

2023 Highlights for Members



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We make **WISE** choices to enhance your member experience

Delivering first-class service and focusing on the well-being of our members has been at the heart of our on-going strategy. By applying a people-first approach, we have made considerable improvements in our systems and services to better serve our growing membership. Everything we do at WISE Trust is guided by our values:

Integrity



Being transparent and honest in our decisions and actions

Accountability



Acting responsibly today to provide for the future

Service Excellence



Delivering timely, supportive interactions to members and partners

Inclusivity



Working as a team, respecting perspectives, and sharing ideas

Innovation



Constantly challenging ourselves to reach beyond the status quo

A message from the Board of Trustees



Harry Goslin

Co-Chair of the Board of Trustees

In 2023, we fully onboarded our first Chief Executive Officer, Christopher Brown, and successfully achieved operational independence from WSIB. This marks a pivotal moment in our journey, allowing us greater autonomy to pursue our strategic objectives and optimize our processes. This step towards independence was truly a collaborative effort to integrate the systems needed to effectively transition our Pension Benefits Payment Services and an essential step in enhancing our operational capabilities and delivering superior service to our members.



Grant Walsh

Co-Chair of the Board of Trustees

In 2023, we also welcomed three talented Trustees to the Board. With these Trustee transitions, we have evolved our Board composition and continue to strengthen our collective knowledge, skills, and experience for the benefit of the Plan and our members.

Our reconstituted Board also took the opportunity in 2023 to engage in a long-term strategic planning exercise, creating a vision for our future beyond our start-up phase with independence now achieved. Looking forward, our strategic initiatives will focus on future sustainability of the Plan by enhancing our first-class service, operational efficiency and scale, leading through commitment to governance best practices, and delivering on our pension promise through enhanced fiduciary management while staying people focused. This business strategy will enable us to proactively identify, assess, and mitigate potential risks and/or operational disruptions. This focus allows us to continue navigating the evolving pension landscape with resilience and agility.

Thank you for your continued trust and support. We look forward to achieving new milestones together as we aim to achieve excellence and future sustainability.

Sincerely,

A handwritten signature in black ink, appearing to read "H. Goslin".

Harry Goslin

A handwritten signature in black ink, appearing to read "Grant Walsh".

Grant Walsh

A message from the Chief Executive Officer



Christopher Brown
Chief Executive Officer

I am pleased to share several significant milestones and achievements for WISE Trust over the past year. Our organization has made tremendous progress on its mission to secure the pension promise for our members, demonstrating resilience and strategic foresight.

Despite market fluctuations last year, working with our investment manager, Investment Management Corporation of Ontario (IMCO), the pension fund achieved solid investment performance, producing a net return of 7.9%. This is a testament to our robust investment strategies and the diligent work of our team and our IMCO partners.

In addition to our investment success, we also conducted a “mini” asset liability management (ALM) study, which has helped fine-tune our investment strategy. This proactive approach ensures our investments are aligned with our long-term goals and the current economic landscape.

Our team worked closely with the Board to develop a go-forward strategic business plan for WISE Trust, which encompasses critical areas such as the maturation of our Environmental, Social, and Governance (ESG) and risk management policies. Together, we clearly established our priorities as delivering first-class service, optimizing operations, achieving governance excellence, ensuring prudent administration, and maintaining a strong focus on our people, which align with our values and vision for the future.

Looking ahead to 2024, we are committed to continuing the growth of our business to keep the momentum going. We plan to prioritize key initiatives that will include conducting a comprehensive ALM study to update our strategic asset allocation. Additionally, we will be operationalizing the first year’s objectives of our new strategic business plan and setting the foundation for sustainable success for the future.

Thank you for your ongoing support. Together, we will continue to drive WISE Trust forward, putting our members first and achieving excellence in all that we do.

Sincerely,

A handwritten signature in black ink that reads "Chris Brown". The signature is written in a cursive, flowing style.

Christopher Brown

2023 WISE Trust highlights

Data as of December 31, 2023

\$4.1B net assets

95% funded ratio status as of December 31, 2022¹

\$114M employer contributions

\$42M member contributions

6 participating employers

Investment performance

(Net of investment costs)

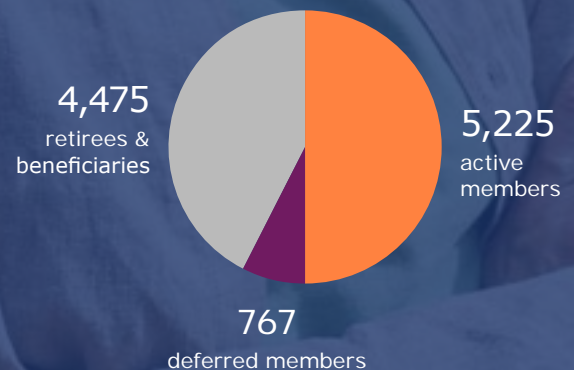
7.9% 1-year return
(8.5% gross return)

3.3% 3-year return
(3.9% gross return)

5.4% 5-year return
(5.8% gross return)

Plan membership

Total: 10,467 members



¹ No actuarial valuation was concluded as at December 31, 2023. The next actuarial valuation as at December 31, 2024 will be prepared and filed with the regulators in 2025.

Investment performance

In 2023, a year defined by market volatility and economic uncertainty, WISE Trust demonstrated its value to members by achieving a 7.9% return on investments (net of investment costs). This strong investment performance compares favourably to peer pension plans and surpassed the benchmark set by Investment Management Corporation of Ontario (IMCO) by 0.1%. Excess performance contribution is attributed predominantly to public equities, global infrastructure, and global real estate holdings. This accomplishment highlights our proactive investment strategy and unwavering focus on delivering long-term value and security benefits for plan members.

Our focus on strategic asset allocation and risk management ensures that we maintain a solid financial footing for our plan members. The WISE Trust investment policy is governed by the Plan's Statement of Investment Policies and Procedures (SIPP) and is reviewed by the Trustees on an annual basis and is also updated as needed². The investment policy is built around three key objectives:

- i. **Funded Position:** maintain a value of the pension fund commensurate with the value of all accrued benefit obligations under the Plan, as measured on a going concern basis;
- ii. **Total Return:** achieve long-term investment returns that meet or exceed rates of return needed to support the sustainability of the Plan over the long-term; and
- iii. **Benchmarking:** employ strategies and invest in portfolios that will generate returns that meet or exceed appropriate benchmarks.

Assets of WISE Trust are invested by a team of investment professionals at IMCO, in accordance with the WISE Trust Strategic Asset Allocation (SAA), the long-term target allocation of fund assets among various asset classes as selected by WISE Trust. The Trustees select the target asset mix based on long-term modelling, and IMCO executes investment tactics using the approved mix. Prudent investment is a fundamental part of the strategy that will help us to deliver on our pension promise to you while ensuring the Plan remains sustainable now and into the future. This is demonstrated by the excess returns versus the benchmark for the time periods on the following page.

² The February 1, 2024 Statement of Investment Policies and Procedures (SIPP) includes the benchmarks currently used by the Trustees for measuring the performance of the various asset classes managed by IMCO.

Gross rates of return for period ending December 31, 2023

	1 year	3 year	5 year	10 year
Fund Return³	8.5%	3.9%	5.8%	6.1%
Benchmark	7.9%	3.4%	5.7%	5.9%
Excess Return vs Benchmark	0.6%	0.5%	0.1%	0.2%

³ Figures are gross of fees.

Also in 2023, WISE Trust continued to work with its independent investment advisor and IMCO on formulating a framework around its sustainable investment strategy. This included reviewing WISE Trust's beliefs with respect to Environmental, Social and Governance (ESG) factors and comparing alignment with IMCO's beliefs. While our ESG beliefs are well aligned, our focus for this year is to continue to develop our ESG policy and ESG monitoring framework in collaboration with IMCO.

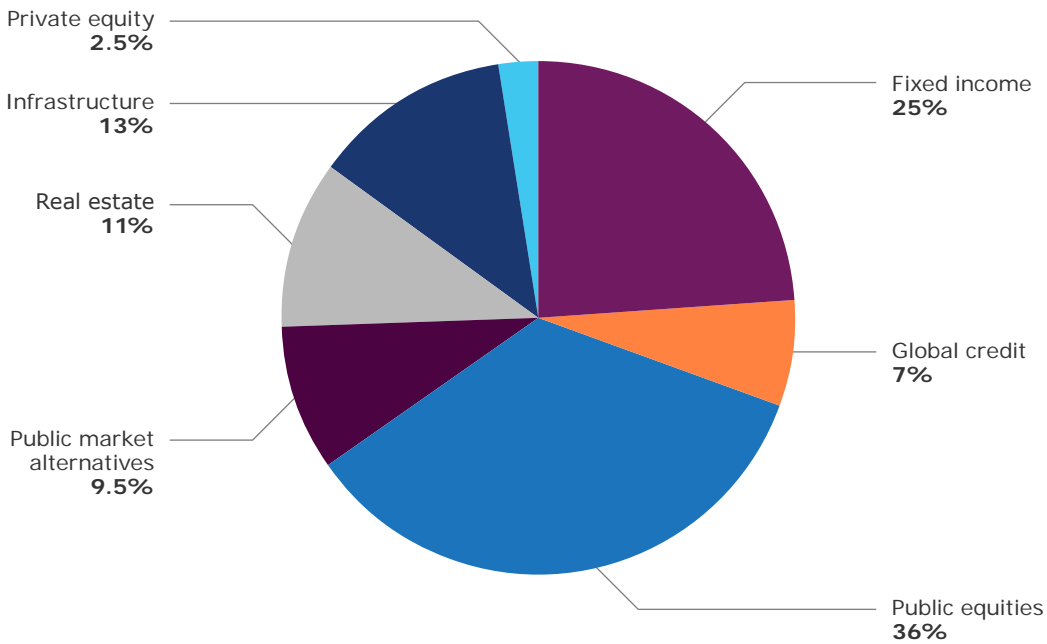
Asset mix

WISE Trust is currently transitioning the investment portfolio towards our long-term Strategic Asset Allocation (SAA), our long-term target allocation of fund assets among various asset classes. While the SAA was implemented in 2022, due to private market investments within the pension fund's investment holdings, it is expected to take about five years to reach its targeted asset allocation. In spreading out the transition over a reasonable time period, the Plan also benefits from dollar cost averaging. As of December 31, 2023, the actual asset allocation exposures across all investment strategies were aligned very closely with the SIPP's intended interim asset allocation target for January 1, 2024.

WISE Trust also continues to use total portfolio leverage as part of its investment strategy. Like many large pension plans, WISE Trust uses leverage as a tool to maintain desired exposure to risk-reducing (i.e. liability-matching) assets (such as bonds) without having to reduce its desired exposure to higher returning assets like equities and real assets. As of December 31, 2023, this strategy represented 4% of the total net assets of WISE Trust.

In 2023, we also saw IMCO successfully implement two new investment pools: the Global Credit Pool in June and the Private Equity Pool in December. Pooling enables IMCO to secure benefits for its clients in terms of negotiating lower fees, achieving better asset diversification, and spreading risk considerations.

WISE Trust's net assets were \$4.1 billion as of December 31, 2023, with an actual asset mix exposure of:



The following table contrasts the January 1, 2024, actual exposures with the ones intended for January 1, 2027.

Asset Class/Strategy	Actual as of January 1, 2024	Long Term Target
Fixed Income	25%	25%
Cash and Money Market	1%	1%
Government Bonds	24%	24%
Global Credit	7%	10%
Public Equities	36%	30%
Canadian Equities	5%	4.5%
Global Equities	27%	22.5%
Emerging Market Equities	4%	3%
Public Market Alternatives	9.5%	10%
Real Estate	11%	15%
Infrastructure	13%	15%
Private Equity	2.5%	5%
Total Portfolio Leverage	-4%	-10%
Total Assets	100%	100%

Looking towards the future, WISE Trust is eager to see the implementation of IMCO's final private pool, for real estate investments, later this year. Even though IMCO already manages WISE Trust's real estate investments in segregated accounts, the pool will provide additional diversification of real estate holdings, thereby reducing overall investment risk, and increasing economies of scale.

WISE Trust will also conduct an asset liability management (ALM) study in 2024. Financial markets are dynamic, and changes in interest rates, inflation, and market volatility can impact the performance of assets and liabilities. Updating the previous ALM study conducted in 2021 ensures the pension plan's strategies are aligned with current and anticipated market conditions. This ALM study will also assist WISE Trust in determining whether a refresh of its SAA is warranted.

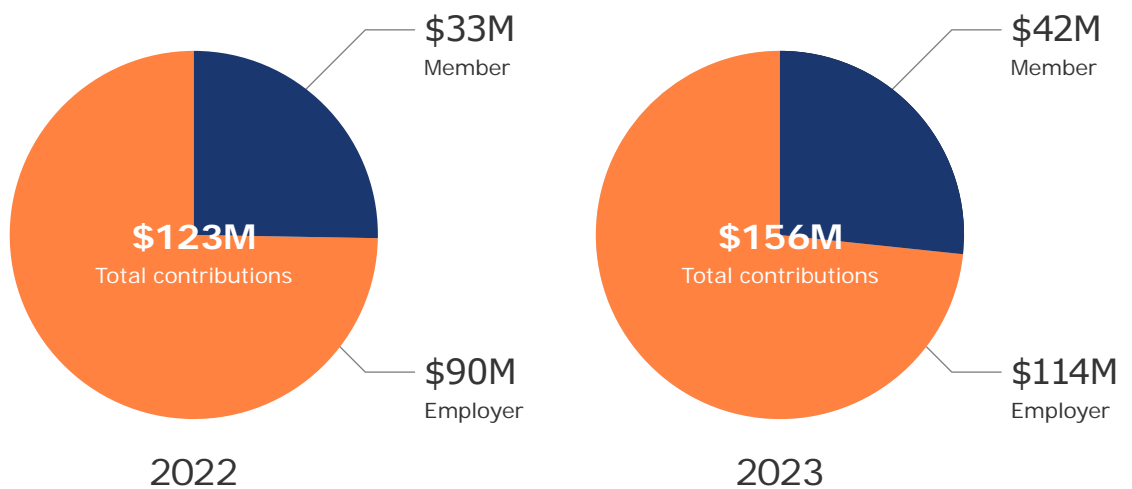
Financial performance

Learn about the Plan's financial performance in 2023.

Contributions

Contribution requirements are established as part of the actuarial valuation in accordance with the Pension Benefits Act (Ontario), the Funding Policy, and the Sponsors Agreement.

Total employer and member contributions

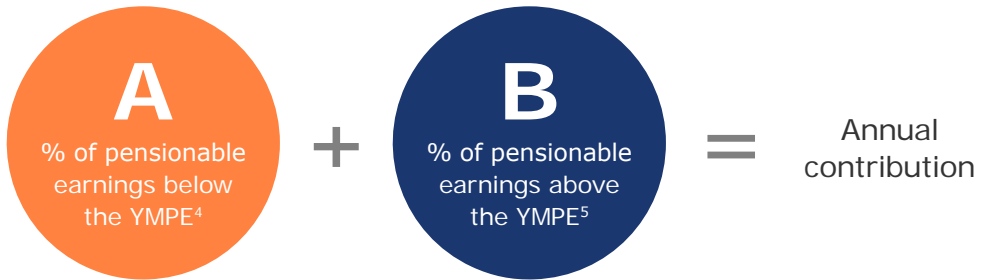


Employer normal cost contributions were 260.8% of member contributions from January 1, 2023 to June 30, 2023 and 234.5% of member contributions from July 1, 2023 to December 31, 2023, both as determined in the valuation report as of December 31, 2021.

In 2023, total member contributions increased slightly compared to 2022, mainly due to the member contribution rate increase effective as of July 1, 2023.

Member contribution formula

Member contributions are calculated based on the following formula:



Effective date	A	B	Estimated blended rate, as % of average pensionable earnings ⁶
July 1, 2020	5.8%	7.6%	6.5%
July 1, 2021	6.4%	8.2%	7.0%
July 1, 2022	7.0%	8.8%	7.6%
July 1, 2023	7.6%	9.4%	8.2%
July 1, 2024	8.2%	10.0%	8.8%
July 1, 2025 and beyond	(A) and (B) are increased by 0.6% of pensionable earnings per year until the 50/50 employer-member cost-sharing ratio is reached		

⁴ Year's Maximum Pensionable Earnings (YMPE).

⁵ Up to the earnings threshold corresponding to the defined benefit pension accrual limit under the Income Tax Act.

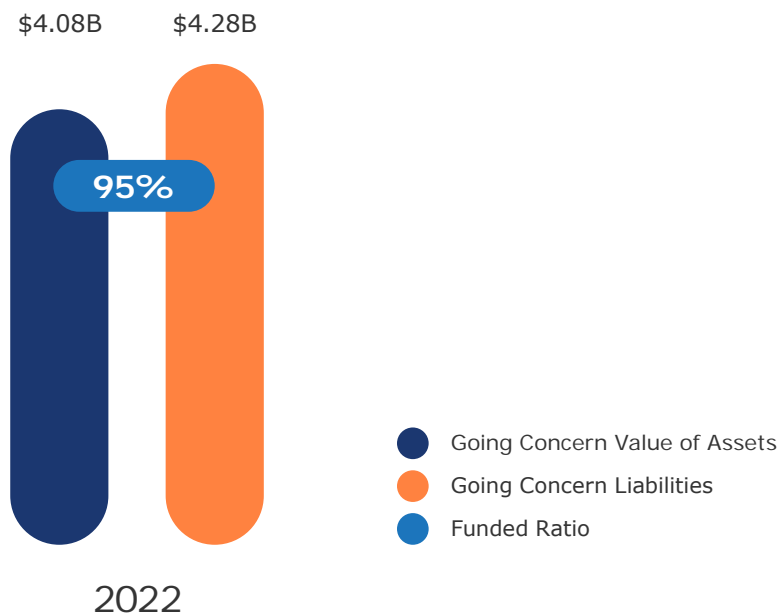
⁶ The blended rate is an estimate of what the total member contribution rate will be, as a percentage of pensionable earnings as at December 31, 2023. For an example of the pension contribution calculation, visit wisetrust.ca.



Funded Ratio

The Funded Ratio is the percentage of the Plan's liabilities that are supported by the Plan's assets. It is determined by the going concern actuarial valuation prepared by WISE Trust's external actuary, WTW. The valuation is based on long-term actuarial assumptions and the expectation that the Plan will continue indefinitely.

The Pension Benefits Act (Ontario) requires that a full actuarial valuation, which includes the funded ratio calculation, be conducted and filed with the regulator at least once every three years. The most recent valuation conducted to monitor the Plan's funded status was prepared as at December 31, 2022. No actuarial valuation was concluded as at December 31, 2023. The next actuarial valuation as at December 31, 2024 will be prepared and filed with the regulators in 2025.



Membership highlights

Changes in membership

The table below summarizes the changes in membership during 2023 and the typical profile by membership category as of December 31, 2023.

	Active members	Retirees and beneficiaries	Deferred members	Total
Members as of December 31, 2022	5,144	4,367	769	10,280
New members/Rehires	421			421
Terminations (settlement/transfer)	(108)		(59)	(167)
Terminations (deferred)	(95)		95	
Retirement	(133)	168	(35)	
Passed away	(3)	(108)	(3)	(114)
New beneficiaries		47		47
Data correction	(1)	1		
Net change	81	108	(2)	187
Members as of December 31, 2023	5,225	4,475	767	10,467



⁷ In respect of the 1,212 pensioners receiving a temporary pension to age 65.

⁸ Includes 763 former members and 4 terminated members with pension benefits pending payout at December 31, 2023.

⁹ In respect of the 741 deferred members with a temporary pension until age 65.

Governance

Board of Trustees

The Trustees focus on the mission of delivering on the defined benefit pension promise to you. The Trustees are ethically and legally required to act in the best interest of all Plan members. There are eight trustees: four are appointed by the WSIB and four are appointed by the Ontario Compensation Employees Union (OCEU).

As a part of our 2024-2028 Strategic Plan, we will build on our roles and responsibilities and strengthen stakeholder and sponsor relations.



Harry Goslin

Co-Chair of the Board of Trustees,
Co-Chair of the Governance and HR Committee
Appointment effective until September 2026



Grant Walsh

Co-Chair of the Board of Trustees,
Co-Chair of the Governance and HR Committee
Appointment effective until January 2026



Tony Dinardo

Trustee
Appointment effective until September 2026



Martha Fell

Trustee, Chair of the Asset and Liability
Management Committee
Appointment effective until December 2026



Michael Kainer

Trustee, Chair of the Plan Administration Committee
Appointment effective until September 2025



Tony Maccarone

Trustee
Appointment effective until September 2025



Reagan Ruslim

Trustee, Chair of the Audit and Finance Committee
Appointment effective until February 2027



Bruce Smith

Trustee
Appointment effective until September 2025

The Board of Trustees completes its duties with the help of four committees that report to the Trustees and only have the authority that has specifically been delegated to them through their Terms of Reference. WISE Trust’s Chief Executive Officer assumes the day-to-day responsibility for overall leadership and management of the Plan.

Committees

Asset and Liability Management Committee: Responsible for the review and oversight of the Statement of Investment Policies and Procedures (SIPP), the asset liability management (ALM) study process, engagement of plan actuary and actuarial valuations, and all strategic and operational processes related to the investment and funding of the plan.

Committee Members: Martha Fell (Committee Chair), Tony Dinardo, Reagan Ruslim, Tony Maccarone, Harry Goslin, Grant Walsh

Audit and Finance Committee: Responsible for financial reporting, external and internal audit, internal controls, enterprise risk management, custodian oversight, privacy and information management, information technology, compliance monitoring and insurance. The Committee also assists management with annual business and financial plans.

Committee Members: Reagan Ruslim (Committee Chair), Tony Dinardo, Bruce Smith, Tony Maccarone, Harry Goslin, Grant Walsh

Governance and HR Committee: Responsible for plan governance, strategy oversight, the Agency Agreement with WSIB, litigation and engagement of outside legal counsel, stakeholder relations, and human resources.

Committee Members: Grant Walsh (Committee Co-Chair), Harry Goslin (Committee Co-Chair), Michael Kainer, Bruce Smith

Plan Administration Committee: Responsible for matters related to the administration of the Plan and members' benefits, including compliance with relevant policies, mandates, plan design recommendations, and applicable laws; and benefit decisions appeals.

Committee Members: Michael Kainer (Committee Chair), Martha Fell, Harry Goslin, Grant Walsh

Pension Advisory Committee

The Pension Advisory Committee (PAC) convened in 2023 and is a non-voting advisory committee having representation from Plan members. The PAC's role is to monitor the administration of the pension plan, make recommendations to the Board of Trustees, and promote awareness and understanding of the Plan amongst members.

Committee Members:

Chair: Carlo Augimeri

Secretary: Elizabeth Harris

Retirees/deferred members: Elizabeth Harris, Len Brown

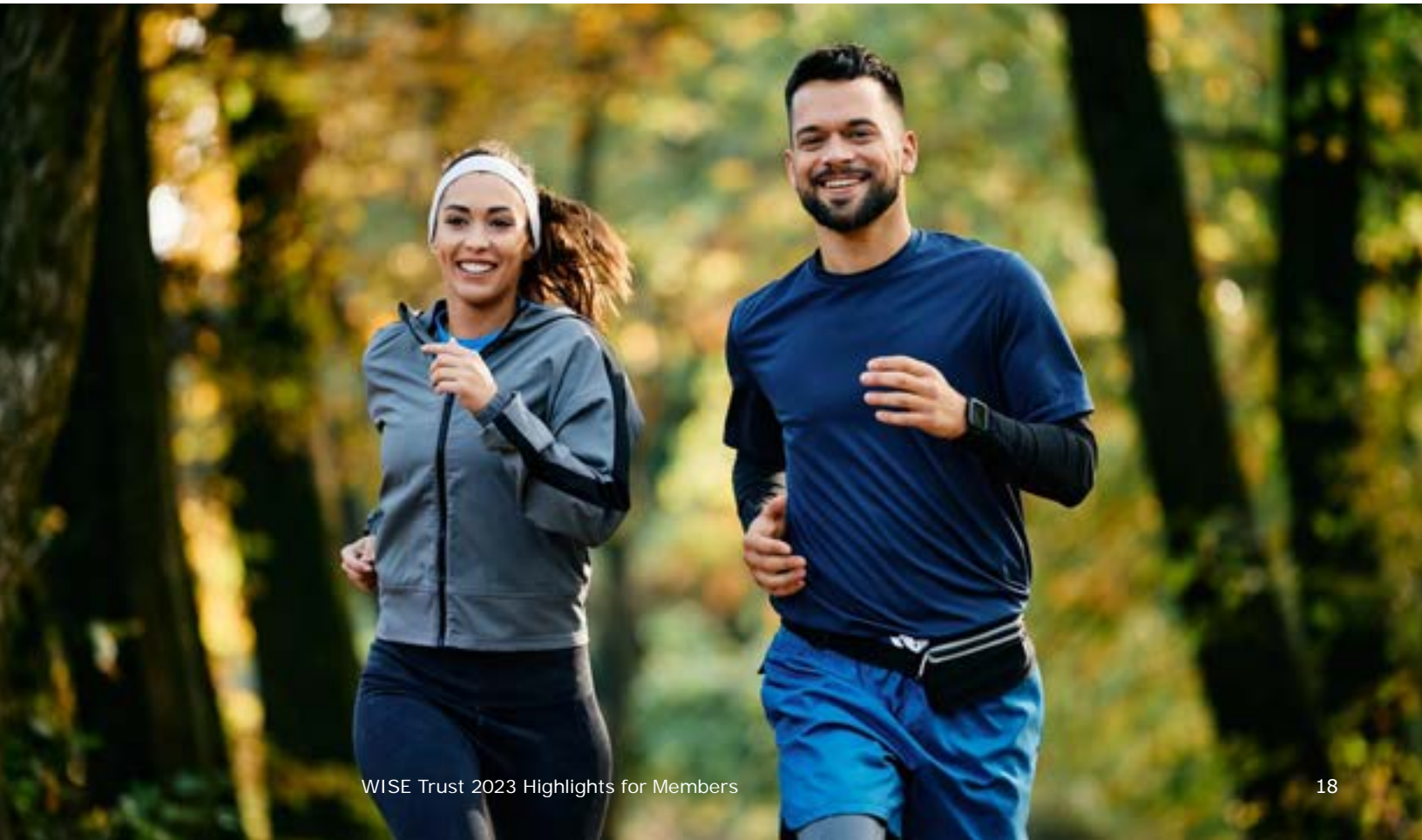
WSIB non-bargaining employees: Robert Alvarez, Carlo Augimeri

Safe Workplace Association (SWA) non-bargaining employees: Kristy Cork

WSIB bargaining unit employees: April Leblanc, Dave Peddle, Nicole Francis

IHSA bargaining unit employees: Peter Vi

PSHSA, WSN bargaining unit employees: Brandi Cramer



Charting the course towards a sustainable future!

After launching our first Strategic Plan in 2022 and supporting a huge milestone of transitioning to independence in 2023, WISE Trust is continuing to focus its priorities on committing to the ongoing growth of our member satisfaction. By providing first-class service, optimized operations, governance excellence, prudent administration and staying people focused, we are actively working towards a sustainable future. These pillars will lead to the development and formulation of a highly engaged team and deepen the relationship with our stakeholders to prioritize our funding target achievements. Additionally, the implementation of efficient core business and governance structures within the organization will further support long-term growth.

By staying aligned and dedicated to the continuous review of our strategy, we stay true to our mission to deliver on our pension promise now and long into the future.

Deliver first-class service to members, while prudently managing risks and costs, to ensure our pension promise and a sustainable organization.



Member survey

In 2023 we successfully launched our first member survey allowing us to gather insights and perspectives from you, our valued members. This comprehensive survey was a collaborative effort, jointly designed by the teams from WISE Trust and Fuse Strategy (our strategic planning advisors), with input from Mercer on Environmental, Social, and Governance (ESG) topics. The survey participation represented more than 10% of our member base, both active and inactive, which captures a significant snapshot of our members' views and experiences. This feedback will continue to help shape our future initiatives and improve our services.

Looking ahead, we are planning another survey in the summer of 2024. This will provide you with another opportunity to help us enhance our engagement activities by continuing to gather member feedback to ensure our efforts align with your needs and expectations.

Thank you to everyone who participated in the survey. Your input is essential in helping us grow and serve you better. Stay tuned for more updates and opportunities to share your thoughts!



Service excellence

WISE Trust Pension Contact Centre

Have specific questions about your pension? Call the WISE Trust Pension Contact Centre 1-855-242-1526 (or if calling from outside of North America 678-932-4144) or visit [My Pension Resource](#).

My Pension Resource

Access your pension information anywhere, anytime, by logging into [My Pension Resource](#) through [wisetrust.ca](https://www.wisetrust.ca). An updated Guidebook is also available under Plan Information. For active members you can request a quote to purchase pensionable service, estimate your pension, initiate your retirement, and more. For retirees you can update your personal or banking information. For deferred members, you can estimate your pension, initiate your retirement, and update your personal information.



Member services report card

WISE Trust Pension Contact Centre

31,134 minutes on the phone with members

5,253 calls answered

3,849 calls to members

16 sec. average call wait time

5 min. 8 sec. average time per call

95% of questions resolved on the first call

My Pension Resource

1,719 secure messages sent via the message centre

6,748 unique logins

17,613 pension estimates

Data as of December 31, 2023