

A person is walking across a long suspension bridge that spans a deep canyon. The bridge has a wooden deck and green chain-link railings. The canyon walls are rocky and covered with dense forest. The trees show signs of autumn, with many yellow and orange leaves. The sky is blue with some light clouds.

2022 Highlights for Members

Integrity | Accountability | Service Excellence | Inclusivity | Innovation



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We work **WISE** to secure your future

As the world around us is constantly changing, our promise to you remains the same. You can count on your WISE Trust pension to deliver the defined benefit pension promise today, and into the future.

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

As the administrator of the WSIB Employees' Pension Plan (the Plan), the WISE Trust Board of Trustees has a fiduciary duty to the Plan's members and is 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 the Plan, and the work under-taken at WISE Trust to administer the Plan in the best interest of its members.

July 1, 2022, marked WISE Trust's second anniversary 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. Our organization has come a long way in two years, successfully completing our JSPP conversion and standing up our independent pension plan organization.

In 2022, our Board of Trustees oversaw significant changes to WISE Trust's executive leadership as we welcomed our first-ever Chief Executive Officer, Christopher Brown. Christopher brings a wealth of knowledge and experience to WISE Trust, coming from Alberta's largest pension plan and JSPP, LAPP, where he served as CEO for eight years.



Our WISE Trust members are at the heart of each and every decision we make. As members, you can always count on our Board's steadfast commitment to act in your best interests, and we will continue to represent you as we work to bolster the Plan's return on investment and strengthen our service delivery.

We look forward to another busy year ahead and to continuing to deliver on our defined benefit pension promise to our members today and into the future.



Bruce Smith
Co-Chair of the
Board of Trustees



Harry Goslin
Co-Chair of the
Board of Trustees

A message from the Chief Executive Officer

I am honoured to have been selected by the Board of Trustees as WISE Trust's inaugural CEO. The significance of this development for the Plan and the organization is not something that I take lightly. Since joining WISE Trust in November, 2022, I have been pleased to get to know the Board, team and stakeholders. I am extremely excited by the Plan's prospects and look forward to all that we will achieve together in the interests of our members.

This report marks our third Annual Highlights for Members. With two full calendar years of operations as a JSPP, we are pleased to see our membership grow to over 10,000 active, deferred, and retired members. We are also encouraged by the Plan's strong funded status of 95% on a going concern basis, and net assets totaling \$3.8 billion at the end of 2022.

2022 marked a year of steady progress as we continued to establish a strong operational foundation for WISE Trust. Our organization took great strides to continue our transition to independence with continued support from the WSIB. We were able to finetune our internal operations as we aim to find efficiencies and optimize our member services, communications, and pension administration.



In 2022, we revisited our strategic asset allocations and investment policies with our investment manager, IMCO, to maximize and stabilize our returns during a year of global economic uncertainty. As we grow our internal functionality, we are building a skilled and agile team that is equipped to facilitate new investment initiatives and mature our risk and compliance capability.

Looking to the future, we know 2023 will be a year of continued transformation as we enter the final stages of our journey to independence. In 2023, our team will implement the final transition of all WSIB's time-limited services, which will make WISE Trust a fully self-sufficient and sustainable pension plan organization. We are grateful for the continued support and partnership from the WSIB as we complete this transition.

I want to thank our WISE Trust team and our trusted partners for welcoming me aboard and for a successful close to 2022. I look forward to leading our organization into the future as we maintain our strong results and deliver the defined benefit pension promise to our growing membership.



Christopher Brown
Chief Executive Officer

2022 WISE Trust highlights

Data as of December 31, 2022

\$3.8B net assets¹
95% funded ratio²
\$90M employer contributions
\$33M member contributions
6 participating employers

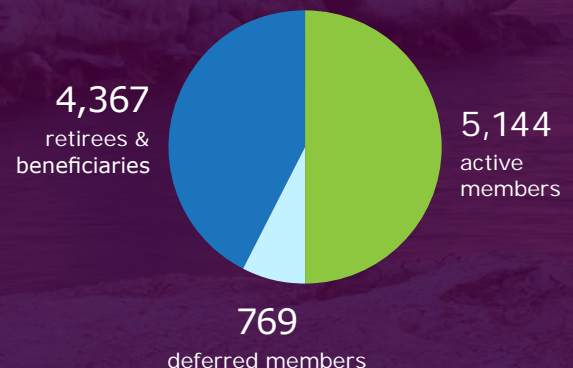
Investment performance

(Gross of investment costs)

-7.6% 1-year return
(-8.1% net return)
2.7% 3-year return
3.9% 5-year return

Plan membership

Total: 10,280 members



¹ On a market basis.

² The last filed actuarial valuation was prepared as of December 31, 2021. The December 31, 2022 actuarial valuation will not be filed with the 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.

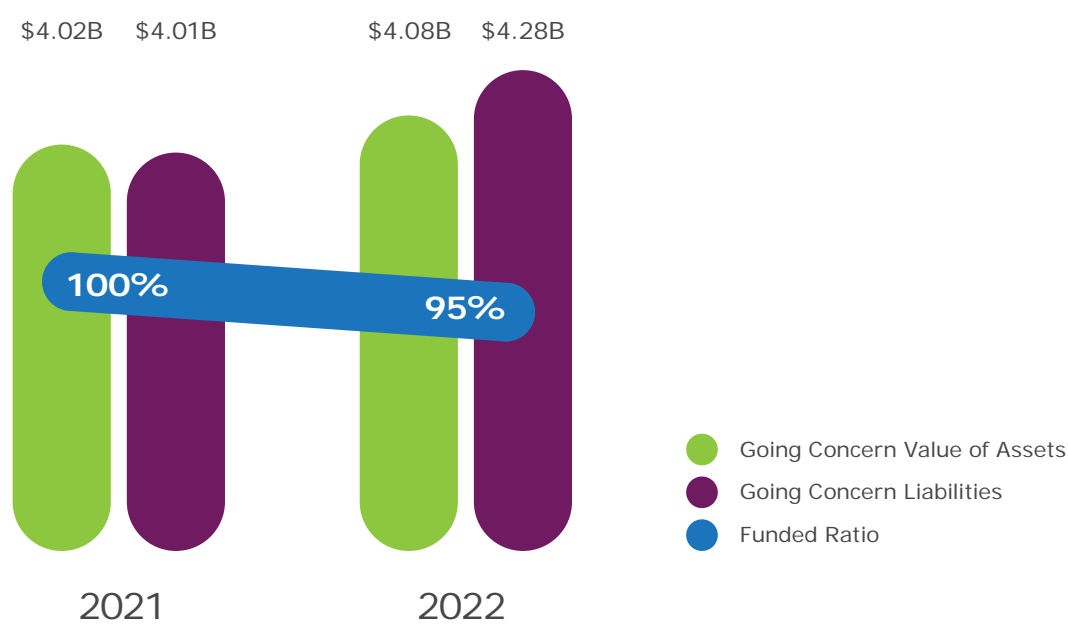
Financial performance

Learn about the Plan’s financial performance in 2022.

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, 2022, the Funded Ratio is 95%, compared to 100% on December 31, 2021.

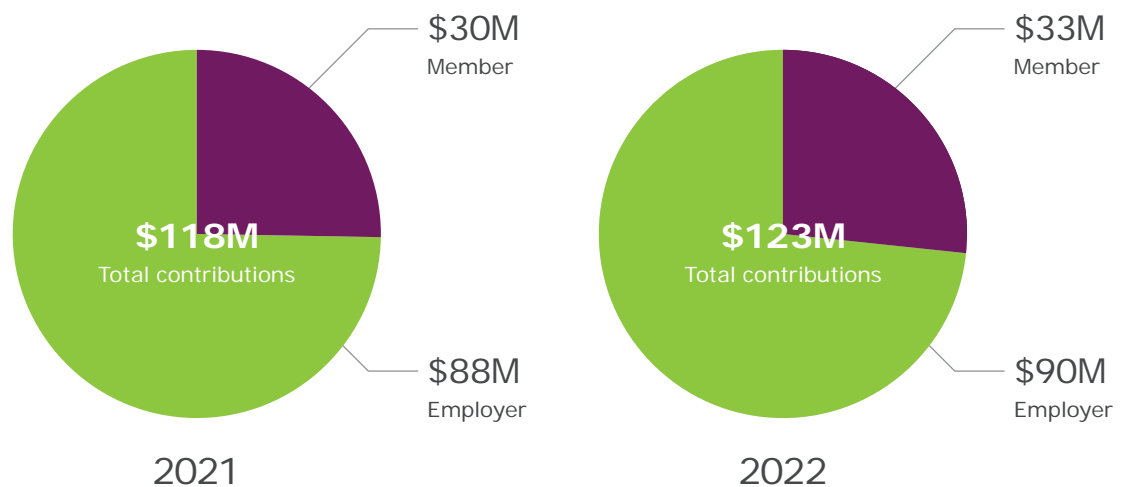


As we look towards the future, our 2022-2025 Strategic Plan works towards implementing a framework for establishing a discount rate and a regular schedule for asset and liability studies.

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

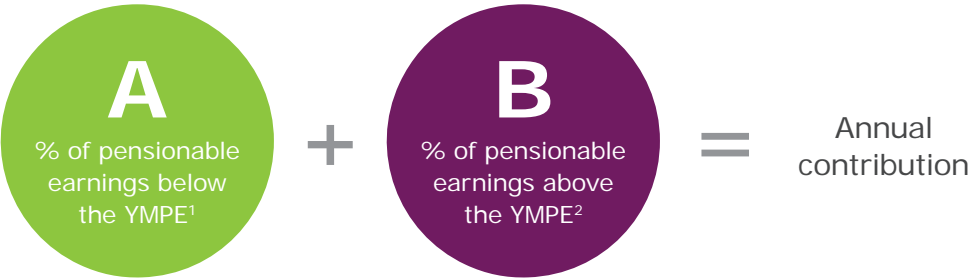


Employer normal cost contributions were 249.3% of member contributions from January 1, 2022 to June 30, 2022 and 222.0% of member contributions from July 1, 2022 to December 31, 2022, both as determined in the valuation report as of December 31, 2021.

In 2022, total member contributions increased slightly compared to 2021, mainly due to the member contribution rate increase effective as of July 1, 2022.

Member contribution formula

Member contributions are calculated based on the following formula:

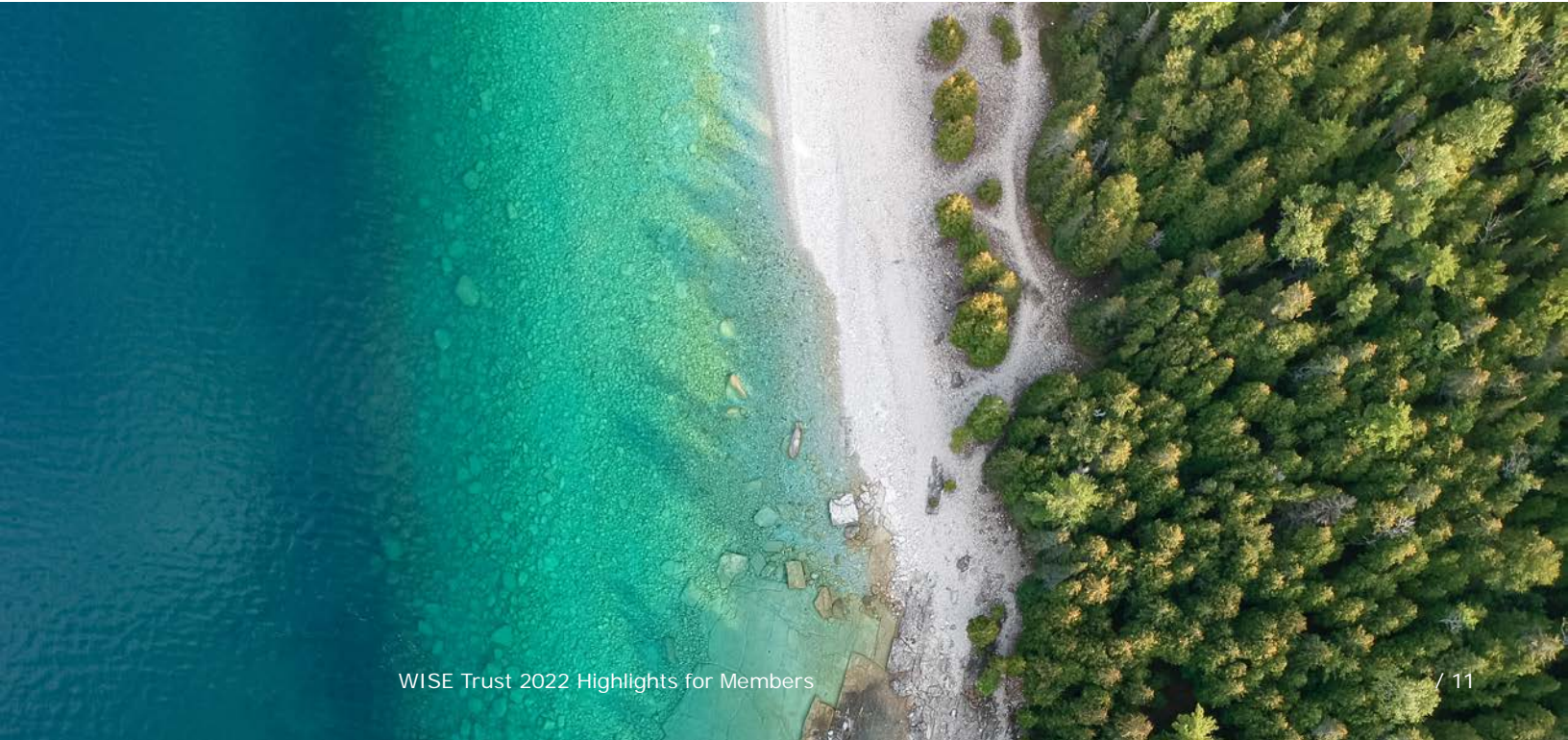


Effective date	A	B	Estimated blended rate, as % of average pensionable earnings ³
July 1, 2020	5.8%	7.6%	6.5%
July 1, 2021	6.4%	8.2%	7.0%
July 1, 2022	7.0%	8.8%	7.6%
July 1, 2023	7.6%	9.4%	8.2%
July 1, 2024	8.2%	10.0%	8.8%
July 1, 2025 and beyond	(A) and (B) are increased by 0.6% of pensionable earnings per year until the 50/50 employer-member cost-sharing ratio is reached		

¹ Year's Maximum Pensionable Earnings (YMPE).

² Up to the earnings threshold corresponding to the defined benefit pension accrual limit under the Income Tax Act.

³ 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, 2022. For an example of the pension contribution calculation, visit [wisetrust.ca](https://www.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 a regular (annual) basis. A revision to the SIPP was made effective January 1, 2022, to reflect the new investment policy adopted by the Trustees. 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 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, 2022

	1 year	3 year	5 year	10 year
Fund Return⁵	-7.6%	2.7%	3.9%	6.5%
Benchmark	-7.3%	2.3%	4.0%	6.3%
Excess Return vs Benchmark	-0.3%	0.4%	-0.1%	0.2%

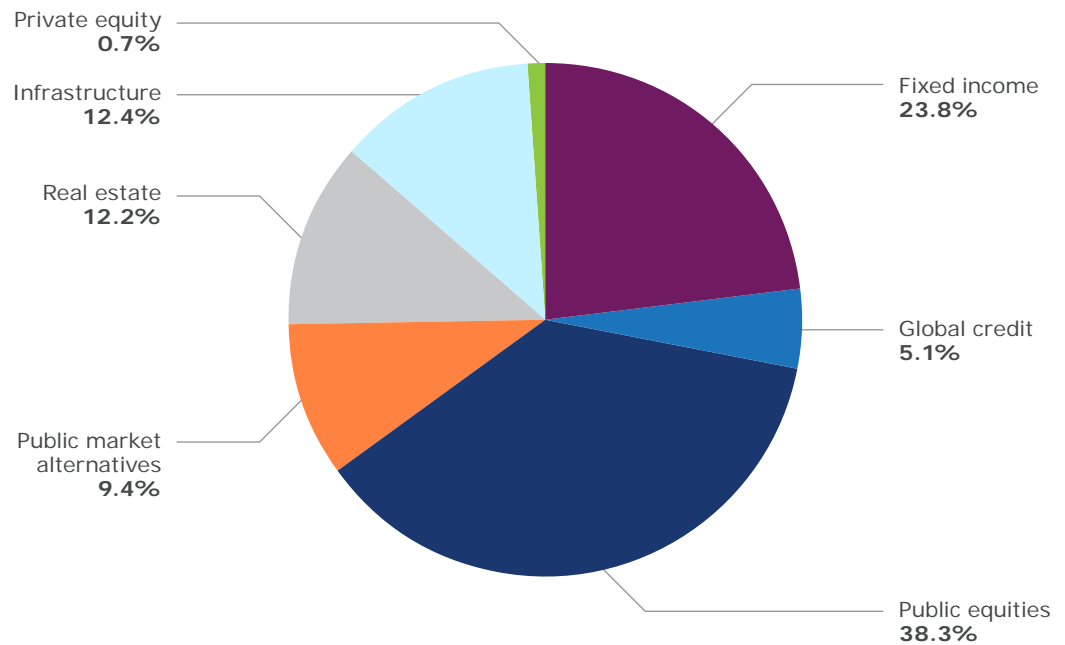
⁵ Figures are gross of fees.

2022 proved to be a challenging year in the investment markets for pension plans across the country. In 2022 our net return was -8.1% and underperformed the benchmark selected by IMCO by -0.8%. This rate of return (RoR) was not outside of the range of RoR seen by peer pension plans in 2022. 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

During 2022, WISE Trust implemented its new Strategic Asset Allocation, the long-term target allocation of fund assets among various asset classes as selected by WISE Trust. As of December 31, 2022, 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, 2023.

Also in 2022, WISE Trust made its first investments in private equity in Q3 with several co-investment allocations bringing total investments in this strategy to 0.7% of portfolio assets at year end. WISE Trust also started using total portfolio leverage. As of December 31, 2022, this strategy represented 2% of the total net assets of WISE Trust. And finally, in 2022 IMCO successfully launched the Infrastructure Pool. Pooling enables IMCO to secure benefits for its clients in terms of negotiating lower fees, achieving better asset diversification, and spreading risk considerations. This was an important milestone for IMCO and WISE Trust as this is our first private market pool. WISE Trust's net assets were \$3.8 billion as of December 31, 2022, with an actual asset mix exposure of:



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 December 31, 2022, actual exposures with the ones intended for December 31, 2026.

Asset Class/Strategy	Actual as of December 31, 2022	Long Term Target
Fixed Income	23.8%	25%
Cash and Money Market	1.2%	1%
Government Bonds	17.0%	12.5%
Inflation Linked Bonds	5.6%	11.5%
Global Credit	5.1%	10%
Public Equities	38.3%	30%
Canadian Equities	6.1%	4.5%
Global Equities	28.5%	22.5%
Emerging Market Equities	3.9%	3%
Public Market Alternatives	9.4%	10%
Real Estate	12.2%	15%
Infrastructure	12.4%	15%
Private Equity	0.7%	5%
Total Invested Assets	102.1%	110%¹
Total Portfolio Leverage	-2.1%	-10%
Total Assets	100%	100%

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.

⁶ Like many large pension plans, WISE Trust uses 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 Plan membership during 2022, as well as the typical profile by membership category as of December 31, 2022.

	Active members	Retirees and beneficiaries	Deferred members	Total
Members as of December 31, 2021	5,053	4,259	765	10,077
New members/Rehires	468			468
Terminations (settlement/transfer)	(138)		(69)	(207)
Terminations (deferred)	(115)		115	
Retirement	(121)	159	(38)	
Passed away	(2)	(90)	(5)	(97)
New beneficiaries		37		37
Data correction	(1)	2	1	2
Net change	91	108	4	203
Members as of December 31, 2022	5,144	4,367	769	10,280



⁷ In respect of the 1,288 pensioners receiving a temporary bridge benefit to age 65.

⁸ Includes 765 former members and 4 terminated members with pension benefits pending payout at December 31, 2022.

⁹ In respect of the 746 deferred members with a temporary bridge benefit 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.



Bruce Smith

Co-Chair of the Board of Trustees,
Co-Chair of the Governance and HR Committee
Appointment effective until September 2025



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 2024



Peter George

Trustee

Appointment effective until September 2025



Michael Kainer

Trustee, Chair of the Plan Administration Committee

Appointment effective until September 2024



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 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 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, Bruce Smith, Harry Goslin, Peter George, 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, Bruce Smith, Harry Goslin, Peter George, 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: Bruce Smith (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 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, Bruce Smith, Harry Goslin

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 Plan, make recommendations to the Board of Trustees, and promote awareness and understanding of the Plan amongst members.

Committee Members:

Chair: Carlo Augimeri

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, Dave Peddle, Nicole Francis

IHSA bargaining employees: Peter Vi

PSHSA, WSN bargaining employees: Brandi Matthias

Focusing forward, our future looks bright



After launching our Strategic Plan in 2022 and meeting multiple milestones on our transition to independence, WISE Trust continues to focus on priorities committed in our first-ever Strategic Plan.

In 2023 we are focusing on advancing our member satisfaction, developing our highly motivated team, and deepening our stakeholder relationships, while we continue to implement core business strategies and governance structures as we focus on the long-term growth of our organization.

Our team is dedicated to our Strategic Plan, and we continue to review and align our key objectives to ensure we stay true to our mission: delivering the defined benefit pension promise to our WISE Trust Members now and 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**. 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.



WISE Trust Pension Contact Centre

35,732 minutes on the phone
with members

4,653 calls
answered

3,522 calls to
members

26 sec. average call
wait time

4 min. 7 sec. average time
per call

96% of questions resolved
on the first call

My Pension Resource

1,672 secure messages sent
via the message centre

6,568 unique
logins

19,514 pension
estimates

Data as of December 31, 2022