



# 2021 Highlights for Members





# Contents

A message from the Board of Trustees	/ 04
A message from the Chief Pension Officer	/ 06
2021 WISE Trust highlights	/ 08
Financial performance	/ 09
Contributions	/ 10
Member contribution formula	/ 11
Investment performance	/ 12
Membership highlights	/ 15
Governance	/ 16
Looking towards the future	/ 20
Service excellence	/ 21



# For today, and the future

For the people of Ontario you support.

For the pride you take in your work.

For the loved ones you do this for.

For the life after work you want.

The world around us is constantly changing, but our promise to you remains the same. You can count on your WISE Trust pension to deliver the defined benefit pension promise.

We'll be here working toward the Plan's continued health long into the future.



# A message from the Board of Trustees

As the administrator and governing body of the WSIB Employees' Pension Plan, ("the Plan"), the WISE Trust Board of Trustees has a fiduciary duty to the Plan's members and are responsible for the prudent administration and investment of the Plan and its assets. The Trustees are well positioned to fulfill this responsibility, as they collectively represent a wide range of experience, including expertise in pensions, law, finance and investments.

The purpose of this publication is to provide a snapshot of your pension, and the work undertaken at WISE Trust to administer the Plan in the best interest of its members.

On July 1, 2021, the Board of Trustees completed our first full year of administering the Plan, following the conversion of the Plan from a single employer pension plan (SEPP) to a jointly sponsored pension plan (JSPP) model on July 1, 2020. During that time, we have focused on meeting our fiduciary duties to pension plan members while building the operational infrastructure – people, processes, and technology – necessary for a stand-alone pension plan organization.

We spent a good part of 2021 reviewing our investments and potential funding outcomes. This has been particularly important as the global economy continues to be impacted by the ongoing COVID-19 pandemic, resulting in unpredictable market behaviour and uncertain returns on investments. Despite these challenges, we are pleased with the Plan's strong performance in 2021. The net rate of return was 11.2% and the Plan's funded ratio, a key indicator of the Plan's health, was 100% on a going concern basis.<sup>1</sup> We continue to proactively monitor and update our investment policy and funding policy to mitigate future risk.

<sup>1</sup> The last filed actuarial valuation was prepared as of the conversion date, July 1, 2020. The December 31, 2021 actuarial valuation has not been filed with the applicable regulators and is used by WISE Trust to monitor the Plan's funded status. Contributions to the Plan are based upon the last actuarial valuation filed with the regulators.

In 2021, the Trustees worked in partnership with our investment manager, the Investment Management Corporation of Ontario (IMCO), and our independent investment advisor to conduct an Asset Liability Study. This study modelled a wide range of potential funding outcomes and contribution rates and examined how various changes in our asset allocation mix could further improve the Plan's outcomes. As a result, a new long-term Strategic Asset Allocation was approved and will be implemented on an incremental basis over the next five years. We will continue to leverage the support and advice of external advisors to optimize our ability to meet our funding goals and minimize contribution volatility for both Plan members and participating employers.

As we are always looking to the future, we are proud to have launched our first Strategic Plan, which will provide long-term strategic direction and areas of focus for WISE Trust from 2022 to 2025. The Strategic Plan identifies key objectives and provides a framework to help us achieve our vision to evolve our pension plan and find new ways to strengthen our pension promise.

Our members can always count on the Board of Trustees' unwavering commitment to your WISE Trust pension as we work together to strengthen the Plan and deliver on our defined benefit pension promise now and into the future.



**Wayne Gladstone**  
Co-Chair of the  
Board of Trustees



**Harry Goslin**  
Co-Chair of the  
Board of Trustees

# A message from the Chief Pension Officer

2021 was another remarkable year of progress for WISE Trust as we marked our first full calendar year of operations on July 1, 2021. Much like the previous year, 2021 was a year of growth as we continued to build the foundation for our new, independent pension plan organization.

Our team continued to adapt and overcome the unique challenges posed by the ongoing COVID-19 pandemic. In 2021, our workforce remained fully virtual, navigating the challenges, and leveraging the opportunities that the new virtual work world has to offer. We onboarded new, and much-needed, talent to support both our day-to-day operations and special project initiatives.

The WSIB continued to support the smooth transition of the Plan's administration by providing certain services on a time-limited basis. These services will transition to WISE Trust as we develop processes, build organizational infrastructure, and hire the resources to manage this work effectively and efficiently.

Over 2021, we accomplished many foundational items supporting our efforts to deliver on the defined benefit pension promise as a stand-alone pension plan organization, including:

- Engaged an independent investment advisor to support our ongoing partnership with our investment manager, IMCO.
- Established a new Strategic Asset Allocation for investing the pension fund to achieve the Plan's funding objectives.
- Set goals to support defined funding levels and minimize contribution volatility.
- Developed an inaugural Strategic Plan covering years 2022 through 2025, with a focus on enhancing member service and plan sustainability.
- Purchased financial software system to support efficient operations and service delivery excellence.

- Successfully transitioned a team of pension administration and communications experts from WSIB to WISE Trust.
- Delivered member services through new avenues including our newly launched website, wisetrust.ca, our first annual pension statements, and well-attended virtual retirement and financial wellness education sessions.
- Launched our WISE Trust LinkedIn page to grow our digital presence and engage with members and future employees.
- Validated our functional workplan to ensure that we are developing an efficient and fit-for-purpose organizational infrastructure that is well suited for a stand-alone pension plan.
- Recruited new team members and continued our work to build a workplace culture that aligns with WISE Trust's core values: integrity, accountability, service excellence, inclusivity, and innovation.

I would like to thank the WISE Trust team for continuing to overcome the challenges that virtual work in a new organization presents. I would also like to thank the Board of Trustees for their confidence and support in our team.

I am very proud to lead an organization that is united by our commitment to our members and that stays true to our core values. I look forward to another successful year ahead in 2022.



**Susan Kay-Dunn**  
Chief Pension Officer  
and Plan Manager

# 2021 WISE Trust highlights

Data as of December 31, 2021

**\$4.2B** net assets  
**100%** funded ratio  
**\$88M** employer contributions  
**\$30M** member contributions  
**6** participating employers

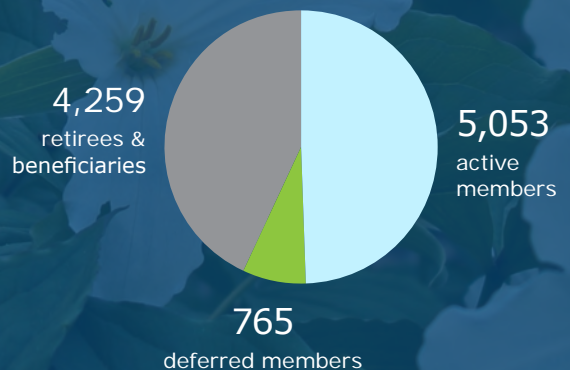
## Investment performance

(Gross of Investment Costs)

**11.8%** 1-year return  
(11.2% net return)  
**9.7%** 3-year return  
**7.7%** 5-year return

## Plan Membership

Total: 10,077 members





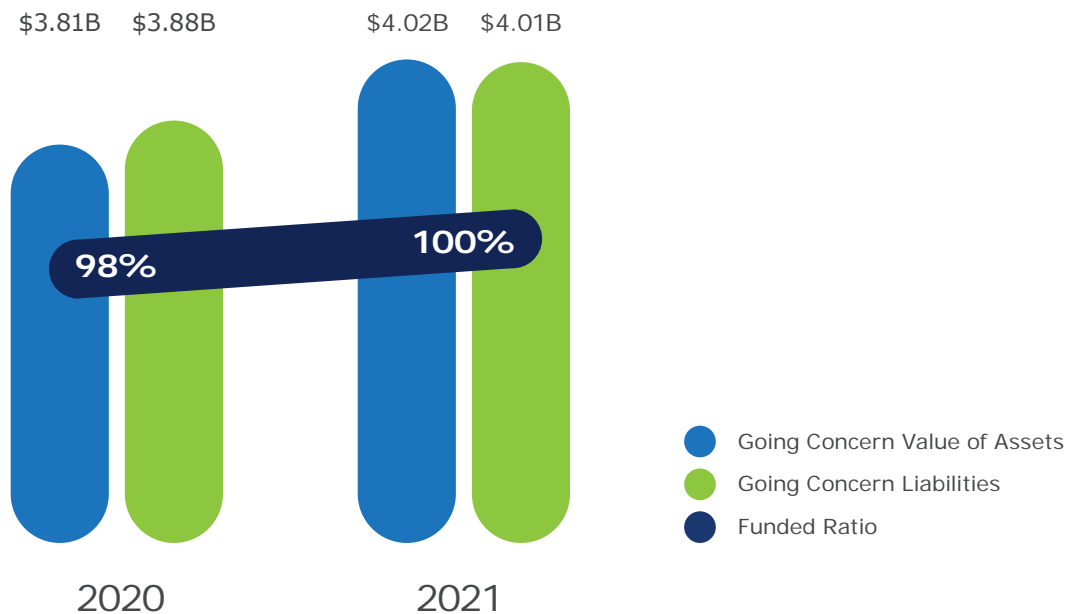
# Financial performance

Learn about the Plan's financial performance in 2021.

## 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 following table shows that as of December 31, 2021, the Funded Ratio is 100%,<sup>2</sup> compared to 98% at December 31, 2020.



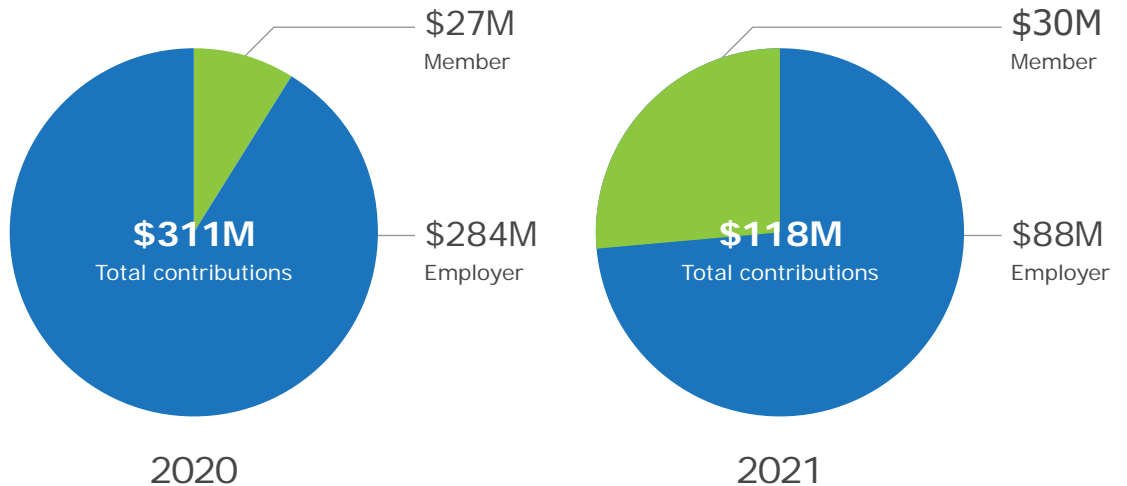
As we look towards the future, our 2022-2025 Strategic Plan works towards implementing a framework to guide decisions on establishing a discount rate and a regular schedule for asset and liability studies.

<sup>2</sup> The last filed actuarial valuation was prepared as of the conversion date, July 1, 2020. The December 31, 2021 actuarial valuation has not been filed with the applicable regulators and is used by WISE Trust to monitor the Plan's funded status. Contributions to the Plan are based upon the last actuarial valuation filed with the regulators.

# Contributions

Contribution requirements are established as part of the actuarial valuation in accordance with the Pension Benefits Act (Ontario).

## Total employer and member contributions



Employer normal cost contributions were 250.8% of member contributions from July 1, 2020, to June 30, 2021 and 256.9% of member contributions from July 1, 2021 to June 30, 2022, both as determined in the valuation report as of July 1, 2020.

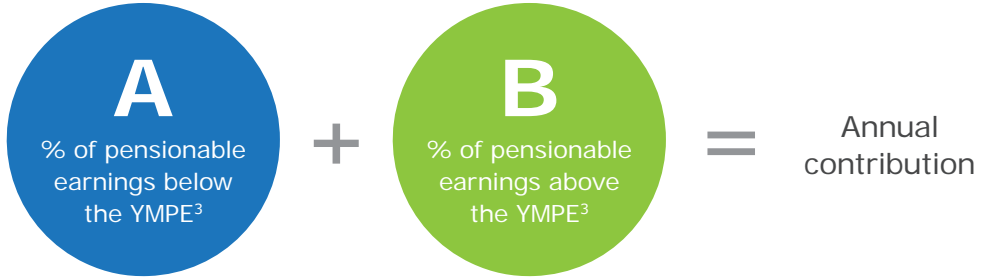
In 2020, total employer contributions included a significant one-time special payment made by WSIB to eliminate the going concern unfunded liabilities as of the conversion date of July 1, 2020.

In 2021, total member contributions increased slightly compared to 2020, mainly due to the member contribution rate increase effective as of July 1, 2021.



# Member contribution formula

Member contributions are calculated based on the following formula:



Effective date	<b>A</b>	<b>B</b>	Estimated blended rate, as % of average pensionable earnings <sup>4</sup>
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 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		

<sup>3</sup> Year's Maximum Pensionable Earnings (YMPE)

<sup>4</sup> Based on average pensionable earnings as at December 31, 2021. For an example of the pension contribution calculation, visit [wisetrust.ca](http://wisetrust.ca).



# Investment performance



The WISE Trust investment policy is governed by the Plan's Statement of Investment Policies and Procedures (SIPP) and reviewed on an annual basis. A revision to the SIPP was made effective January 1, 2022, and 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 the Investment Management Corporation of Ontario (IMCO) in accordance with WISE Trust's Strategic Asset Allocation. Prudent investment is a fundamental part of the strategy that will help us to deliver our pension promise to you while ensuring the Plan remains sustainable now and into the future.

In 2021, we joined the Responsible Investment Association (RIA). The RIA promotes the broader scope of responsible investing, which incorporates environmental, social and governance (ESG) issues into the selection and management of investments.



## Gross Rates of Return for Period Ending December 31, 2021

	1 year	3 year	5 year	10 year
<b>Fund Return<sup>5</sup></b>	<b>11.8%</b>	<b>9.7%</b>	<b>7.7%</b>	<b>8.4%</b>
Benchmark	10.5%	9.6%	7.5%	8.0%
Excess Return vs Benchmark	1.3%	0.1%	0.2%	0.4%

<sup>5</sup> Figures are gross of fees.

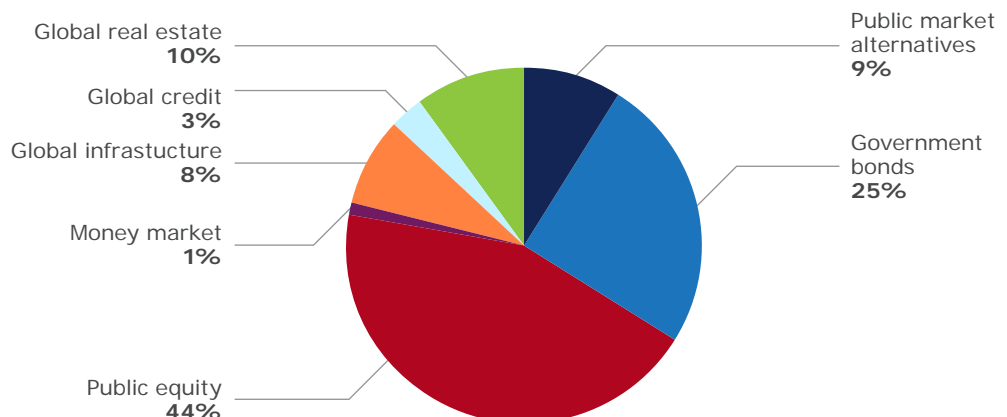
These returns exceeded the expected returns from the previous actuarial valuation and accordingly contributed to the improvement in the Plan's financial position.

In 2021, the net return was 11.2% and exceeded the benchmark selected by IMCO by 0.7%. The January 1, 2022 SIPP includes the benchmarks currently used by the Trustees for measuring the performance of the various asset classes managed by IMCO.

### Asset mix

A key activity in 2021 was completing an asset-liability study and selecting a new Strategic Asset Allocation for implementation starting in 2022. To develop the new Strategic Asset Allocation, we worked with IMCO who prepared an extensive analysis to assist WISE Trust with developing a deeper understanding of the current market environment and the implications of different asset mixes. In March 2021, Mercer was onboarded as our independent investment advisor to provide support for the review of the asset-liability study findings and to help us finalize the new Strategic Asset Allocation.

WISE Trust's net assets were \$4.2 billion as of December 31, 2021, with an actual asset mix exposure of:



The actual asset allocation exposures aligned very closely with the intended allocations for January 1, 2022. Given the nature of private market investments, the new Strategic Asset Allocation is expected to take five years to implement. The following table contrasts the January 1, 2022, actual exposures with the ones intended for January 1, 2027.

Asset Class/Strategy	Actual January 1, 2022	Long Term Target
Fixed Income	26%	25%
<i>Cash and Money Market</i>	1%	1%
<i>Government Bonds</i>	25%	24%
Global Credit	3%	10%
Public Equities	44%	30%
<i>Canadian Equities</i>	8%	4.5%
<i>Global Equities</i>	32%	22.5%
<i>Emerging Market Equities</i>	4%	3%
Public Market Alternatives	9%	10%
Real Estate	10%	15%
Infrastructure	8%	15%
Private Equity	-	5%
<b>Total</b>	<b>100%</b>	<b>110%<sup>6</sup></b>

As we look towards the future, our 2022-2025 Strategic Plan will have a focus on investment governance and performance monitoring. We will work with our independent investment advisor and IMCO to establish a framework for monitoring investment performance and fees, and a basis of benchmarking fees and returns. We are also establishing our philosophy around integrating ESG considerations into WISE Trust's investment policy.

<sup>6</sup> Like many large pension plans, WISE Trust will begin using leverage as a strategic 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.

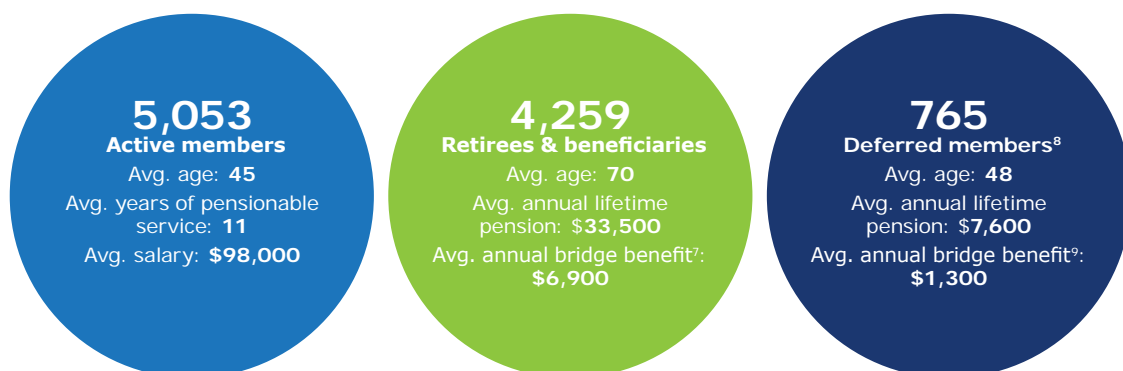


# Membership highlights

## Changes in membership

The table below summarizes the changes in the membership during 2021, as well as the typical profile by membership category as of December 31, 2021.

	Active members	Retirees and beneficiaries	Deferred members	Total
<b>Members as of December 31, 2020</b>	<b>4,852</b>	<b>4,200</b>	<b>722</b>	<b>9,774</b>
New members/Rehires	481			481
Terminations (settlement/transfer)	(87)		(34)	(121)
Terminations (deferred)	(103)		103	
Retirement	(85)	108	(23)	
Passed away	(5)	(73)	(4)	(82)
New beneficiaries		26		26
Data correction		(2)	1	(1)
Net change	201	59	43	303
<b>Members as of December 31, 2021</b>	<b>5,053</b>	<b>4,259</b>	<b>765</b>	<b>10,077</b>



<sup>7</sup> In respect of the 1,369 pensioners receiving a temporary pension to age 65.

<sup>8</sup> Includes 761 former members and 4 terminated members with pension benefits pending payout at December 31, 2021.

<sup>9</sup> In respect of the 737 deferred members with a temporary pension until age 65.

# Governance

## Board of Trustees

The Trustees focus on meeting 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 2022-2025 Strategic Plan, we will build on our roles and responsibilities and strengthen stakeholder and sponsor relations.



**Wayne Gladstone**

Co-Chair of the Board of Trustees,  
Co-Chair of the Governance and HR Committee  
[Appointment effective until September 2022](#)



**Harry Goslin**

Co-Chair of the Board of Trustees,  
Co-Chair of the Governance and HR Committee  
[Appointment effective until September 2024](#)



**Susannah Crabtree**

Trustee, Chair of the Asset and Liability  
Management Committee  
[Appointment effective until September 2024](#)



**Tony Dinardo**

Trustee  
[Appointment effective until September 2022](#)



**Peter Jarvis**

Trustee

Appointment effective until September 2022



**Michael Kainer**

Trustee, Chair of the Plan Administration Committee

Appointment effective until September 2023



**Tony Maccarone**

Trustee

Appointment effective until September 2023



**Helga Reidel**

Trustee, Chair of the Audit and Finance Committee

Appointment effective until September 2023

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 Pension Officer and Plan Manager assumes the day-to-day responsibility for overall leadership and management of the Plan.



## Committees

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

*Committee Members: Susannah Crabtree (Committee Chair), Tony Dinardo, Wayne Gladstone, Harry Goslin, Peter Jarvis, Tony Maccarone*

**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: Helga Reidel (Committee Chair), Tony Dinardo, Wayne Gladstone, Harry Goslin, Peter Jarvis, Tony Maccarone*

**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: Wayne Gladstone (Committee Co-Chair), Harry Goslin (Committee Co-Chair), Michael Kainer, Helga Reidel*

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

*Committee Members: Michael Kainer (Committee Chair), Susannah Crabtree, Wayne Gladstone, Harry Goslin*

## **(NEW!) Pension Advisory Committee**

The Pension Advisory Committee (PAC) convened in 2022 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

**Vice Chair:** Scott Laing

**Secretary:** Beth Harris

**Retirees/deferred members:** Beth Harris, Len Brown

**WSIB non-bargaining employees:** Carlo Augimeri, Robert Alvarez

**Safe Workplace Association (SWA) non-bargaining employees:** Mike Anderson

**WSIB bargaining employees:** April Leblanc, Naimul Bari, Nicole Francis

**IHSA bargaining employees:** Scott Laing

**PSHSA, WSN bargaining employees:** Brandi Matthias

# Looking towards the future




As we close out another unprecedented year, we are proud of our progress including the launch of WISE Trust's first-ever Strategic Plan that will guide our direction and priorities from 2022-2025.

Our Strategic Plan will support us as we strive to maintain and grow our high levels of member satisfaction, develop our highly motivated internal team and external partners, achieve our funding targets, and establish efficient core business and governance structures.

This Strategy will support our mission to deliver on the WISE Trust defined benefit pension promise now and long into the future.



# 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

Data as of December 31, 2021

## WISE Trust Pension Contact Centre

**42,286** minutes on the phone with members  
or 704.77 hours or 29.37 days

**9,449** calls  
answered

**3,991** calls to  
members

**25 sec.** average call  
wait time

**4 min. 28 sec.** average length  
of call

**97%** of questions resolved  
on the first call

**1 day** to return  
voicemail

## My Pension Resource

**1,574** secure messages sent  
via the message centre

**7,159** unique  
logins

**16,547** pension  
calculations run