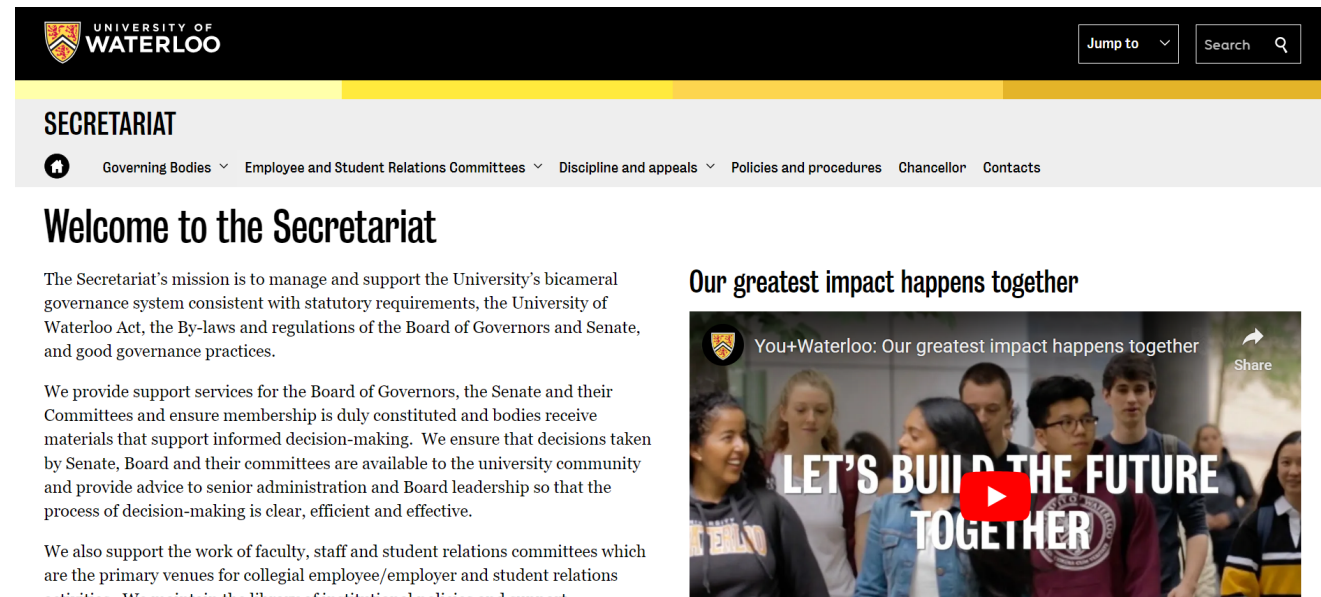
- Contact Committee Secretary with a Copy to Director, Total Rewards

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



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://oidc.diligentoneplatform.com/login>



Secretariat Support and Main Contacts

- Committee Secretary: Melanie Figueiredo, Governance Officer (m2figueiredo@uwaterloo.ca)
- Secretariat Support for the Committee:
 - Gen Gauthier-Chalifour, University Secretary (gen.gauthier-chalifour@uwaterloo.ca)
 - Ashley Day, Associate University Secretary (a3day@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 virtual option

UNIVERSITY OF WATERLOO



Questions?

board@uwaterloo.ca

2025-2026 Pension & Benefits Committee Work

Pension & Benefits Committee Agenda Items P – Planned ✓ – Complete				
	October 3, 2025	November 20, 2025	March 4, 2026	May 28, 2026
OPEN SESSION				
PENSION				
Previous Years' Fees and Expenses				P
Annual Audit of the Pension Plan Fund Financial Statements				P
Carbon Metrics Reporting				P
Summary of Total Fund Investment Performance	P	P	P	P
Statement of Investment Policies and Procedure and Fund Implementation Procedures; Pension Statement SIPP	P			
Pension Risk Management Dashboard (Quarterly)	P	P	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	
GOVERNANCE				
Review of Committee Terms of Reference	P			

2025-2026 Pension & Benefits Committee Work

Pension & Benefits Committee Agenda Items P – Planned ✓ – Complete	October 3, 2025	November 20, 2025	March 4, 2026	May 28, 2026
Execution against Committee Work Plan	P	P	P	P
Annual Report to the Community				P

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

For Information**Open Session**

Date of Meeting: October 3, 2025

To: Members, Pension & Benefits Committee

From: Melanie Figueiredo, Governance Officer

RE: **5. Reports from Sub-Committees**

5.1 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 Q2 2025.

Key Items:

Please note that the October PIC meeting will be held the morning of October 3, 2025, with the Pension & Benefits Committee meeting following in the afternoon. As such, key highlights of the investment performance report have been provided below and a more comprehensive verbal update will be provided by the Chair of PIC at the Pension & Benefits Committee meeting.

Investment Performance Report:

An abridged version of the Pension Investment Performance report for Q2, 2025 has been included in the Committee's agenda package and appended to this report.

Key Highlights:

- The Pension Plan returned 3.1% over the quarter, exceeding its benchmark by 0.1%.
- Over the 4-year period, the Pension Plan has returned 5.8% trailing its benchmark by 1.7%.
- The Committee has been reviewing the global equity portfolio to improve diversification.

Documentation Provided:

- Summary of Total Fund Investment Performance, Q2 2025



University of Waterloo Pension Plan

Investment Performance Review

Pension & Benefit Committee

Second Quarter 2025

CONFIDENTIAL AND PROPRIETARY



ECKLER

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Executive Summary

Performance

- The Pension Plan returned 3.1% in Q2 2025 exceeding its benchmark by 0.1%
- Over the 4-year period, the Pension Plan has returned 5.8% trailing its benchmark by 1.7%.

SIP&P and Compliance

- The SIP&P was last updated and approved effective November 1, 2024.
- As of June 30, 2025, IFM, CBRE, Walter Scott, PH&N, Mirova and TDGIS claimed compliance with the SIP&P.
- As of June 30, 2025, the asset allocation for the Pension Plan was compliant with the SIP&P. No rebalancing is required.

Investment Managers

- Active global equity mandates continue to underperform and the three mandates lack diversification by style (as noted Eckler's report to the PIC earlier this year). As a first step in updating the structure, \$109 million was transferred from Walter Scott to the TD Emerald All Country World Index (ACWI) Fund in June. The University of Waterloo Treasury team and Eckler are reviewing the global equity manager structure (which includes Mirova, RBC and Walter Scott) and work is in progress on a manager search for a more diversified mandate with lower overall tracking error compared to the existing managers.
- Eckler completed a full due diligence update on Walter Scott and recommends putting the global equity strategy "On-Watch" due to turnover and underperformance.
- Northleaf Senior Private Credit is now fully funded with capital invested on April 1, 2025 and July 2, 2025.
- A number of personnel updates occurred during the quarter but none raise concern with the underlying managers / strategies.

Fund Update

- The Pension Plan returned 3.1% over the quarter, outperforming the benchmark return of 3.0% by 0.1%, and ranking in the third quartile of the Eckler DB Pension Client Universe.
- The Pension Plan has underperformed its benchmark over all annualized periods reviewed ending June 30, 2025 on a gross return basis. The Pension Plan has also underperformed the CPI + 3.5% target over 4-year period reviewed ending June 30, 2025.
- Compared to the Eckler DB Pension Clients Universe, the Total Fund has ranked in the fourth quartile over longer-term annualized periods ending June 30, 2025.
- Northleaf Senior Private Credit: The Plan's initial commitment of USD \$29 million was fully called on April 1, 2025. The Plan's second commitment of USD \$13.75 million was fully called on July 2, 2025.
- TD Emerald All Country World Index Fund: The Plan invested \$109 million into the TD Emerald All Country World Index Fund on June 25, 2025. Funds were sourced from Walter Scott.

Sources of Performance (Most Recent Quarter)

Passive Funds:

- The TD Emerald Canadian Equity fund returned 8.5% during the quarter, tracking the S&P/TSX Composite return.
- The TD Emerald Pooled U.S. fund returned 5.2% during the quarter, tracking the S&P 500 (\$C) return.
- The TD Emerald International Equity Index fund returned 6.0% during the quarter, tracking the MSCI EAFE Index (\$C) return.
- The TD Canadian Long Bond Broad Market Index fund returned -2.3% during the quarter, tracking the FTSE Canada Long Bond Index return.

Active Funds:

- The TD Active Short Term Corporate fund returned 0.9% during the quarter, matching its benchmark's return.
- The RBC Global Focus Equity Fund returned 6.8% during the quarter, outperforming the MSCI ACWI Index (\$C) return of 5.7% by 1.1%.
- The Mirova Global Sustainable Equity Fund returned 3.4% during the quarter, underperforming the MSCI ACWI Index (\$C) return of 5.7% by 2.3%.
- The Walter Scott Global Equity Fund returned 4.5% during the quarter, underperforming the MSCI World Index (\$C) return of 5.7% by 1.2%.
- The IFM Global Infrastructure Fund returned 1.7% (\$CAD) during the quarter, underperforming its benchmark return of 2.3% by -0.6%.
- The CBRE Global Alpha Real Estate fund returned (\$CAD as of Q1 2025) 1.2%, underperforming its benchmark return of 2.7% by 1.5%.

Sources of Performance (Most Recent Quarter)

Public Real Assets:

- The iShares S&P/TSX Capped REIT Index ETF returned 5.1% during the quarter, outperforming its benchmark's return of -0.7% by 5.8%.
- Brookfield Infrastructure Partners L.P. (BIP.UN) returned 6.6% during the quarter, outperforming its benchmark return of -0.9% by 7.5%.
- Brookfield Renewable (BEP.UN) returned 11.6% during the quarter, outperforming its benchmark return of -0.9% by 12.5%.

Total Fees (Estimated as of June 30, 2025)

Manager	Mandate	Market Values as of June 30, 2025 (\$)	Quarterly Fee (\$)	Quarterly Fee (%)	Annual Fee (%)
TDGIS	Passive Fixed Income and Equities	1,468,054,855	85,778	0.01%	0.02%
TDGIS	Active Fixed Income	97,770,341	41,664	0.04%	0.17%
RBC/PH&N*	Active Global Equities	122,229,244	161,258	0.13%	0.53%
Mirova	Active Global Equities	128,169,043	176,232	0.14%	0.55%
Walter Scott*	Active Global Equities	471,602,168	589,503	0.13%	0.50%
IFM	Global Infrastructure	95,486,278	183,811	0.19%	0.77%
CBRE**	Global Real Estate	71,038,521	79,918	0.11%	0.45%
Northleaf***	Private Debt	58,332,375	123,956	0.21%	0.85%
SoundPoint	Private Debt	21,203,118	66,260	0.31%	1.25%
UW	Managed Account	308,970,041	n/a	n/a	n/a
UW	Operating Account	22,472,638	n/a	n/a	n/a
Total		2,865,328,621	1,508,380	0.05%	0.21%

*Actual PH&N fees might be lower than the fees estimated above as UW benefits from an aggregation discount. The aggregation discount for Walter Scott is reflected in the table above.

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

*** Includes capital calls that occurred on April 1, 2025 for USD \$29 million and on July 2, 2025 for USD \$13.75 million.

Performance fees with hurdles and catch-up considerations for IFM, Northleaf, and SoundPoint are not taken into consideration in this table. Performance fees are as follows:

- IFM: 10% over an 8% hurdle rate
- Northleaf: 10% over a 5% hurdle rate
- SoundPoint: 12.5% over a 5% hurdle rate

Note that IFM, CBRE, SoundPoint, Northleaf, and Mirova fees are netted.

Market values exclude amount remaining in the Trilogy account.



Performance and Risk Summary

Performance Summary (Net of Fees)

ECKLER

Fund	Net Annualized Rate of Return (%) as of June 30, 2025 and Percentile Rank									
	MRQ		YTD		1 Year		4 Years		10 Years	
Total Fund	3.0	62	2.5	96	9.6	95	5.6	88	6.8	74
Total Fund Benchmark ¹	3.0	63	3.5	71	13.2	37	7.5	31	8.3	1
CPI + 3.5% ²	1.4	97	3.7	66	5.4	100	7.4	36	6.2	97
Value Added (Total Fund Benchmark)	0.0		-1.0		-3.6		-1.9		-1.5	
Value Added (CPI + 3.5%)	1.6		-1.2		4.2		-1.8		0.6	
Canadian Equities										
TD Emerald Canadian Equity Index ³	8.5	50	10.1	35	26.3	25	10.7	76	9.6	66
S&P/TSX Composite Index	8.5	48	10.2	35	26.4	25	10.7	76	9.6	65
Value Added	0.0		-0.1		-0.1		0.0		0.0	
U.S. Equities										
TD Emerald Pooled U.S. Fund	5.2	49	0.7	54	14.8	41	14.0	27	14.6	40
S&P 500 (\$C)	5.2	49	0.8	53	14.8	38	14.0	26	14.7	39
Value Added	0.0		-0.1		0.0		0.0		-0.1	
Active Global Equities (excluding U.S. and International)	4.3	58	1.2	88	7.5	93	7.7	68	9.3	80
Global Equity Benchmark ⁶	5.7	36	4.4	51	15.8	39	10.7	32	12.1	34
Value Added	-1.4		-3.2		-8.3		-3.0		-2.8	
Walter Scott Global Equity	4.4	56	0.9	90	6.9	96	8.3	59	11.6	34
MSCI World Index (Net - \$C)	5.7	37	3.9	55	15.9	39	11.8	19	11.6	36
Value Added	-1.3		-3.0		-9.0		-3.5		0.0	
RBC Global Focus Equity ⁴	6.6	21	2.9	67	13.6	64	5.8	82	11.7	32
Mirova Global Sustainable Equity ^{4*}	3.3	67	2.3	75	6.2	97	7.3	73	12.0	15
MSCI ACWI Index (Net - \$C)	5.7	36	4.4	51	15.8	40	10.7	32	11.0	50
Value Added (RBC Global Focus Equity)	0.9		-1.5		-2.2		-4.9		0.7	
Value Added (Mirova Global Sustainable Equity)	-2.4		-2.1		-9.6		-3.4		1.0	
TD All Country World Equity Index	5.6	38	4.4	51	15.8	40	---	---	---	---
MSCI ACWI ex-Canada Index (Net - \$C)	5.7	37	4.3	51	15.6	41	10.7	32	11.0	50
Value Added	-0.1		0.1		0.2		---		---	
International Equities										
TD Emerald International Equity Index	5.9	49	13.3	50	17.4	62	9.1	46	7.5	81
MSCI EAFE Index (Net - \$C)	6.0	49	13.3	50	17.4	62	9.0	46	7.5	82
Value Added	-0.1		0.0		0.0		0.1		0.0	

*Beginning Q3 2023, the fees were charged directly to the investment vehicle
Please refer to the Appendix for applicable notes.

Performance Summary (Net of Fees)

ECKLER

Fund	Net Annualized Rate of Return (%) as of June 30, 2025 and Percentile Rank									
	MRQ		YTD		1 Year		4 Years		10 Years	
Fixed Income	-1.8	100	-0.1	100	4.0	100	0.8	32	2.0	100
TDAM Canadian Long Bond Broad Market Index	-2.3	76	-0.5	56	4.3	87	-2.8	92	1.5	91
FTSE Canada Long Bond Index	-2.3	80	-0.6	59	4.3	88	-2.9	92	1.5	90
Value Added (Fixed Income)	0.5		0.5		-0.3		3.7		0.5	
Value Added (TDAM Canadian Long Bond Index)	0.0		0.1		0.0		0.1		0.0	
TDAM Active Short Term Corporate	0.8	16	2.4	25	7.2	6	2.7	34	2.5	22
FTSE Canada Short Term Corporate Bond Index	0.9	14	2.5	22	7.5	5	2.8	34	2.7	22
Value Added	-0.1		-0.1		-0.3		-0.1		-0.2	
Real Estate⁵										
iShares S&P/TSX Capped REIT Index ETF	5.1	---	6.9	---	12.0	---	-0.7	---	4.6	---
FTSE EPRA NAREIT Developed (\$C)	-0.7	---	1.2	---	12.0	---	2.4	---	5.1	---
Value Added	7.1		7.0		1.4		-2.8		-0.3	
Real Estate⁵ (Lagged)										
CBRE Global Alpha - Net (\$C)*	1.2	---	1.2	---	7.3	---	5.2	---	7.1	---
CBRE Global Alpha - Net (Local \$)*	0.2	---	0.2	---	1.9	---	3.4	---	6.3	---
MSCI Global Property Fund Index (\$C)*	2.7	---	2.7	---	6.7	---	3.4	---	5.8	---
Value Added (\$C)	-1.5		-1.5		0.6		1.8		1.3	
Infrastructure⁵										
IFM Global Infrastructure Fund - Net (\$C)	1.7	---	4.5	---	12.3	---	9.8	---	11.2	---
OECD Total CPI +5%	2.3	---	5.0	---	9.3	---	11.7	---	9.0	---
Canadian CPI +5%	1.5	---	4.2	---	6.7	---	9.0	---	7.7	---
Value Added (IFM Global Infrastructure Fund)	-0.6		-0.5		3.0		-1.9		2.2	
Brookfield Infrastructure Partners L.P. (BIP.UN)	6.6	---	1.3	---	26.1	---	3.8	---	12.7	---
Brookfield Renewable (BEP.UN)	11.6	---	10.4	---	9.8	---	---	---	---	---
FTSE Global Core Infrastructure 50/50 Index (\$C)	-0.9	---	4.2	---	17.7	---	9.2	---	8.6	---
Value Added (Brookfield Infrastructure Partners L.P. (BIP.UN))	8.9		-1.6		10.1		-5.0		4.3	
Value Added (Brookfield Renewable (BEP.UN))	14.0		7.7		-6.4		---		---	
Private Debt (Lagged)										
SoundPoint U.S. Direct Lending III	-8.1	---	-8.1	---	---	---	---	---	---	---
Northleaf Senior Private Credit (Levered) *	1.9	---	1.9	---	17.3	---	13.4	---	---	---
SOFR + 4%	2.2	---	2.2	---	16.0	---	11.1	---	---	---
Value Added (SoundPoint (\$C))	---		---		---		---		---	
Value Added (Northleaf (\$C))	-0.3		-0.3		1.3		2.3		---	

*Returns as of Q1 2025, Q2 2025 returns were not available at the time of this report.
Please refer to the Appendix for applicable notes.

4-Year Performance and Risk Metrics Summary (Net of Fees)

ECKLER

Fund	4 Year Rolling Net Annualized Returns as of June 30,			
	2025	2024	2023	2022
Total Fund	5.6	6.8	4.9	3.5
Total Fund Benchmark ¹	7.5	8.9	6.0	4.9
CPI + 3.5% ²	7.4	7.7	7.3	7.0
Value Added (Total Fund Benchmark)	-1.9	-2.1	-1.1	-1.4
Value Added (CPI + 3.5%)	-1.8	-0.9	-2.4	-3.5
Canadian Equities				
TD Emerald Canadian Equity Index ³	10.7	12.3	8.6	6.9
S&P/TSX Composite Index	10.7	12.3	8.6	6.9
Value Added	0.0	0.0	0.0	0.0
U.S. Equities				
TD Emerald Pooled U.S. Fund	14.0	17.1	13.1	10.0
S&P 500 (\$C)	14.0	17.1	13.1	10.0
Value Added	0.0	0.0	0.0	0.0
Active Global Equities (excluding U.S. and International)	7.7	10.8	7.1	3.5
Global Equity Benchmark ⁶	10.7	13.2	9.2	5.9
Value Added	-3.0	-2.4	-2.1	-2.4
Walter Scott Global Equity	8.3	12.1	10.3	7.2
MSCI World Index (Net - \$C)	11.8	14.3	10.1	6.3
Value Added	-3.5	-2.2	0.2	0.9
RBC Global Focus Equity ⁴	5.8	9.9	7.2	7.1
Mirova Global Sustainable Equity ^{4*}	7.3	12.0	11.6	9.2
MSCI ACWI Index (Net - \$C)	10.7	13.2	9.0	5.6
Value Added (RBC Global Focus Equity)	-4.9	-3.3	-1.8	1.5
Value Added (Mirova Global Sustainable Equity)	-3.4	-1.2	2.6	3.6
TD All Country World Equity Index	---	---	---	---
MSCI ACWI ex-Canada Index (Net - \$C)	10.7	13.2	9.1	5.6
Value Added	---	---	---	---
International Equities				
TD Emerald International Equity Index	9.1	9.7	5.6	0.6
MSCI EAFE Index (Net - \$C)	9.0	9.7	5.6	0.6
Value Added	0.1	0.0	0.0	0.0

*Beginning Q3 2023, the fees were charged directly to the investment vehicle
Please refer to the Appendix for applicable notes.

4-Year Performance and Risk Metrics Summary (Net of Fees)

ECKLER

Fund	4 Year Rolling Net Annualized Returns as of June 30,			
	2025	2024	2023	2022
Fixed Income	0.8	-0.3	0.0	0.7
TDAM Canadian Long Bond Broad Market Index	-2.8	-5.6	-3.0	-1.8
FTSE Canada Long Bond Index	-2.9	-5.6	-3.0	-1.7
Value Added (Fixed Income)	3.7	5.3	3.0	2.4
Value Added (TDAM Canadian Long Bond Index)	0.1	0.0	0.0	-0.1
TDAM Active Short Term Corporate	2.7	1.4	0.8	1.3
FTSE Canada Short Term Corporate Bond Index	2.8	1.6	0.9	1.5
Value Added	-0.1	-0.2	-0.1	-0.2
Real Estate⁵				
iShares S&P/TSX Capped REIT Index ETF	-0.4	3.7	0.8	3.8
FTSE EPRA NAREIT Developed (\$C)	2.4	4.7	-0.7	1.5
Value Added	-2.8	-1.0	1.5	2.3
Real Estate⁵ (Lagged)				
CBRE Global Alpha - Net (\$C)*	5.2	2.6	6.5	7.1
CBRE Global Alpha - Net (Local \$)*	3.4	3.8	6.7	8.9
MSCI Global Property Fund Index (\$C)*	3.4	1.4	5.2	6.8
Value Added (\$C)	1.8	1.2	1.3	0.3
Infrastructure⁵				
IFM Global Infrastructure Fund - Net (\$C)	9.8	10.4	10.1	11.2
OECD Total CPI +5%	11.7	11.7	10.4	9.5
Canadian CPI +5%	9.0	9.3	8.8	8.6
Value Added (IFM Global Infrastructure Fund)	0.8	1.1	1.3	2.6
Brookfield Infrastructure Partners L.P. (BIP.UN)	4.2	4.8	14.6	18.6
Brookfield Renewable (BEP.UN)	---	---	---	---
FTSE Global Core Infrastructure 50/50 Index (\$C)	9.2	7.0	3.9	7.0
Value Added (Brookfield Infrastructure Partners L.P. (BIP.UN))	-5.0	-2.2	10.7	11.6
Value Added (Brookfield Renewable (BEP.UN))	---	---	---	---
Private Debt (Lagged)				
SoundPoint U.S. Direct Lending III**	---	---	---	---
Northleaf Senior Private Credit (Levered) *	13.4	10.1	6.4	---
SOFR + 4%	11.1	4.8	5.6	4.3
Value Added (SoundPoint (\$C))	---	---	---	---
Value Added (Northleaf (\$C))	2.3	5.3	0.8	---

**Historical returns not available.

Please refer to the Appendix for applicable notes.



Review of Fund Assets

		Canadian Equities	Global Equities	Fixed Income	Real Estate	Infrastructure	Private Debt	Cash & Short Term	Total
TD Global Investment Solutions		182,450,260	730,404,067	651,475,172				1,495,697	1,565,825,196
	% of Mandate	11.7%	46.6%	41.6%				0.1%	100.0%
	% of Fund	6.4%	25.5%	22.7%				0.1%	54.6%
RBC/PH&N			122,229,244						122,229,244
	% of Mandate		100.0%						100.0%
	% of Fund		4.3%						4.3%
Walter Scott			471,602,168						471,602,168
	% of Mandate		100.0%						100.0%
	% of Fund		16.5%						16.5%
Mirova			128,169,043						128,169,043
	% of Mandate		100.0%						100.0%
	% of Fund		4.5%						4.5%
IFM						95,486,278			95,486,278
	% of Mandate					100.0%			100.0%
	% of Fund					3.3%			3.3%
CBRE					71,038,521				71,038,521
	% of Mandate				100.0%				100.0%
	% of Fund				2.5%				2.5%
iShares S&P/TSX Capped REIT Index ETF					66,747,136				66,747,136
	% of Mandate				100.0%				100.0%
	% of Fund				2.3%				2.3%
Brookfield Infrastructure Partners L.P. (BIP.UN)						75,187,463			75,187,463
	% of Mandate					100.0%			100.0%
	% of Fund					2.6%			2.6%
Brookfield Renewable (BEP.UN)						70,987,644			70,987,644
	% of Mandate					100.0%			100.0%
	% of Fund					2.5%			2.5%
Northleaf*							58,332,375		58,332,375
	% of Mandate						100.0%		100.0%
	% of Fund						2.0%		2.0%
SoundPoint							21,203,118		21,203,118
	% of Mandate						100.0%		100.0%
	% of Fund						0.7%		0.7%
BAs/U.S. and CDN Cash								96,047,711	96,047,711
	% of Mandate							100.0%	100.0%
	% of Fund							3.4%	3.4%
UW Operating								22,482,315	22,482,315
	% of Mandate							100.0%	100.0%
	% of Fund							0.8%	0.8%
Total Fund		182,450,260	1,452,404,522	651,475,172	137,785,656	241,661,385	79,535,493	120,025,723	2,865,338,211
	% of Total Fund - Current Quarter	6.4%	50.7%	22.7%	4.8%	8.4%	2.8%	4.2%	100.0%
	Investment Policy Asset Mix	5.0%	48.0%	20.0%	10.0%	10.0%	5.0%	2.0%	100.0%
	Current Constraints	0%-10%	40%-55%	15%-30%		10% -30%	0%-10%	0%-5%	

Notes: All market values shown above are as reported by the CIBC Mellon custodial statements.

* Includes capital call on July 2, 2025 for USD \$13.75 million.



Appendix

Footnotes

1. Total Fund Benchmark was implemented as a performance objective in February 2022.
 - As of November 1, 2024: 2% FTSE Canada 91-Day T-Bill, 20% FTSE Canada Long Bond Index, 5% S&P/TSX Composite, 48% MSCI ACWI, 5% FTSE Developed Core Infrastructure 50/50, 5% FTSE EPRA/NAREIT Developed (CAD), 5% OECD CPI +5%, 5% MSCI Global Property Fund Index, and 5% SOFR +4%.
 - Prior to November 1, 2024: 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).
2. CPI+3.5% benchmark has been implemented since February 2022.
 - As of November 1, 2018: CPI + 3.6%. Benchmark has been implemented retrospectively.
 - From January 1, 2017 to October 31, 2018: CPI + 3.5%
 - From January 1, 2016 to December 31, 2016: CPI + 3.7%
 - From January 1, 2014 to December 31, 2015: CPI + 3.75%
 - Prior to January 1, 2014: CPI + 3.85%
3. TD Emerald Canadian Equity Index added July 2020. Returns prior to these dates are presentative only.
4. In August 2021, RBC Global Focus Equity and Mirova Sustainable Global Equity strategies were added. Returns prior to these dates are representative only.
5. Quartiles not shown due to limited number of comparable funds.
6. Global Equities Benchmark was implemented as a performance objective in February 2022.
 - As of February 2022: 100% MSCI ACWI
 - Prior to February 2022: 100% MSCI World

- 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.

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: October 3, 2025

To: Members, Pension & Benefits Committee

From: Melanie Figueiredo, Governance Officer

RE: **6. Pension**

6.1 Pension Risk Management Dashboard, Q2 2025**Background:**

Linda Byron, Aon, will present the Pension Risk Management Dashboard for Q2 2025, 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 the Pension Risk Management Dashboard at its meeting on October 3, 2025.

Documentation Provided:

- Pension Risk Management Dashboard, Q2 2025



Pension Risk Management Dashboard

University of Waterloo

As of June 30, 2025



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?

Highlights

Over the Quarter:

- The fund had a rate of return after fees of 3.1%.
- Nominal risk-free rates increased
- Inflation expectations implicit in the underlying bond yields marginally increased

As a Result:

- The going concern funded position improved from a \$91.7 million surplus to a \$145.2 million surplus over the quarter. This was primarily due to the better than expected asset returns and contributions exceeding the cost of benefit accruals.
- The risk-free deficit decreased from \$660.0 million to \$459.5 million over the quarter primarily due to the higher than expected returns on the Plan's return seeking assets and the increase in the net interest rate used to measure the liabilities.
- The solvency surplus increased from \$394.0 million to \$506.6 million over the quarter due to similar reasons as for the change in the risk-free position, although the overall impact was less due to a reduction in the prescribed additional premium (over bond yields) used to price annuities in the solvency basis.

Highlights (cont'd)

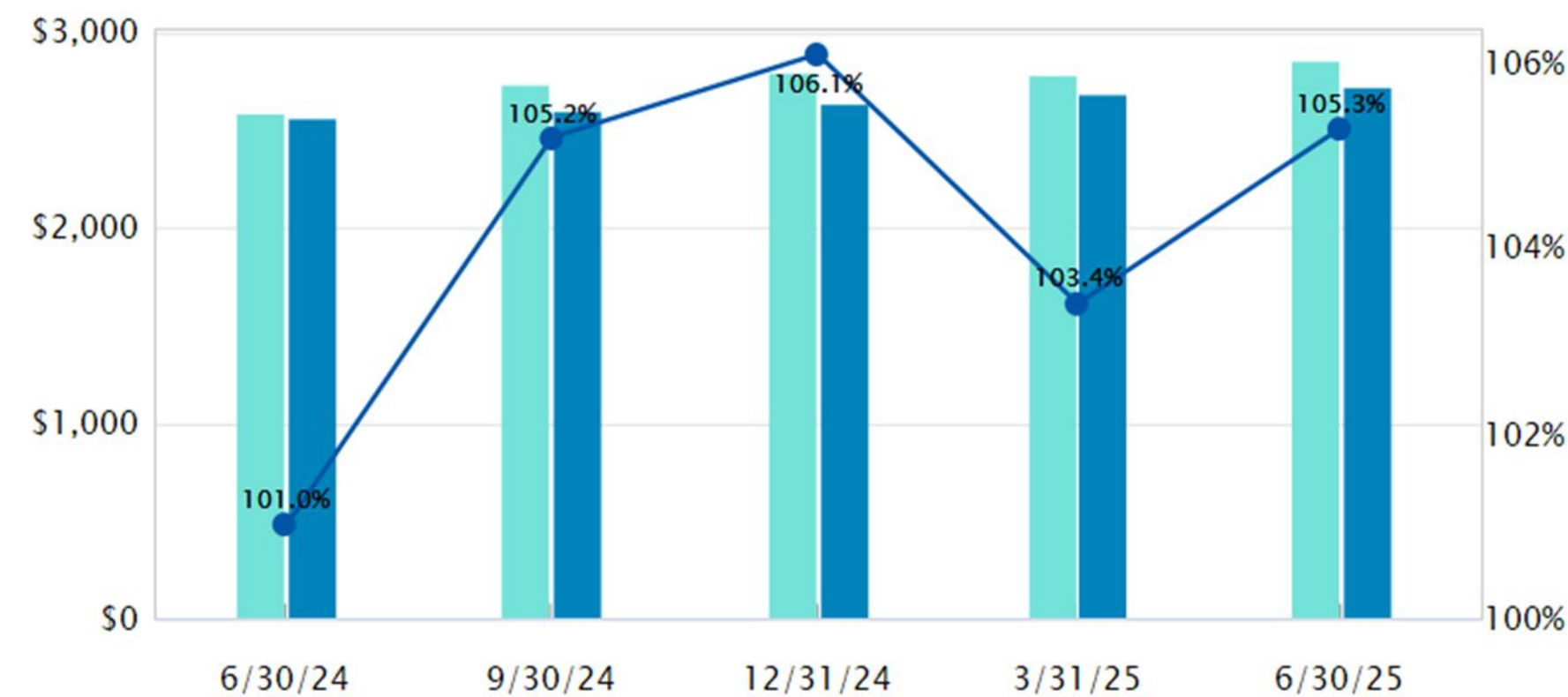
- The estimated June 30, 2025 liabilities are projected based on the final results of the most recent actuarial valuation of the Plan as at January 1, 2025.
- The December 31, 2024 liabilities shown are based on the January 1, 2024 actuarial valuation projected forward.
- The annuity purchase guidance educational note for valuations on or after June 30, 2025 (published as of August 1, 2025) has been reflected in the interest rates used to calculate the June 30, 2025 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



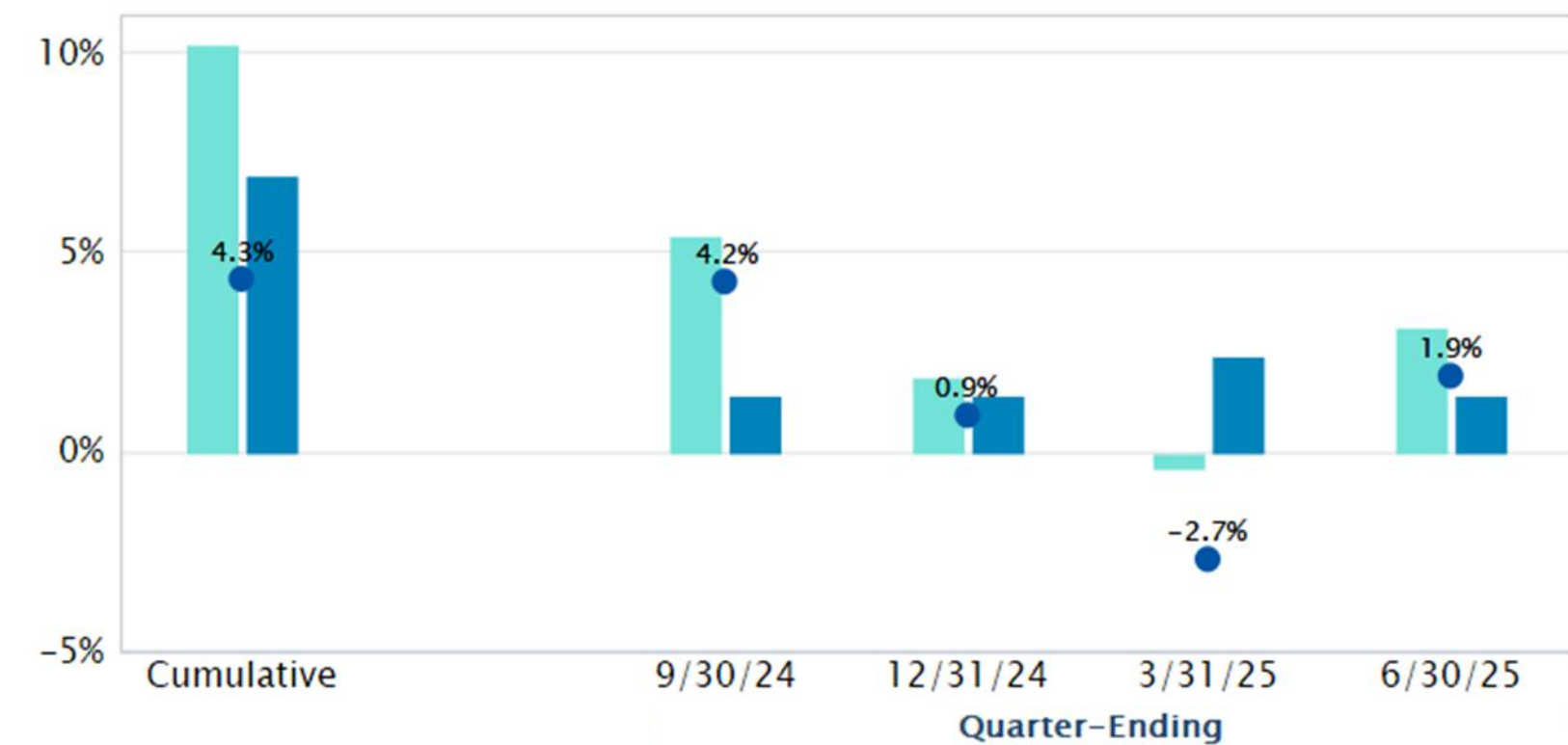
Highlights for the Quarter-Ending 06/30/25

The plan's funded ratio increased to 105.3% at 06/30/25. This result was primarily due to higher than expected asset returns.

	6/30/24	9/30/24	12/31/24	03/31/25	06/30/25*
Market Value of Assets	\$ 2,595.7	\$ 2,737.9	\$ 2,794.1	\$ 2,782.2	\$ 2,865.3
Going Concern Liability	2,570.9	2,601.4	2,634.4	2,690.5	2,720.1
Surplus/(Deficit)	\$ 24.8	\$ 136.5	\$ 159.7	\$ 91.7	\$ 145.2
Effective Interest Rate	6.00%	6.00%	6.00%	6.00%	6.00%
Periodic Contributions	\$ 30.8	\$ 32.0	\$ 31.3	\$ 31.1	\$ 30.8
Funded Ratio:					
Assets/Going Concern Liability	101.0%	105.2%	106.1%	103.4%	105.3%

* 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 06/30/25

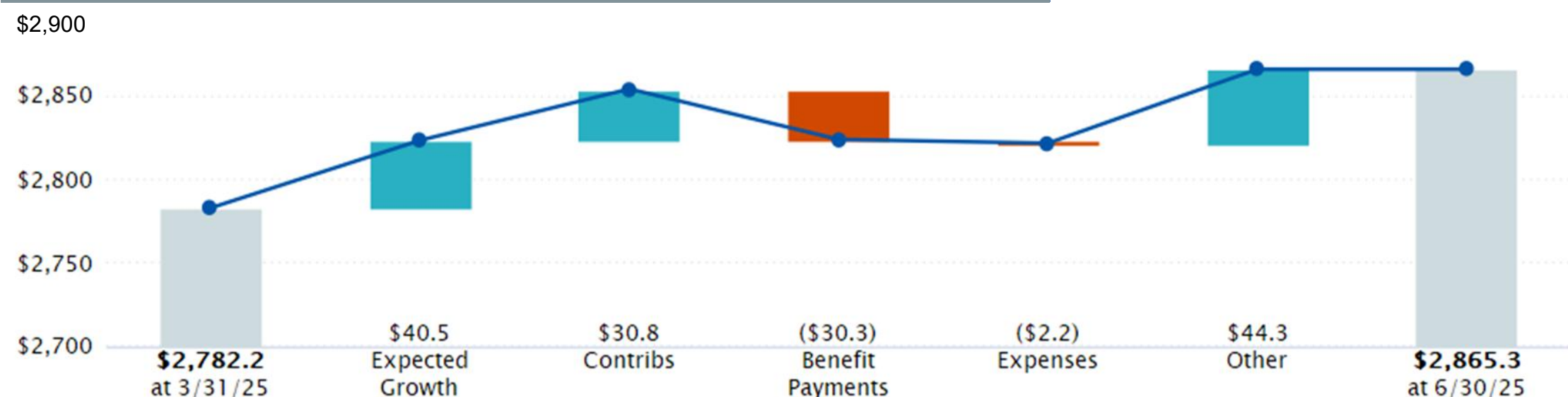
Assets returned 3.1% during the quarter while liabilities returned 1.4%, resulting in a funded status increase of 1.9%.

Periodic Return/Change	Cumulative	9/30/24	12/31/24	03/31/25	06/30/25
Market Value of Assets Return	10.2%	5.4%	1.9%	-0.4%	3.1%
Going Concern Liability:					
Return	6.9%	1.4%	1.4%	2.4%	1.4%
Funded Ratio Change	4.3%	4.2%	0.9%	-2.7%	1.9%

Asset-Liability Performance Attribution – Going Concern

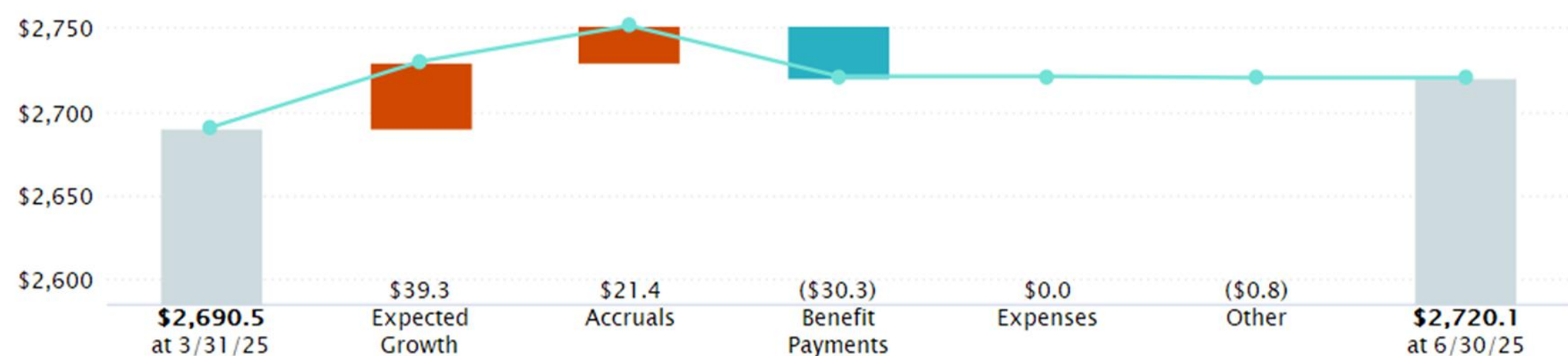
Values in \$1,000,000 (CAD)

Assets



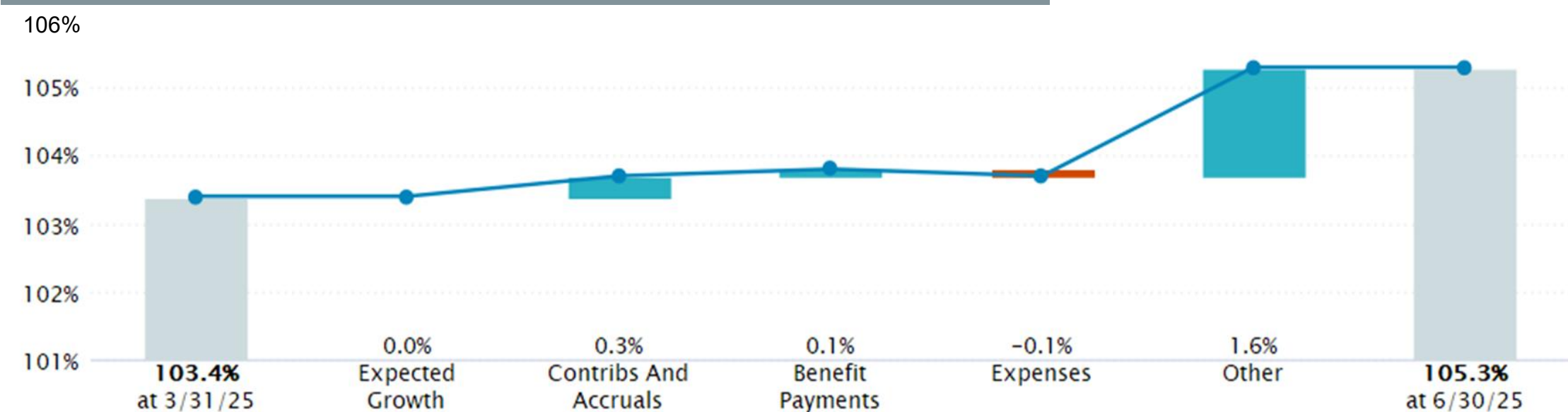
- Overall, assets returned 3.1% during this quarter.
- Return-seeking assets performed better than expected during the quarter.
- The University and members made \$30.8 million in contributions during the quarter and the trust paid \$30.3 million in benefits to the participants.
- “Other” represents the difference in the Plan’s asset performance relative to expectation.

Liability



- Liabilities were expected to grow by \$39.3 million due to interest cost during the quarter.
- New benefit accruals increased the liability by \$21.4 million during the quarter and paying Plan benefits decreased the liability by \$30.3 million during the quarter.

Funded Ratio

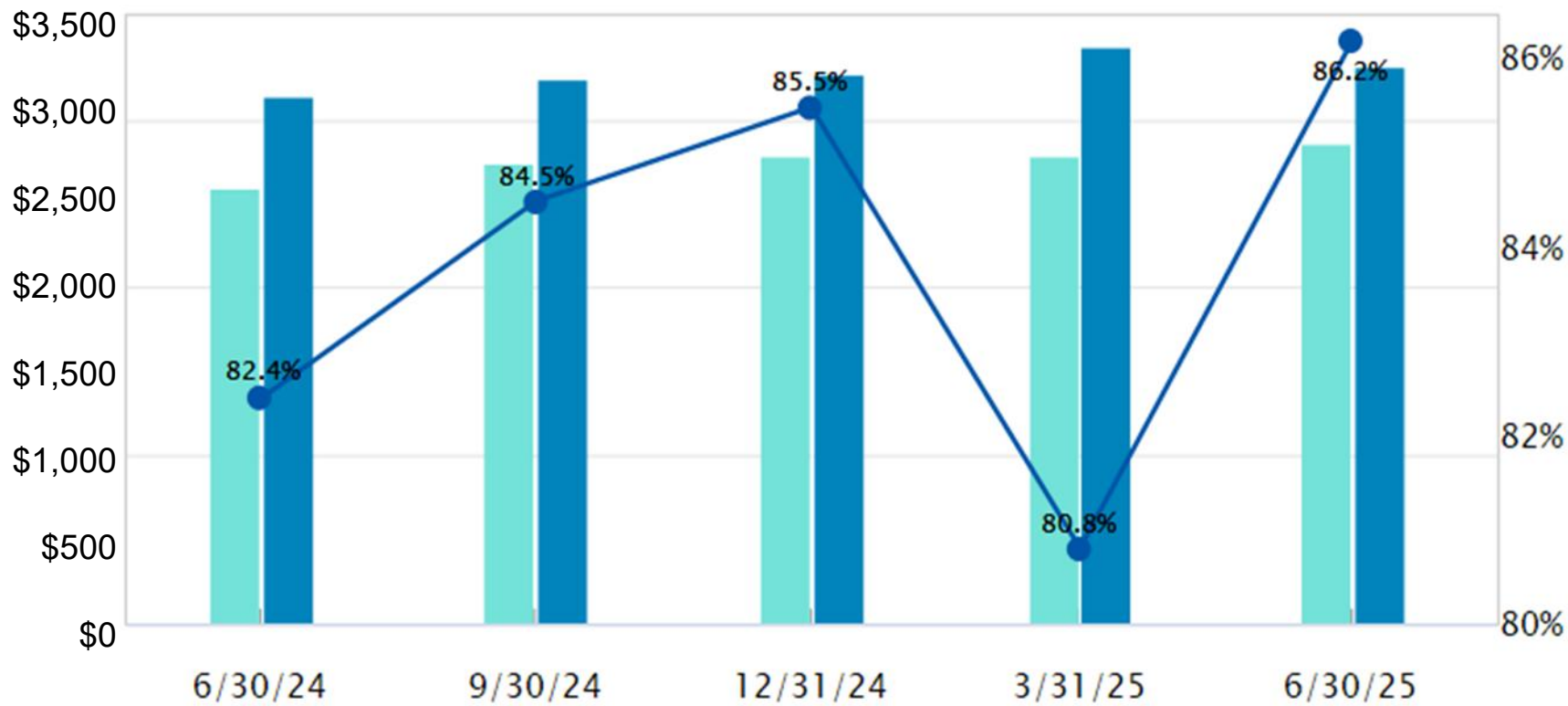


- Contributions exceeded benefit accruals over the quarter, resulting in a net increase of 0.3% in the Plan’s funded ratio.
- “Other” represents the impact of asset performance relative to the liabilities which resulted in an increase in the Plan’s funded ratio of 1.6%.

Executive Summary – Risk Free

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

Funded Status



Highlights for the Quarter-Ending 06/30/25

The plan's funded ratio increased to 86.2% at 06/30/25. This result was due to a combination of higher than expected asset returns (on the return seeking assets) and an increase in the net risk-free rate used to value the Plan's liabilities.

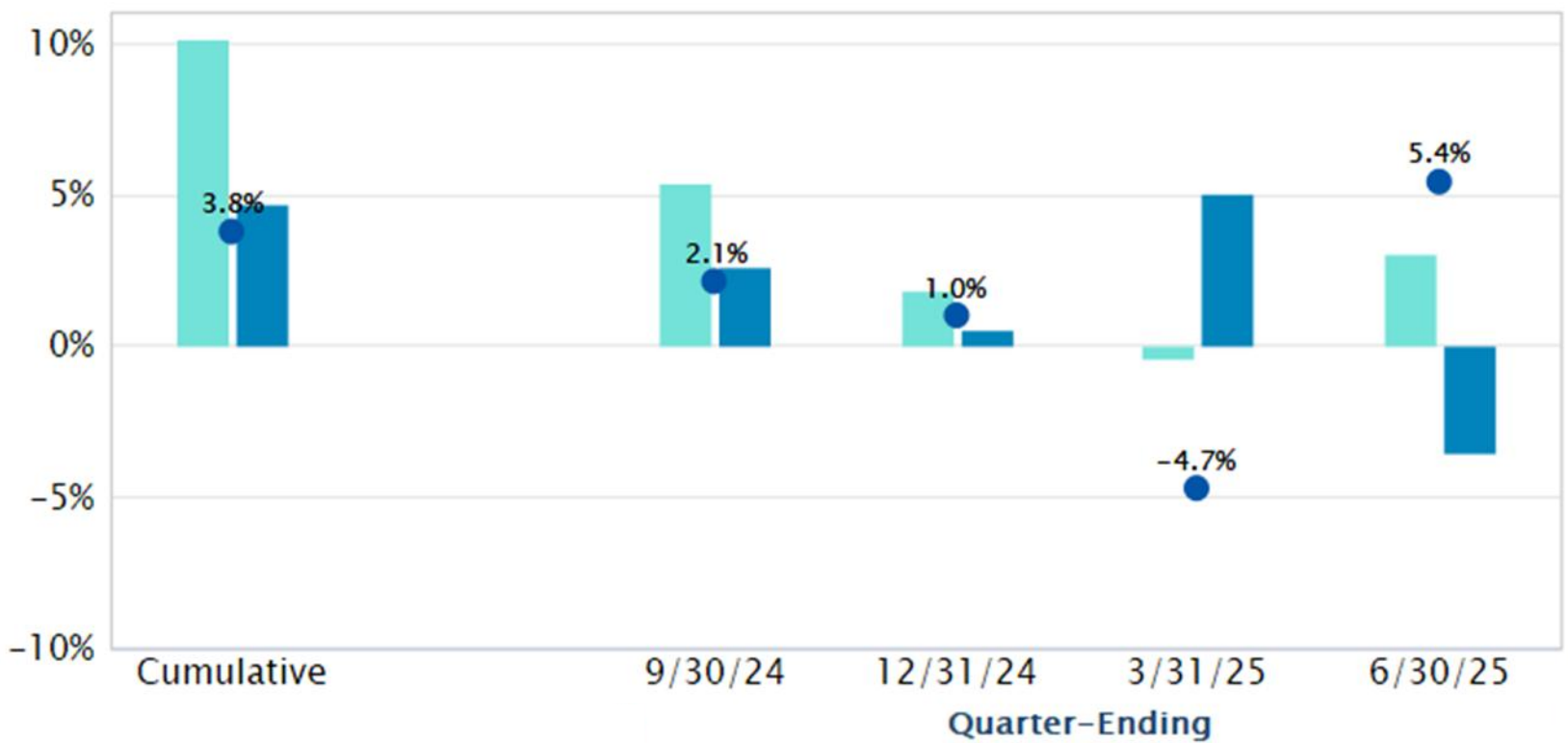
	6/30/24	9/30/24	12/31/24*	03/31/25	06/30/25*
Market Value of Assets	\$ 2,595.7	\$ 2,737.9	\$ 2,794.1	\$ 2,782.2	\$ 2,865.3
Risk-Free Liability	3,149.2	3,238.6	3,268.9	3,442.2	3,324.8
Surplus/(Deficit)	\$ (553.5)	\$ (500.7)	\$ (474.8)	\$ (660.0)	\$ (459.5)
Discount Rate	1.99%	1.89%	1.91%	1.77%	2.05%
Periodic Contributions	\$ 30.8	\$ 32.0	\$ 31.3*	\$ 31.1*	\$ 30.8*

Funded Ratio:

	6/30/24	9/30/24	12/31/24	03/31/25	06/30/25
Assets/Risk-Free Liability	82.4%	84.5%	85.5%	80.8%	86.2%

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

Asset-Liability Return



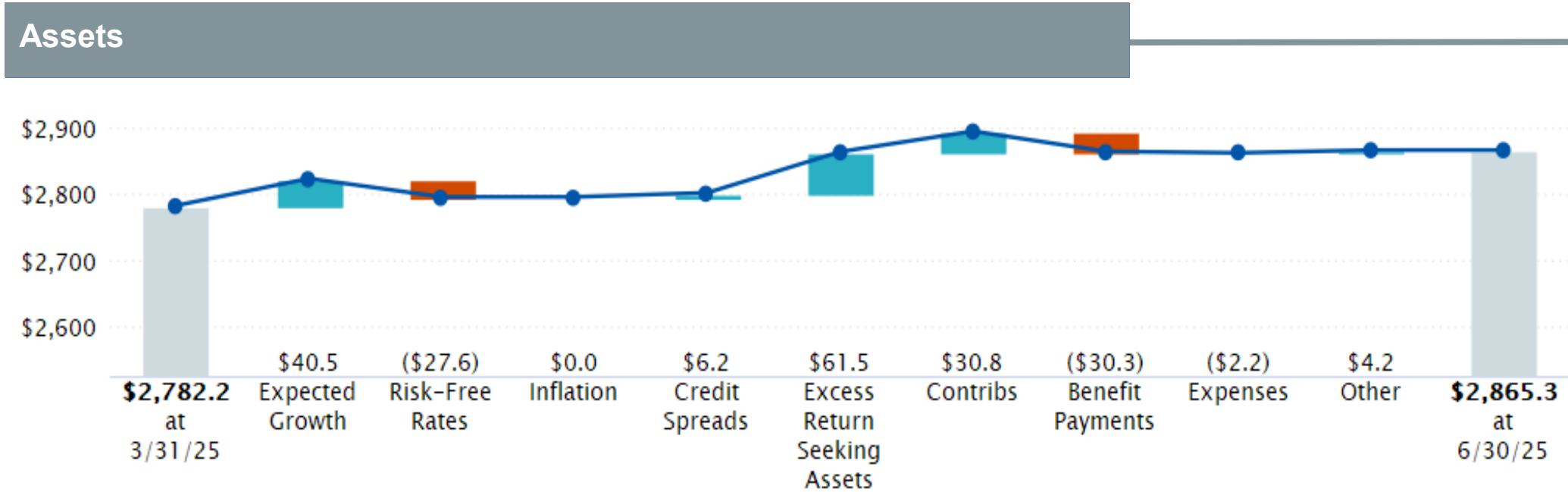
Asset Liability Return for Quarter-Ending 06/30/25

Assets returned 3.1% during the quarter while liabilities returned -3.5%, resulting in a funded status increase of 5.4%.

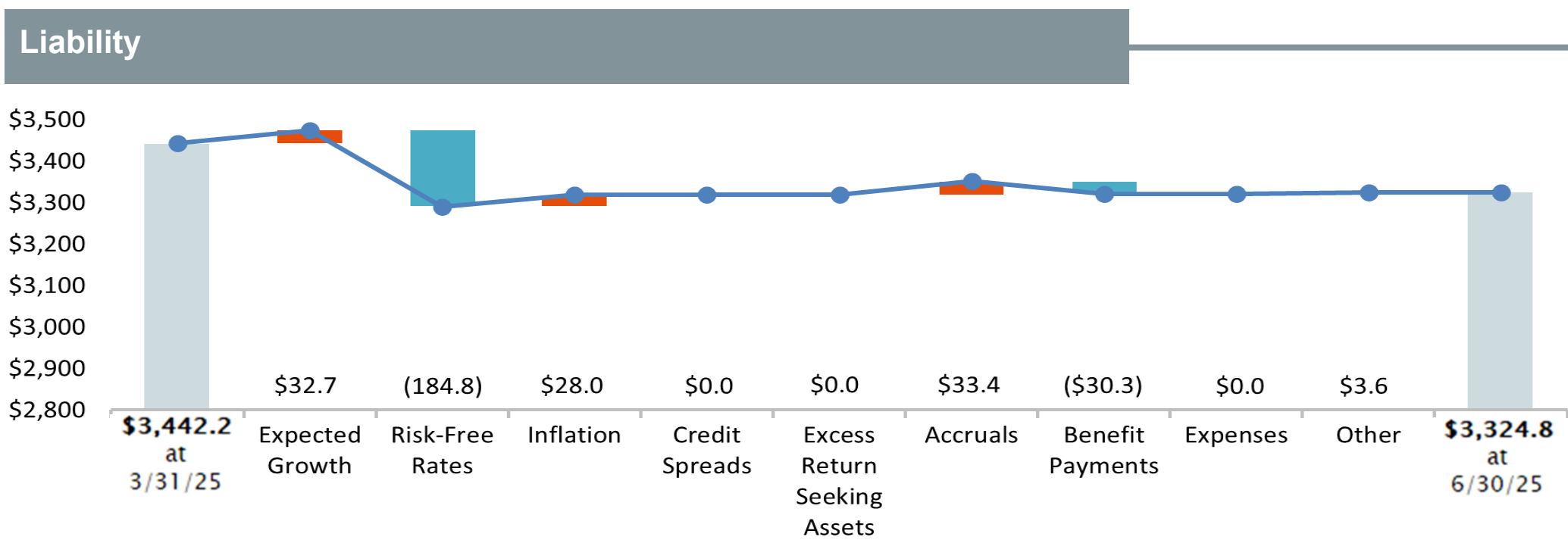
Periodic Return/Change	Cumulative	9/30/24	12/31/24	3/31/25	6/30/25
Return	4.7%	2.6%	0.6%	5.1%	-3.5%

Asset-Liability Performance Attribution – Risk Free

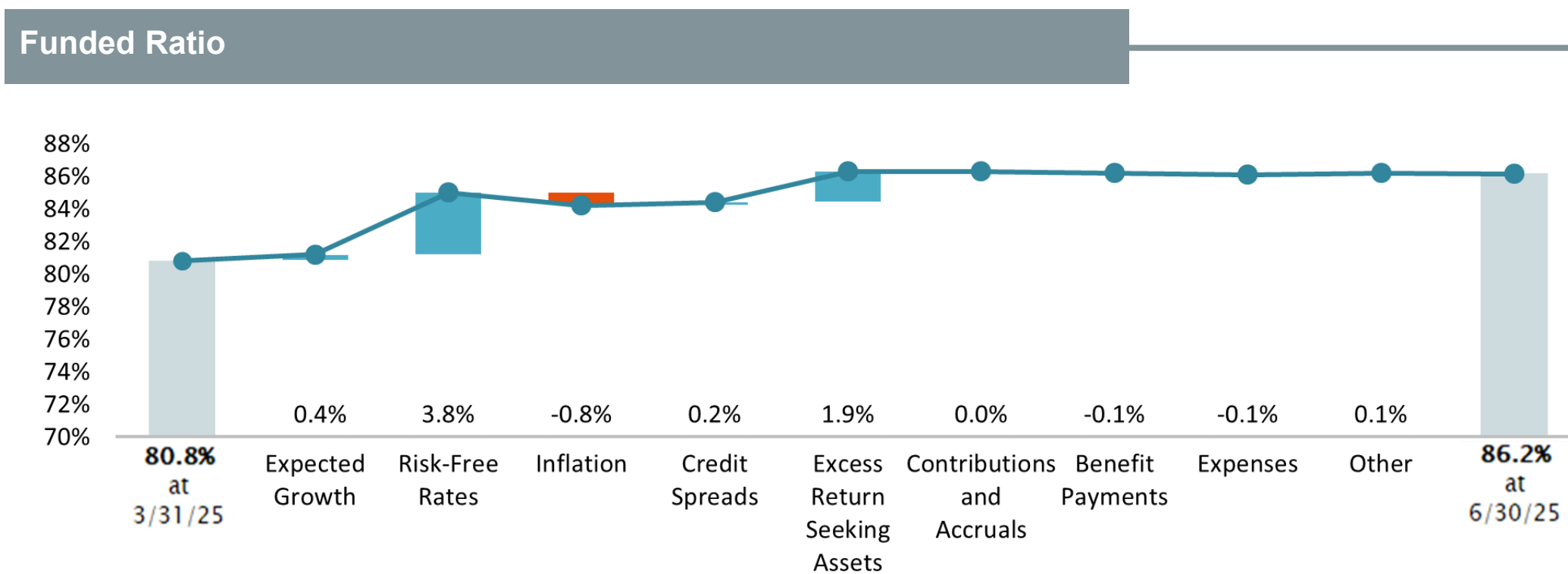
Values in \$1,000,000 (CAD)



- Overall, assets returned 3.1% during the quarter.
- Return-seeking assets performed higher than expected during the quarter, resulting in a gain of \$61.5 million.
- The University and members made \$30.8 million in contributions during the quarter and the trust paid \$30.3 million in benefits to the participants.
- “Other” includes the impact of active management, and differences between benchmark and actual investment allocations.

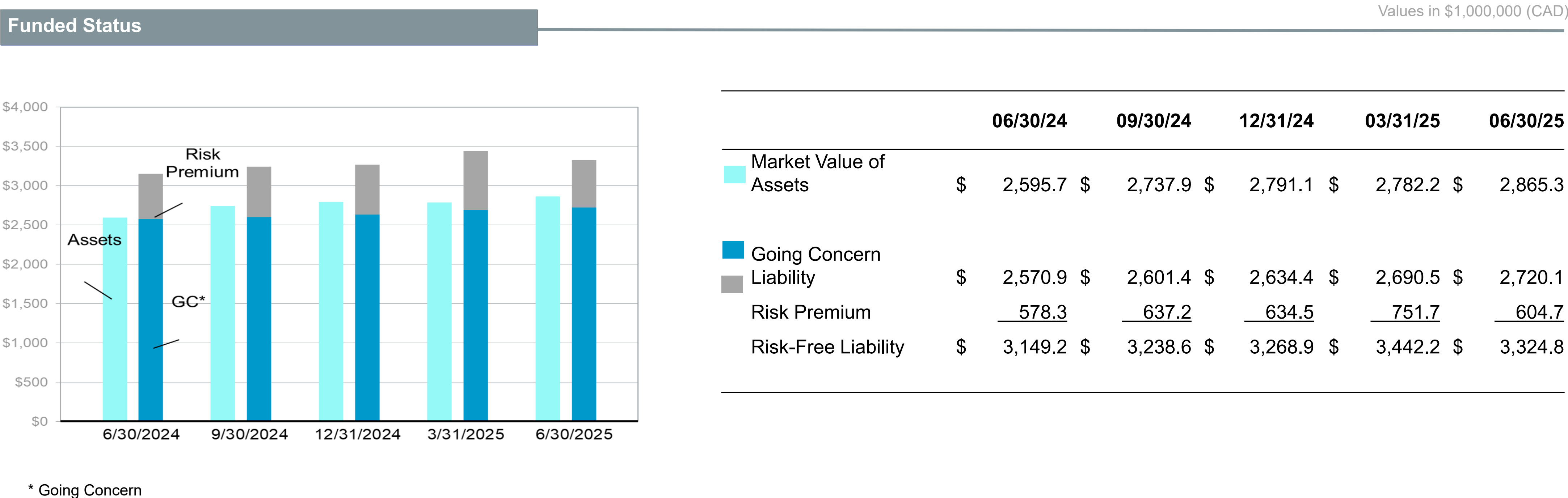


- Liabilities were expected to grow by \$32.7 million due to the interest cost during the quarter.
- New benefit accruals increased the liability by \$33.4 million during the quarter and paying Plan benefits decreased the liability by \$30.3 million during the quarter.
- An increase in the risk-free rate net of inflation led to a decrease of approximately \$156.8 million in the Plan’s liabilities.



- The increase in risk-free rate used to measure liabilities combined with an increase in inflation expectations led to 3.0% increase in the Plan’s overall funding ratio on the risk-free basis. (3.8% increase due to increases in risk-free rates, offset by 0.8% decrease due to increasing inflation expectations.)
- Higher than expected returns on the Plan’s return seeking assets contributed to a 1.9% increase in the Plan’s funding ratio.

Reconciliation of Risk-Free Benchmark and Going Concern Funded Status

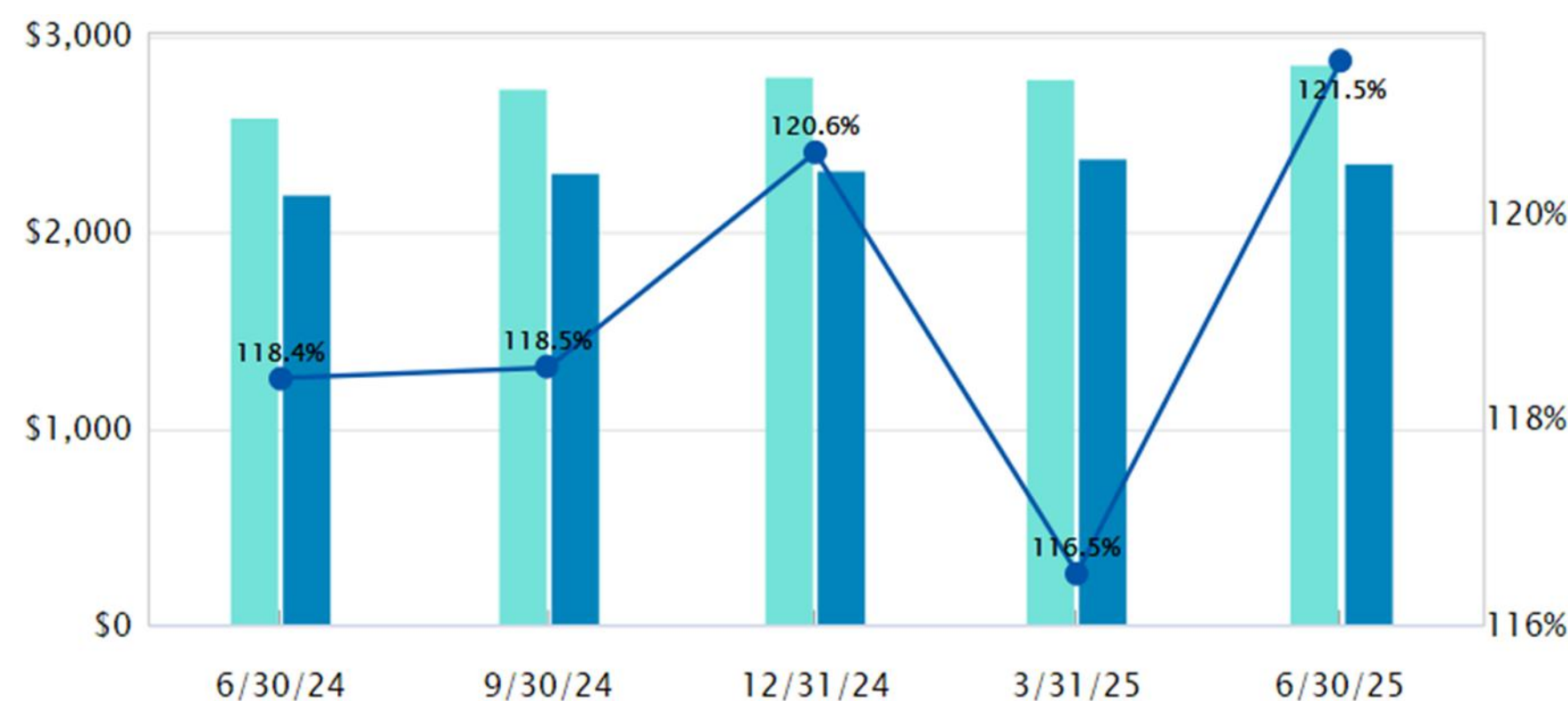


The difference between the Risk-Free Liability and the Going Concern Liability is a measure of the amount of risk premium on which the Pension Plan funding is based.

Executive Summary – Solvency

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

Funded Status



Highlights for the Quarter-Ending 06/30/25

The plan's solvency ratio increased to 121.5% at 06/30/25. This result was due to a combination of higher than expected asset returns (on the return seeking assets) and an increase in nominal bond yields, although this was partially offset by an observed tightening of pricing in the annuity market.

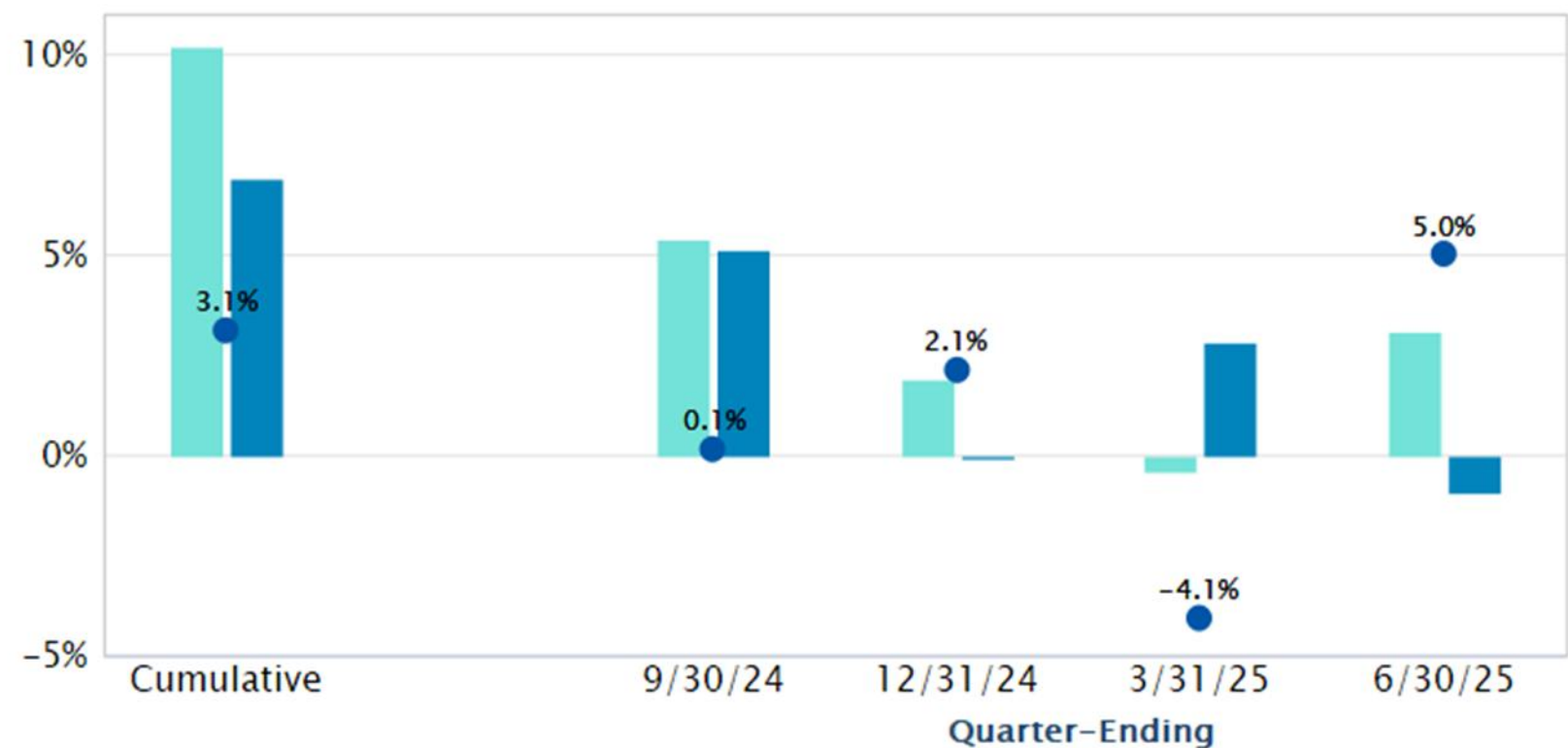
	6/30/24	9/30/24	12/31/24	03/31/25	06/30/25*
Market Value of Assets	\$ 2,595.7	\$ 2,737.9	\$ 2,794.1	\$ 2,782.2	\$ 2,865.3
Solvency Liability	2,192.2	2,310.6	2,317.2	2,388.2	2,358.7
Surplus/(Deficit)	\$ 403.5	\$ 427.3	\$ 476.9	\$ 394.0	\$ 506.6
Effective Interest Rate	4.77%	4.46%	4.56%	4.46%	4.63%
Periodic Contributions	\$ 30.8	\$ 32.0	\$ 31.3	\$ 31.1	\$ 30.8*

Funded Ratio:

Assets/Solvency Liability	118.4%	118.5%	120.6%	116.5%	121.5%
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* 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 06/30/25

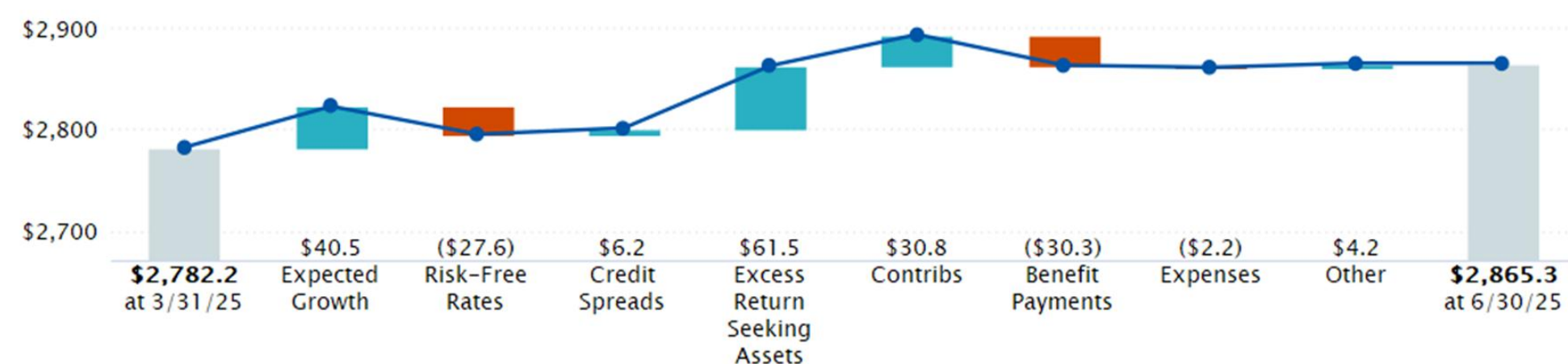
Assets returned 3.1% during the quarter while liabilities returned -0.9%, resulting in a funded status increase of 5.0%.

Periodic Return/Change	Cumulative	9/30/24	12/31/24	03/31/25	06/30/25
Return	6.9%	5.1%	-0.1%	2.8%	-0.9%

Asset-Liability Performance Attribution – Solvency

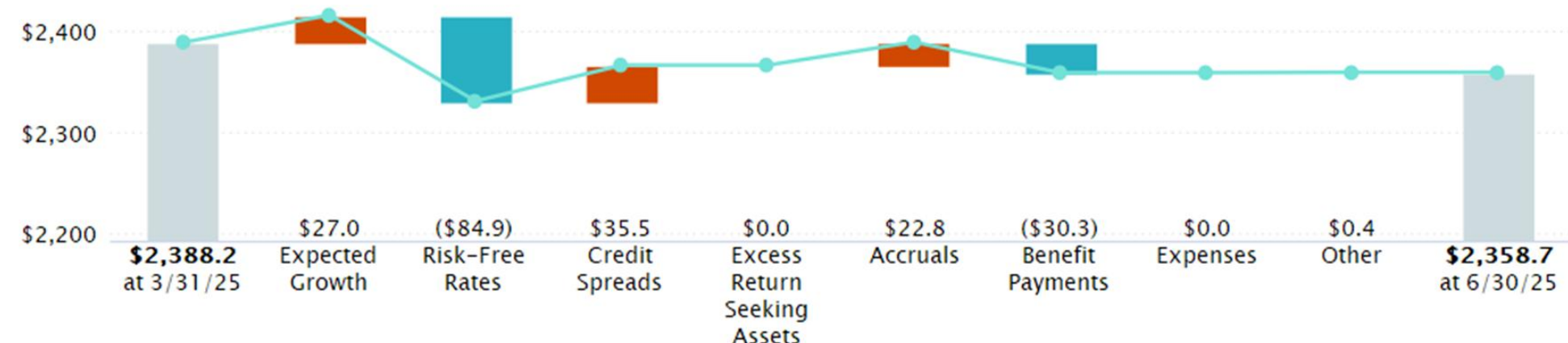
Values in \$1,000,000 (CAD)

Assets



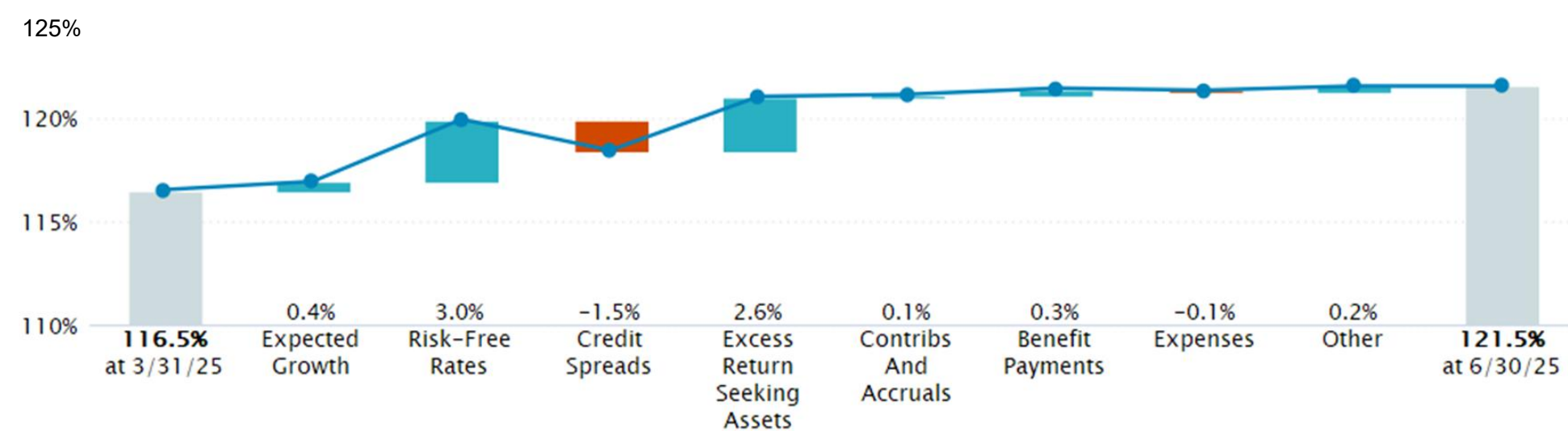
- Overall, assets returned 3.1% during the quarter.
- Return-seeking assets performed higher than expected during the quarter, resulting in a gain of \$61.5 million.
- The University and members made \$30.8 million in contributions during the quarter and the trust paid \$30.3 million in benefits to the participants.
- “Other” includes the impact of active management, and differences between benchmark and actual investment allocations.

Liability



- Liabilities were expected to grow by \$27.0 million due to interest cost during the quarter.
- Risk-free rates used for annuities and commuted values increased, resulting in a net decrease of \$84.9 million, although this was partially offset by changes in prices in the annuity market resulting in an increase of \$35.5 million.
- New benefit accruals increased the liability by \$22.8 million during the quarter and paying Plan benefits decreased the liability by \$30.3 million during the quarter.

Funded Ratio



- The difference in exposure to risk-free rates between assets and liabilities combined with changes in risk-free rates resulted in an increase in solvency ratio of 3.0%.
- The difference in exposure to credit spreads between assets and liabilities combined with changes in credit spreads resulted in a decrease in funded ratio of 1.5%.
- Higher than expected returns on the Plan’s return seeking assets resulted in a 2.6% increase in the Plan’s funding ratio.

Appendix



Plan Provisions & Membership Data



The Plan provisions and membership data are outlined in the Actuarial Valuation as at January 1, 2025.

Actuarial Methods & Assumptions

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

	06/30/24	09/30/24		12/31/24	03/31/25	06/30/25
Going Concern						
Discount Rate	6.00%	6.00%		6.00%	6.00%	6.00%
Inflation	2.00%	2.00%		2.00%	2.00%	2.00%
Salary Increase	4.00%	4.00%		4.00%	4.00%	4.00%
PfAD	9.60%	9.60%		9.60%	10.10%	10.10%
Mortality	CPM2014Public	CPM2014Public		CPM2014Public	CPM2014Public	CPM2014Public
Asset – Interest Rate Sensitivity	1.3	1.3		1.6	1.5	1.5
Liability – Interest Rate Sensitivity	13.4	13.4		13.4	13.4	13.4
Risk-Free Benchmark						
Discount Rate (Net of inflation)	1.99%	1.89%		1.91%	1.77%	2.05%
Liability – Interest Rate Sensitivity	16.3	16.3		16.3	16.3	16.3
Solvency						
Annuity Purchase Interest Rate	4.92%	4.61%		4.72%	4.59%	4.74%
Effective Date of Annuity Purchase Guidance Used	6/30/24	9/30/24		12/31/24	03/31/25	06/30/25
Lump Sum Value Interest Rate (Years 1-10) ¹	4.40%	3.70%		3.90%	3.70%	3.80%
Lump Sum Value Interest Rate (Years 10+) ¹	4.60%	4.60%		4.60%	4.80%	5.00%
Mortality ²	CPM2014	CPM2014		CPM2014	CPM2014	CPM2014
Liability – Interest Rate Sensitivity	12.8	12.8		12.8	12.3	12.3
Underlying Canadian Reference Data						
CANSIM v39054 (7 Year)	3.49%	2.81%		3.07%	2.78%	3.01%
CANSIM v39056 (30 Year Long Term)	3.39%	3.19%		3.33%	3.23%	3.56%
CANSIM v39057 (30 Year Real Return)	1.59%	1.49%		1.51%	1.37%	1.65%
CANSIM v39062 (Over 10 Years)	3.42%	3.11%		3.32%	3.19%	3.54%

¹ 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).

² 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, 2025. 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 June 30, 2025.

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
August 2025

Asset Allocation and Benchmarking

Asset Class	06/30/25
Alternatives	
• FTSE EPRA NAREIT DEVELOPED Total Return Index USD	4.81%
• MSCI USA Infrastructure Index	8.44%
Fixed Income	
• CAN FTSE/TMX Long – CAD (CAD)	26.88%
Equities	
• MSCI World Index	50.72%
• S&P TSX	6.37%
Private Debt	
• SPBDAL – S&P/LSTA Leveraged Loan USD (All Loans) (USD)	2.78%
Total	100.0%

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For Decision**Open Session**

Date of Meeting: October 3, 2025

To: Members, Pension & Benefits Committee

From: Melanie Figueiredo, Governance Officer

RE: **6. Pension**

6.2 Annual Payment to the Ontario Pension Benefit Guarantee Fund**Background:**

Sarah Hadley, Chief Financial Officer, will present the recommendation to pay annual premiums to the Ontario Pension Benefit Guarantee Fee fund (PBGF) from the Pension's assets in years when the Ontario Pension Regulations allow this, as presented in the briefing note.

Members will receive an update on the payment of this fee in the annual update on pension administrative expenses.

Recommendation:

That the Pension & Benefits Committee approve that the annual payment to the Ontario Pension Benefit Guarantee Fee fund (PBGF) be paid from the assets of the University of Waterloo Pension Plan for Faculty and Staff (the "Plan") in years when the Ontario Pension Regulations allow this, as presented.

Documentation Provided:

- Pension Benefit Guarantee Fund Payment Briefing Note

For Decision[Open Session](#)**To:** Pension and Benefits Committee**From:** Sarah Hadley
Chief Financial Officer**Vice President, Administration & Finance****Date of Meeting:** October 3, 2025**Agenda Item:** **6.2 Pension Benefit Guarantee Fund Payment**

Summary

All single-employer defined benefit pension plans are required to pay annual premiums to the Ontario Pension Benefit Guarantee Fee fund (PBGF). This fund provides some protection for the pension benefits of members of single-employer defined benefit pension plans if the plan sponsor becomes insolvent.

The University has paid this annual premium for the University of Waterloo Pension Plan for Faculty and Staff (the "Plan") previously. Aon, the pension actuary, has advised that the Plan is permitted under Ontario Pension Regulations to pay this expense in the current year based on the relevant criteria related to the Plan's funded status. The principle-based approach in place for pension expenses is that the Plan funds its expenses.

In line with this principle-based approach, we are seeking approval to have the annual Ontario PBGF premium for the Plan paid from the Plan's assets in years when the Ontario Pension Regulations allow this.

Financial Impact

The annual PBGF premiums are calculated annually by the pension actuary, based on solvency related factors from the most recent actuarial valuation. Over the past 10 years the annual premium has ranged from \$0.32m to \$3.56m, with the amount being less than \$0.4m in the last 4 years.

The payment can be paid directly from the Plan assets if the Plan has an Available Actuarial Surplus in excess of the required PBGF premium. The Available Actuarial Surplus is the minimum of both the surplus on a going concern basis (including the Provision for Adverse Deviations) and the amount by which the Plan's assets exceed a solvency ratio of 105%.

The annual premium paid for current year, eligible to be paid by the Plan, is \$0.38m.

Funding this amount from the Plan when eligible, in addition to aligning with the principle-based approach in place for pension expenses, supports the University's work on managing its operating expenses to return to a balanced operating budget.

From – October 2025

Consultation and Engagement

Aon has provided guidance on and will advise on years when the premium can be paid from the Plan.

Risk Considerations

The Ontario Pension Regulations ensure that the PBGF premium is only eligible to be paid by the Plan when the Plan is sufficiently well funded.

Alignment with Strategy, Vision, Values

This strategy is consistent with the principle and current practice that the Plan pays for its costs.

Next Steps and Future Considerations

If the recommendation is approved, the Plan will reimburse the University for the PBGF premium paid in September 2025 (\$0.38m) and going forward the Plan will pay this annual premium when it is eligible to do so, with an update on this to the Pension & Benefits Committee in the annual update on pension administrative expenses.

Documentation Provided

None.

For Decision**Open Session**

Date of Meeting: October 3, 2025

To: Members, Pension & Benefits Committee

From: Melanie Figueiredo, Governance Officer

RE: **6. Pension**

6.3 Annual Review of the Statement of Investment Policies and Procedures (SIPP), Fund Implementation Procedures (FIP) and Compliance Report

This recommendation will be put forward to the Pension & Benefits Committee subject to the discussion and recommendations made at the October 3, 2025 Pension Investment Committee meeting.

In accordance with the [terms of reference](#), the Pension Investment Committee is responsible for the review of the Pension's Statement of Investment Policies and Procedures (SIPP) and Fund Implementation Procedures (FIP) annually, and to recommend and amendments to the [Pension & Benefits Committee](#).

Sarah Hadley, Chief Financial Officer, will speak to the recommended updates to the SIPP and FIP. Copies of each document with tracked changes for all proposed revisions have been included in the agenda package. Sarah will also speak to the status on the pension plan's compliance with the SIPP and FIP.

Proposed Amendments to the Responsible Investment Policy (RIP) will be addressed under agenda item 6.4. This item is being presented for review and feedback and will be presented for consideration at the November meeting of the Committee.

Recommendation:

That, on the recommendation of the Pension Investment Committee, the amendments to the Fund Implementation Procedures ("FIP") be approved by the Pension & Benefits Committee; and

That, on the recommendation of the Pension Investment Committee, the Pension & Benefits Committee recommend that the amendments to the Pension's Statement of Investment Policies and Procedures ("SIPP") be approved by the Board of Governors.

Documentation Provided:

- SIPP and FIP Amendments Briefing Note
- Draft SIPP Amendments
- Draft FIP Amendments
- SIPP and FIP Compliance Briefing Note
- Draft RIP Amendments (attached under item 6.4)

For Information**Open Session**

Date of Meeting: October 3, 2025

To: Members, Pension & Benefits Committee
Members, Pension Investment Committee

From: Gen Gauthier-Chalifour, University Secretary

RE: **7. Other Business**

7.1 Committee Restructure – Draft Terms of Reference**Background**

In March 2024, the Pension & Benefits Committee (P&B) and Pension Investment Committee (PIC) received an update with respect to the Board Governance Review and subsequent plans to review and refresh the Board's committee structure and mandates. On March 21, 2025, a further update was provided on initiatives to improve effectiveness of the University's bi-cameral governance system, including continued work to modernize Board committee mandates. Changes to-date have included the creation of the Community & Culture Committee and significant changes to the Governance & Leadership Committee (formerly Governance Committee). Remaining committees of the Board are slated for review during the 2025-26 governance cycle.

It was previously noted that the following principles and considerations are being applied to all Board standing and subcommittees:

- Review committee structure with a view to ensuring appropriate balance between fundamental fiduciary and stewardship responsibilities, and the need for big picture oversight
- Consider the role of internal/elected governors and participation on standing committees (i.e. to provide increased opportunities for internal governor participation)
- Consider a distributed risk framework across all standing committees (i.e. embed risk oversight relative to mandate in committee terms of reference)
- Consider opportunities to streamline committee mandates (e.g. financially focused committees) to create opportunities to recruit a broader set of skillsets to the Board
- Review committee mandates for currency, clarity and effective use of Board time and resources. This includes the undertaking of an environmental scan of U15 comparator institutions to help identify existing gaps and leading practices
- Reflect the University of Waterloo's commitment to leading practices for effective, transparent and accountable governance

The following considerations are specific to Pensions & Benefits Committee, and Pension Investment Committee:

- Refresh committee mandate with specific lens on accountability for pension oversight by retaining the Pension component of the current committee and merge with the Pension Investment Committee
- Membership continues to be drawn from members of the Board of Governors and members of faculty, staff and retirees
- Transfer benefits oversight to an internal committee that continues to include representation from various employee groups

Proposed Draft Terms of Reference: Pension Committee

Enclosed are proposed draft terms of reference including refreshed mandate for the Pension Committee. The draft considers and was reviewed against the following:

- Current mandates for both the Pension & Benefits Committee, and Pension Investment Committee, with a view to streamlining responsibilities
- Language in the Pension Plan Text (Article 15 – Administration)
- Language in the Pension Statement of Investment Policies and Procedures (SIPP) and Pension Fund Implementation Procedures FIP) relative to plan governance
- Similar committees and leading practices at comparator institutions (McMaster, Ottawa, Western and the former committee at the University of Toronto)

NB: A redline version was not practical due to the nature of changes and formatting of the document.

The Committee will be invited to offer comment and feedback on the draft terms of reference, to be taken into consideration along with feedback from the Pension Investment Committee.

In parallel, the draft is being shared with legal counsel for review to ensure compliance with relevant pension legislation and other considerations. Feedback from the committees (PIC and P&B) will be taken under consideration as part of the legal review and a penultimate version will be shared at the committees November meetings for endorsement, and then presented to the Governance & Leadership Committee for recommendation to the Board of Governors.

Preliminary Draft Terms of Reference: Benefits Advisory Committee

Enclosed is a preliminary draft terms of references for a proposed new internal benefits advisory committee. The approach aims to maintain employee representation in benefits-related discussions and recommendations, and reflects the evolution of the University's employee group structure over the past several years.

An opportunity for comment and feedback on the terms of reference will be provided at the meeting.

Documentation Provided

- Draft Terms of Reference – Pension Committee
- Draft Terms of Reference – Benefits Advisory Committee

Benefits Advisory Committee Terms of Reference

Approving Authority:	President and Vice-Chancellor
Original Approval Date:	
Effective Date:	TBD
Date of Most Recent Review:	N/A
Previous Amendments:	N/A

1. Mandate and Authority

The University of Waterloo's Benefits Advisory Committee is advisory to the Vice-President Academic & Provost and Vice-President Administration and Finance with respect to employee benefits.

2. Responsibilities

2.1. Benefits Plan Administration

- 2.1.1. To monitor the benefits plan design through regular updates, understanding trends based on utilization by members.
- 2.1.2. Receive annual renewal analysis supporting changes in budget/premium rates due to changing utilization or other causes, for Extended Health and Dental, as well as Life and Long-Term Disability insurance
- 2.1.3. Being mindful of the financial context in which the University operates, recommend changes through time to:
 - 2.1.3.1. Address feedback from members
 - 2.1.3.2. Maintain comparativeness relative to other universities and major employers
 - 2.1.3.3. Support achievement of budgetary considerations
- 2.1.4. To make policy recommendations relevant to benefits administration, including eligibility criteria and the creation of new categories of employees
- 2.1.5. Review services provided by the benefits consultant and benefits/insurance provider(s) with regular review of the contract and service satisfaction feedback
- 2.1.6. Members shall owe a duty of confidentiality to the committee but shall have the ability to consult from time to time with executive members

of their respective employee groups, as defined in a memorandum of agreement or collective agreement

3. Membership

- 3.1 The Committee shall be comprised of the following members:
- Chief Human Resources Officer
 - Director, Employee Relations and Planning
 - Director, Total Rewards
 - Associate Vice-President, Faculty Planning and Policy
 - President, University of Waterloo Faculty Association (or designate)
 - President, University of Waterloo Staff Association (or designate)
 - President, University of Waterloo Retirees Association (or designate)
 - AFIW Representative
 - President, OPSEU (or designate)
 - President, CUPE Local 793 (or designate)
- 3.2 The Chief Human Resources Officer shall Chair the committee.
- 3.3 Resources may be invited by the Chair to support the Committee from time to time.

4. Meetings and Rules of Order

- 4.1. The Committee will normally meet four times annually. Additional meetings may be held at the call of the Committee Chair.
- 4.2. A quorum for the transaction of business at meetings of the Committee shall consist of a majority of the membership.
- 4.3. It is expected that the Committee will operate in a collegial manner. Where a recommendation is being formulated, it will be based on a majority members present.
- 4.4. The Committee will review its terms of reference one year after the original effective date, and thereafter on a regular basis.

Pension Committee Terms of Reference
DRAFT PROPOSED

Last revised 9/23/25 4:12 PM

Approving Authority:	Board of Governors
Original Approval Date:	DATE
Effective Date:	DATE
Date of Most Recent Review:	N/A
Previous Amendments:	See former Pension & Benefits Committee (decommissioned)

1. Mandate and Authority

The Pension Committee is responsible for oversight of matters affecting the administration of the University of Waterloo Pension Plan ("the Pension Plan") and investment of the Pension Plan assets.

The Committee will also provide oversight for Board policy and risk management and compliance in areas related to its mandate, as directed by the Governance & Leadership Committee and the Audit & Risk Committee.

The Committee is a standing committee of the Board of Governors and is established in accordance with the *University of Waterloo Act, 1972* and Board of Governors Bylaw 1.

2. Responsibilities

2.1. Pension Administration

- 2.1.1. Make and enforce such rules and regulations for the equitable, effective and efficient administration of the Pension Plan under the relevant legislation and regulations and to decide all questions concerning the Pension Plan, including who is eligible to participate.
- 2.1.2. Review and recommend relevant changes to the Pension Plan, being mindful of the financial context in which the University operates.
- 2.1.3. Appoint and monitor a consulting actuary and commission such studies as may be required for the effective administration of the Plan.
- 2.1.4. Review accounts and records showing the detailed operation of the Pension Plan and make an annual report to the Board of Governors.
- 2.1.5. Review and approve, on behalf of the Board of Governors, the annual audited financial statements of the Pension Plan.

Pension Committee Terms of Reference
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2.1.6. Receive at least annually a report on compliance with relevant legislative requirements.

2.2. Pension Investments

2.2.1. Review investment policies respecting assets for the Pension Plan, including the Statement of Investment Policy and Procedures ("SIPP") and the Fund Implementation Procedures ("FIP"), at least annually and recommend changes to the Board of Governors, as required.

2.2.2. Receive reports on compliance with Board-approved investment policies respecting assets for the Pension Plan.

2.2.3. Appoint, review, and replace as necessary external investment managers and consultants for the Pension Plan, and report to the Board of Governors.

2.2.4. Review and approve investment manager mandates.

2.2.5. Monitor the performance of all investment managers and the market conditions for the Pension Plan's investment funds and meet with the investment managers from time to time and at the Committee's discretion.

2.2.6. Review quarterly reports outlining the investment returns of the Pension Plan assets, the performance of the investment managers, the profile of the plan assets with respect to acceptable risk tolerances, asset allocation, and the outlook for meeting the Pension Plan's liabilities.

2.2.7. Approve asset mix changes and investment decisions, in compliance with investment policies. In consultation with the Finance & Investment Committee, make recommendations to the Board with respect to situations of deviation or proposed deviation from the SIPP.

2.3. Reporting and Liaison

2.3.1. The Committee Chair shall meet with the Finance & Investment Committee at least annually to ensure efficiency and effectiveness of investment governance.

3. Membership

3.1. The Committee shall be comprised of the following through appointment by the Board of Governors:

3.1.1. Regular Voting Members

- Four external members who shall normally be members of the Board of Governors (i.e. Community-at-Large or Lieutenant-Governor-in-Council members in any combination)
- Two members appointed by the Faculty Association of the University of Waterloo (FAUW), to be recommended by the association president.
- One member appointed by the University of Waterloo Staff Association (UWSA), to be recommended by the association president.
- One member appointed by the Canadian Union of Public Employees Local 793 (CUPE), to be recommended by the union president.
- One member appointed by OPSEU, to be recommended by the union president.
- One member appointed by the University of Waterloo Retirees Association (UWRA), to be recommended by the association president.
- Up to three non-governor external expert members, appointed by the Board of Governors.

3.1.2. Ex-Officio Voting Members

- Chair, Board of Governors
- President & Vice-Chancellor

3.1.3. Non-Voting Members

- University Secretary or designate
- One member of the Affiliated and Federated Institutions of Waterloo (AFIW), to be jointly recommended by the respective AFIW presidents/principals

3.1.4. The Committee Chair shall be appointed by the Board of Governors from among the external members of the Board.

3.1.5. In considering appointees, the nominating body for all regular voting members shall consider expertise relevant to the committee's mandate (e.g. actuarial, pension, investment). It is expected that all regular voting members of the Committee will have a reasonable level of knowledge of matters related to the Pension Plan, pension matters in general, and investments.

4. Meetings and Rules of Order

4.1. Meeting Frequency

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- 4.1.1. The Committee will normally meet at least four times annually. Additional meetings may be held at the call of the Committee Chair.
- 4.1.2. Meetings of the Committee shall be open to any member of the Pension Plan. Portions of a meeting dealing with confidential financial or personal matters may be held in confidential session, in accordance with Board bylaws and governing documents.

4.2. Quorum

- 4.2.1. A quorum for the transaction of business at meetings of the Committee shall consist of a majority of the regular voting membership, at least four of whom are from among the members of the Board of Governors and external expert members.
- 4.2.2. In the event that a meeting does not achieve quorum, any ex-officio voting members present may be counted as regular voting members for the purposes of establishing quorum.

4.3. Terms of Reference

- 4.3.1. The Committee shall review its terms of reference one year after the original effective date, and thereafter on an annual basis.
- 4.3.2. A comprehensive review shall be undertaken every five years, in accordance with the Board's Committee review schedule.
- 4.3.3. The Committee may recommend amendments to its terms of reference to the Board of Governors at any time. Should any provision of these terms of reference conflict with Board of Governors Bylaw 1, the applicable provision in Bylaw 1 shall prevail.

4.4. Special Provisions

- 4.4.1. Members of the Committee may participate in the benefits under the pension plan provided they are eligible to do so. Except as otherwise provided by the Board of Governors of the University, no member of the Committee shall receive any compensation for services. 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.
- 4.4.2. Members of the Committee bear a fiduciary responsibility to the members of the Pension Plan. In carrying out their responsibilities related to administration of the Pension Plan, members of the Committee shall act with the care, diligence, and skill that a person of ordinary prudence would exercise in dealing with the property of another person.

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Each member of the Committee shall use all relevant knowledge and skill they possess, or, by reason of the member's profession, business or calling, ought to possess.

- 4.4.3. In administering the pension plan neither the Committee, or any member thereof, nor the Board of Governors of the University, or any member thereof, nor the University, or any officer or employee thereof, shall be liable for any acts of omission or commission, except for his/her or its own individual, willful and intentional malfeasance or misfeasance. The University and its officers and directors, and each member of the Committee shall be entitled to rely conclusively on all tables, valuations, certificates, opinions and reports which shall be furnished by any actuary, accountant, trustee, counsel or other expert who shall be employed or engaged by the University or the Committee.
- 4.4.4. Whenever, in the administration of the pension plan, any action by the Committee or the University is required, such action shall be uniform in nature as applied to all persons similarly situated.

For Information**Open Session**

Date of Meeting: October 3, 2025

To: Members, Pension & Benefits Committee

From: Melanie Figueiredo, Governance Officer

RE: **7. Other Business**

7.2 University Pension Plan Update

Jacinda Reitsma and Sarah Hadley will provide an update on the University Pension Plan. A report with additional information can be found attached.

Documentation Provided:

- Update on University Pension Plan Briefing Note

For Information[Open Session](#)

To: Pension & Benefits Committee
From: Michelle Hollis, CHRO & Sarah Hadley, CFO

Pension & Benefits Committee

Date of Meeting: October 3, 2025

Agenda Item: **7.2 Feedback for Next Activities in Exploration of University Pension Plan (UPP)**

Summary

In May 2025, the University held preliminary discussions with employee, retiree, and other stakeholder groups (FAUW, UWSA, CUPE, OPSEU, UWRA, AFIWs, etc.) about an exploration of the University Pension Plan (UPP). In June 2025, we held a pension education session for the Board of Governors that, in addition to general pension education, included an introduction to the UPP and the University exploration of the UPP. We appreciated that members of the Pension & Benefits Committee, the Pension Investment Committee and employee group leadership also joined this June 2025 session.

Overview and Highlights

As a follow-up, we would appreciate your feedback and ideas on engaging the community as we build out the next steps for the UPP exploration activities.

Examples of collaborative exploration activities that we are considering include:

- General information sessions for the campus community to introduce the UPP
- Online feedback form to collect community questions
- Online FAQ to address community questions
- Development of straw model examples for plan member scenarios
- Detailed information sessions for the campus community to review and discuss straw model examples

Consultation and Engagement

Based on feedback received to date, we have engaged AON to support development of content for the information sessions.

Hearing your feedback will also help to inform the initial information sessions for the members.

We look forward to receiving your feedback and ongoing collaboration as we move to the next steps of the exploration.

Next Steps and Future Considerations

Following your feedback, our aim is to move forward with communication introducing the exploration to the broader community, including publishing an initial website that can be built out further as the exploration progresses.

Documentation Provided

None