

Fund Financial Statements of

THE UNIVERSITY OF WESTERN ONTARIO
PENSION PLAN FOR MEMBERS OF THE
ADMINISTRATIVE STAFF

Year ended December 31, 2017



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INDEPENDENT AUDITORS' REPORT

To the Administrative Staff Pension Board of The University of Western Ontario

We have audited the accompanying fund financial statements of the University of Western Ontario Pension Plan for Members of the Administrative Staff, which comprise the statement of net assets available for benefits as at December 31, 2017, the statement of changes in net assets available for benefits for the year then ended, and notes, comprising a summary of accounting policies and other explanatory information. The fund financial



a basis for our audit opinion.

Opinion

In our opinion, the fund financial statements present fairly, in all material respects, the

THE UNIVERSITY OF WESTERN ONTARIO

PENSION PLAN FOR MEMBERS OF THE ADMINISTRATIVE STAFF

Statement of Net Assets Available for Benefits

December 31, 2017, with comparative information for 2016

2017

2016

Assets

Cash
Investments

\$ - \$ 3,998,864

\$ 513,275.02 \$ 100,807,010

Statement of Net Assets Available for Benefits

Statement of Net Assets Available for Benefits



PENSION PLAN FOR MEMBERS OF THE ADMINISTRATIVE STAFF
 Statement of Changes in Net Assets Available for Benefits

	2017	2016
Investment income (note 4(b))	\$ 50,586,036	\$ 28,560,126
Increase in net assets:		
Contributions (note 6)	24,901,170	24,367,468
Transfers in to plan	2,666,188	2,265,396
	27,567,358	26,632,864
Decrease in net assets:		
Benefit payments (note 7)	(47,453,376)	(46,967,310)
Fund managers' fees (note 8)	-	(1,454,920)
Administrative costs recovered by the University (note 9)	(305,785)	(304,746)

THE UNIVERSITY OF WESTERN ONTARIO
PENSION PLAN FOR MEMBERS OF THE ADMINISTRATIVE STAFF
Notes to Fund Financial Statements

Year ended December 31, 2017

1. Description of plan:

The table content is almost entirely obscured by heavy black redaction bars. Only faint horizontal lines are visible, suggesting a table structure with multiple rows and columns. The text within the table is illegible due to the redaction.

THE UNIVERSITY OF WESTERN ONTARIO
PENSION PLAN FOR MEMBERS OF THE ADMINISTRATIVE STAFF

Notes to Financial Statements

Year ended December 31, 2017

1. Description of plan (continued):

Contributions are invested by the Plan, at the option of the employee, into units of segregated funds. The investment policies of the Plan are determined jointly by the Administrative and Academic Staff Pension Boards. The Plan consists of fourteen segregated investment funds unitized and administered by Sun Life as follows:

- Money Market Segregated Fund
- Target Date 2018 Segregated Fund
- Target Date 2020 Segregated Fund
- Balanced Income Fund
- Balanced Growth Fund

- Canadian Bond Segregated Fund
- Long Term Bond Segregated Fund
- Diversified Equity Segregated Fund
- Canadian Equity Segregated Fund

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PENSION PLAN FOR MEMBERS OF THE ADMINISTRATIVE STAFF
Notes to Fund Financial Statements (continued)

Year ended December 31, 2017

3. Significant accounting policies (continued):

(c) Fair value measurement:

Fair value is the amount for which an asset could be exchanged, or a liability settled, in a transaction between knowledgeable market participants at the measurement date.

In determining fair value, the Plan has adopted the guidance in IFRS 13, Fair Value

THE UNIVERSITY OF WESTERN ONTARIO

REASON PLAN FOR MEMBERS OF THE ADMINISTRATIVE STAFF

McKenzie Field Research Statement 7/1/01

Year ended December 31, 2007

THE UNIVERSITY OF WESTERN ONTARIO
PENSION PLAN FOR MEMBERS OF THE ADMINISTRATIVE STAFF

Year ended December 31, 2017

3. Significant accounting policies (continued):

(e) Capital risk management (continued):

The net assets of the Plan are invested in accordance with the Statement of Investment

THE UNIVERSITY OF WESTERN ONTARIO
PENSION PLAN FOR MEMBERS OF THE ADMINISTRATIVE STAFF
 Notes to Fund Financial Statements (continued)

Year ended December 31, 2017

4. Investments and investment income:

(a) The assets of the Plan are invested in segregated funds as follows:

	2017	2016
	Fair value	Fair value

Short term:

~~Money Market Fund~~

Balanced funds:

Balanced Growth Fund	109,575,657	95,444,890
Balanced Income Fund	30,554,751	25,294,517

Target Date 2018 Segregated Fund

Target Date 2020 Segregated Fund

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Notes to Fund Financial Statements (continued)

Year ended December 31, 2017

5. Individually significant investments:

Information is provided in respect of individually significant investments in the Plan with a fair

value in excess of 1% of the cost or fair value of the Plan as at December 31, 2017, as required by the Pension Benefits Act (Ontario).

The Plan consists of fourteen separate segregated funds as described in note 1 and as disclosed

PENSION PLAN FOR MEMBERS OF THE ADMINISTRATIVE STAFF
Notes to Fund Financial Statements (continued)

Year ended December 31, 2017

6. Contributions:

Contributions received by the Plan were as follows:

2017

	Regular	Voluntary	Special	Total
Members	\$ 7,223,026	\$ 2,191,072	\$ -	\$ 9,414,098
Employer	15,487,072	-	-	15,487,072
	\$ 22,710,098	\$ 2,191,072	\$ -	\$ 24,901,170

2016

	Regular	Voluntary	Special	Total
Members	\$ 6,579,234	\$ 2,498,961	\$ -	\$ 9,078,195
Employer	15,254,273	-	35,000	15,289,273
	\$ 21,833,507	\$ 2,498,961	\$ 35,000	\$ 24,367,468

7. Benefit payments:

	2017	2016
Retirement benefit payments	\$ 1,057,446	\$ 181,406
Termination benefit payments	45,844,930	45,181,364
Death benefit payments	551,000	1,604,540
	\$ 47,453,376	\$ 46,967,310

8. Fund managers' fees:

Fund managers' fees include any fees paid to the

THE UNIVERSITY OF WESTERN ONTARIO

SELECT MEMBERS OF THE ADMINISTRATIVE STAFF

Notes to Fund Financial Statements (continued)

Year ended December 31, 2017

9. Administrative costs recovered by the University:

Administrative expenses for participants of the Plan are incurred by the

THE UNIVERSITY OF WESTERN ONTARIO
PENSION PLAN FOR MEMBERS OF THE ADMINISTRATIVE STAFF
Notes to Fund Financial Statements (continued)

Year ended December 31, 2017

10. General account:

This account represents the assets available to meet the ongoing pension liability of the University and any obligations resulting from contribution holidays.

remaining special members who are entitled to a minimum defined benefit guarantee. An allocation for expenses recoverable by the University as a result of contribution holidays is also made from the general account. The investment of assets in the general account is as follows:

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Notes to Fund Financial Statements (continued)

Year ended December 31, 2017

10. General account (continued):

The actuarial present value of accrued pension benefits is based on a full valuation performed as at December 1, 2015, by the Plan's actuary, Morneau Shepell. The valuation reflects the best estimate of assumptions and the expectation the Plan will continue on an ongoing basis. Significant assumptions are as follows:

	2017	2016
Discount rate	5.00 %	5.00 %
Expected long-term rate of return on plan assets	5.00 %	5.00 %
Rate of compensation increase	2.00 %	2.00 %

Life expectancy of members is based upon the CPM 2014 Public Sector Mortality Table.

11. Financial instruments:

(a) Fair values:

As at December 31, 2017, the fair value of the Plan's investments is \$1,000,000. (Refer to note 4(a). The

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Notes to Financial Statements

Year ended December 31, 2017

11. Financial instruments (continued):

(b) Associated risks:

Most of the Plan is made up of the defined contribution component, where members direct the investment decisions for the assets in their accounts. As a result, the Plan does not need to provide quantitative sensitivity analysis disclosure for these risks.

(i) Market price risk:

Market price risk is the risk that value of an instrument will fluctuate as a result of

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Notes to Fund Financial Statements (continued)

Year ended December 31, 2017

11. Financial instruments (continued):

(b) Associated risks (continued):

(iv) Liquidity risk:

Liquidity risk is the risk that the Plan will not be able to meet its obligations as they fall