



Combination Pension Plan 2025 ANNUAL REPORT



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Territory acknowledgement

We acknowledge and respect the ləkʷəŋən (Songhees and Xʷsepsəm/Esquimalt) Peoples on whose territory the university stands, and the ləkʷəŋən and WSÁNEĆ Peoples whose historical relationships with the land continue to this day.



LETTER FROM THE CHAIR/VICE-CHAIR

On behalf of the Pension Board of Trustees (the Board), we are pleased to present this year's annual report.

It has been a very productive year, with significant progress made on key initiatives. Highlights for 2025 include the following:

- A new valuation of the defined benefit component of the Combination Pension Plan (the Plan) confirmed the Plan's financial strength and allowed for a reduction in contribution requirements for both UVic and Plan members.
- A new Responsible Investment Policy was developed and adopted, formalizing our approach to integrating environmental, social and governance considerations into investment decisions in a manner consistent with our fiduciary duty.
- Following a thorough Request for Proposal process, we selected and engaged Sun Life to provide online access to account information and retirement planning tools for Plan members.

In addition, our ongoing oversight in all areas continued. Risk management remains central to this, supported by periodic valuations, asset-liability modelling and ongoing monitoring to ensure the Plan can meet its pension promises through varying market cycles. The Board maintained a focus on cybersecurity, reviewing our annual cybersecurity report and participating in an education session to ensure effective oversight of emerging risks and assess organizational readiness.

The Balanced Fund achieved a one-year return of 6.4% (net of fees) in 2025, and an annualized return of 7.5% (net of fees) over the past 10 years. While the 2025 return trailed its benchmark

for reasons included later in this report, the fund has provided strong long-term returns. With diversification across public and private markets, as well as various asset classes, regions and sectors, it continues to provide resilience in uncertain environments. The year marked our first investment in infrastructure assets and the selection of a mortgage manager to enhance the Plan's fixed income investments.

As we look to 2026, we are excited to bring you online access to your pension account and retirement planning tools with Sun Life. At the same time, we remain committed to ensuring the sustainability of the Plan's unique hybrid design, which allows members to participate in long-term investment returns with the security of an indexed minimum lifetime pension.

We are pleased to welcome Gayle Gorrill to the Board as a newly elected Trustee and to welcome back Dr. Ori Granot for his third term.

Lastly, we thank our fellow Trustees and the Pension Services team for their commitment to Plan members, and we thank Plan members for their continued confidence. We remain committed to safeguarding the Plan's long-term health.



Barry Gros
Board Chair



Dr. Matthew Murphy
Board Vice-Chair

2026 TRUSTEE ELECTIONS

Two member nominated trustee terms conclude at the end of 2026, and the nomination process for new trustees will open later this year. We encourage members to become involved by nominating trustees or considering putting their own names forward. More details to come in September 2026.

LETTER FROM THE EXECUTIVE DIRECTOR

I am proud to look back on a year defined by continued commitment to plan members.

Our foremost priority is supporting members at every stage of the pension journey. In 2025, the Pension Services team met and communicated with hundreds of members, preparing and talking through retirement estimates and other life events and helping members make informed decisions about their retirement.

Engagement, modernization and accessibility were key themes. We continued to expand and improve our digital communications, with updates to the UVic pension website and, for the first time, the Plan's AGM and pension seminars were recorded to provide access to those who could not attend. We also supported the 2025 Trustee election, modernizing the process with an online voting platform for easier access and streamlined validation of the results.

Perhaps our most exciting step in 2025 was kicking off the implementation of an online platform where members will be able to view their pension account and access retirement planning and other tools, following the Pension Board's selection of Sun Life to provide these systems. This significant undertaking involves the entire Pension Services team, and other UVic teams, working closely with Sun Life to support system development, data integration and operational readiness in advance of the planned launch in the summer of 2026.

Operationally, we continue to support the Plan's Trustees in other initiatives, such as managing risks in line with the Plan's recently developed Risk Management Framework and ensuring compliance with legislation, plan documents and best practices.

We were also pleased to assist with the successful transition of full-time teaching stream faculty members into the Plan last September.

Many of these initiatives will continue in 2026. We are excited for members to see what is next!

My sincere thanks to our dedicated Trustees and the Pension Services team for their professionalism and commitment to you, our plan members. Most importantly, thank you for your continued trust. We remain focused on delivering responsive service, strong governance and the long-term security of your pension.



Randi Topp

Executive Director,
Pension Services

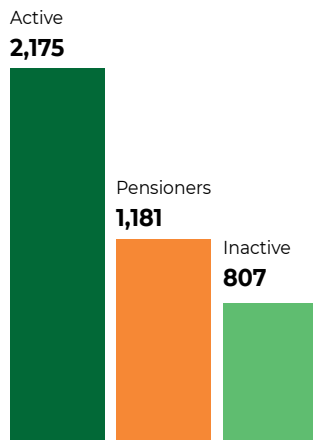
YOUR HYBRID PLAN

The Combination Pension Plan is unique in that it is designed with both defined contribution (DC) and defined benefit (DB) components.

- The DC portion provides members with the ability to participate in long-term investment returns.
- The inflation-protected DB feature provides the security of being able to choose an indexed minimum lifetime income at retirement.

2025 PLAN HIGHLIGHTS

Membership



New valuation completed

Actuarial valuation completed in 2025 showed a **strong financial position**

Positive plan experience allowed for **reduced contributions** for members and UVic.

Online access and tools

Pension Board engaged Sun Life to bring **24/7 online tools and resources** for pension management and retirement planning starting June, 2026.

Financial

\$2.0 billion
in assets

\$79.3 million
in benefits paid

\$44.0 million
received in contributions

Investment

6.4%
net investment return in the Balanced Fund

7.5%
10-year net annualized return in the Balanced Fund

Balanced Fund remains in the **top-quartile** over the 5- and 10-year periods among funds measured by our custodian, Northern Trust.

Added a **mortgage allocation** to enhance fixed income and completed **1st investment in infrastructure assets**

Developed a **Responsible Investment Policy**

ABOUT PENSION SERVICES

UVic's Combination Pension Plan is supported by Pension Services, an on-campus team dedicated to guiding members through every stage of the pension journey. Grounded in their mission and vision which center around supporting and empowering plan members, they provide clear, expert support from early career to retirement.

Helping You Understand Your Pension

Pension Services helps members understand all aspects of the Combination Pension Plan, including plan features, pension implications of career changes and life events, the retirement process and post retirement support.

The team also offers "Understanding Your Pension Plan" seminars twice a year for members approaching retirement. These sessions review how the Plan works and explain available retirement income options. Members aged 55+ are notified of upcoming sessions by email correspondence.

While the team provides pension-related guidance, plan members are encouraged to seek independent financial planning advice to ensure their full financial picture is considered when setting retirement goals. Pension Services can provide pension information to your financial advisor.

Your pensions services team is always within reach – by phone, email, or in person.

Visit us: Michael Williams Building, room B278

Email: pensions@uvic.ca

Phone: 250-721-7030

Website: www.uvic.ca/pensions



OUR MISSION

Our mission is to support the well-being of our pension plan members and the UVic community by providing reliable, accessible, timely and caring pension administration services on behalf of the Plans' governing bodies.

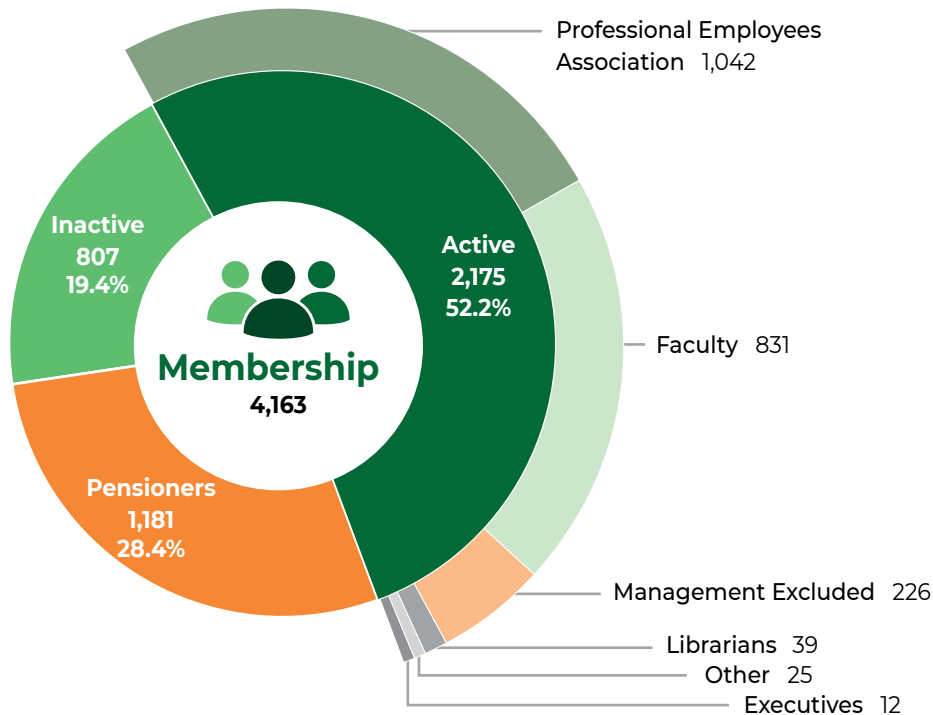
OUR VISION

We will empower the beneficiaries of the UVic pension plans to make well-informed life decisions by providing outstanding services, modern tools and effective communications that enhance their understanding of their pension plan benefits.

MEMBER HIGHLIGHTS

As at December 31, 2025

Membership



Welcomed

116

teaching stream faculty members to the Plan

Provided benefit payments to

1,366

members

Delivered 4 pension seminars to

164

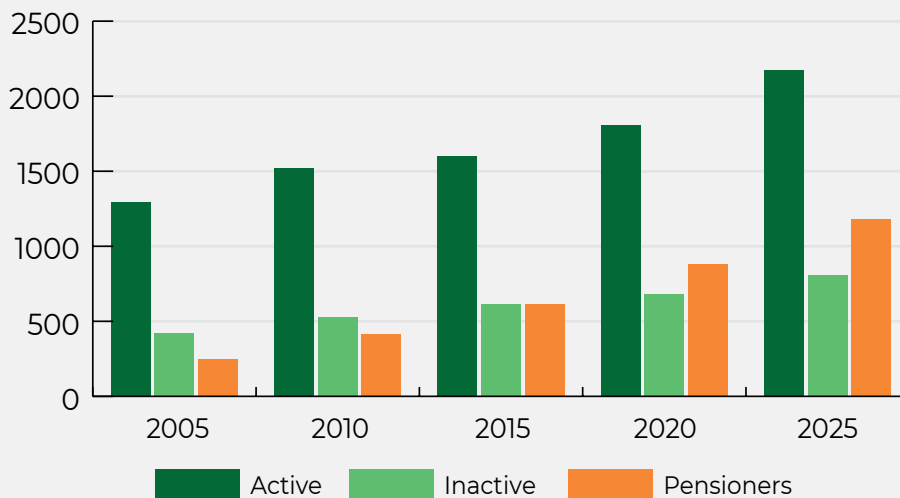
members

Hosted the

2025 AGM

in-person and virtually

20-Year Plan Growth



ACTIVE MEMBERS

Employed by UVic and contribute to the Plan

INACTIVE MEMBERS

Transferred to another UVic plan or ended employment and have assets in the Plan

PENSIONERS

Members and/or beneficiaries drawing a pension from the Plan

FUNDING & PLAN VALUATION

Overview

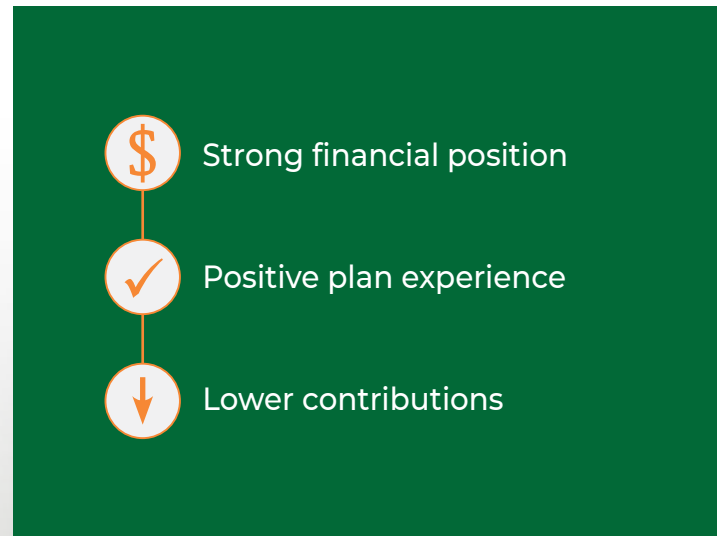
Maintaining the financial sustainability of the Plan is a top Board priority.

Actuarial valuations are a comparison of a pension plan's assets and promised benefits (liabilities), to help determine what contribution levels are needed to ensure a pension plan can continue to meet obligations into the future, even during market volatility. These financial check-ups are completed at least every three years.

Board Valuations and Statutory Valuations

The Board takes a forward-looking approach to its valuations, by working with actuaries to model a wide range of future economic scenarios. They look at the pension benefits earned up to the valuation date, and they also consider future benefits members are expected to earn as well as future Plan members. This approach supports intergenerational equity and provides clear insight into the contribution levels needed to keep the Plan healthy over time. Depending on the modelling results, contribution rates may be adjusted up or down.

In addition, legislation requires valuations for defined benefit (DB) pension provisions at least every three years to consider both ongoing funding needs (a "going concern" valuation that assumes the plan continues indefinitely) and solvency funding needs (a "solvency" valuation that assumes the plan terminates on the valuation date) as of a specific date.



New Valuation Completed

A new valuation of the DB provision of the Plan was completed in 2025, based on Plan information as of December 31, 2024. This valuation confirmed that the Plan remains financially strong, and as such, following their analysis, the Board approved a reduction to contributions.

Effective September 1, 2025, the contribution rate for the Defined Retirement Benefit Fund (the DRBF, or DB minimum provision), which is solely funded by the university, was reduced from 3.5% to 2.5% of earnings. Members also benefitted from the reduction, through

a 0.33% decrease in their Combined Contribution Account (“CCA”) rate. A corresponding increase to the University’s basic contribution to the CCA ensures that total contributions to members’ accounts remain unchanged.

The legislative valuations were also completed, which showed that the Plan is fully funded (i.e. assets were greater than liabilities for benefits earned up to the valuation date) on both the going concern and solvency bases. These valuations also supported the contribution reduction.¹

Contribution Rates (% of pensionable earnings)

		Previous Rate	New Rate	Difference	Total Contribution Rate
Combined Contribution Account					
pensionable earnings up to YMPE²	Employee	3.83	3.50	-0.33	10.37
	University	6.54	6.87	+0.33	
pensionable earnings above YMPE²	Employee	5.83	5.50	-0.33	14.00
	University	8.17	8.50	+0.33	
Defined Retirement Benefit Account					
pensionable earnings	University	3.50	2.50	-1.00	2.50

¹ When a pension plan’s assets exceed the expected liabilities (amounts owed), pension legislation defines the extent that the excess can be used by an employer to reduce contributions. This is referred to as the Accessible Going Concern Excess (AGCE) and 20% of this excess may be applied each year to reduce employer contributions. The Plan’s Dec. 31, 2024, valuation showed an AGCE of \$270.4 million, sufficient to reduce the University’s DRBF contribution to 0%. The Plan allows such a reduction, however, after considering various factors such as intergenerational equity, future expected service and membership, the minimum and maximum permissible contributions levels and to support the Plan’s long-term stability, the University will continue contributing at a rate of 2.5%. Based on this rate, the amount of AGCE used in 2025 to reduce the DRBF contributions is approximately \$1.0 million, with an additional \$3.0 million in 2026 and \$3.5 million expected to be used in 2027.

² Year’s Maximum Pensionable Earnings - \$74,600 in 2026

INVESTMENT APPROACH

Policy and Objectives

The Pension Board's Statement of Investment Policies and Procedures sets the investment objectives for the Plan and outlines the principles, guidelines and monitoring procedures used to achieve them. The policy is reviewed at least once a year and defines the permitted investment categories, diversification requirements, asset mix and expected rate of return.

With an objective of maximizing long-term, risk-adjusted returns and providing Plan members with a reasonable real growth rate for their retirement savings, the long-term return objective of the Balanced Fund is to earn a return of the Consumer Price Index (CPI) plus 3.75%. This target was increased in 2025 to reflect the new asset allocation approved by the Pension Board following the asset liability study and analysis in 2024. The Defined Retirement Benefit Fund (DRBF), which looks to ensure there are sufficient assets to meet future obligations of the Plan's defined benefit minimum pension and to maintain contribution stability, has a long-term return objective of CPI + 4.25%.

The Balanced Fund and DRBF are expected to earn a long-term return, after investment fees, that is higher than the benchmark set by the Plan's asset mix.

Performance Monitoring

The Board monitors and reviews performance and manager processes and activities regularly. The Board's Investment Subcommittee meets with each manager at least annually. While short-term results are monitored, a disciplined investment strategy provides good results over the longer term. As a result, the focus is on evaluating investment performance over rolling four-year periods and longer.

Risk Tolerance

Given the Plan's current characteristics, a reasonable level of risk, in terms of short-term variability of returns, may be tolerated in the Balanced Fund's investments in pursuit of longer-term returns. The Board believes that a higher degree of risk is reasonable for the DRBF's investments, that act as security for the Plan's minimum benefit guarantee, considering the longer-term nature and ability to withstand volatility. While the performance of the DRBF has a less direct impact on Plan member balances, it can impact member contributions.

With the renewed focus on risk management, investment managers are required to provide additional reporting of key risks along with their approach to managing those risks.

THE FUNDS

Assets in the Plan are held in two funds.

Balanced Fund Individual member accounts (Combined Contribution Accounts, Variable Benefit Accounts and Voluntary Contribution Accounts) are held in the Balanced Fund. This fund also holds the assets of UVic's Money Purchase Pension Plan.

Defined Retirement Benefit Fund (DRBF) The DRBF holds the assets of the Defined Retirement Benefit Account (DRBA). Defined benefit pensions and supplements are paid from the DRBA account.

INVESTMENTS: ASSET MIX

The Board regularly reviews the Plan's asset mix and investment strategies, meeting with the investment consultant and external managers.

Periodically, the Board and the consultant conduct an asset liability study (ALS). An ALS is a comprehensive analysis that models the outcomes of the Plan's assets and liabilities under a wide range of scenarios to help the Board in developing a sustainable long-term investment strategy that balances risk and return and looks to achieve improved expected outcomes for Plan members.

The most recent ALS was completed in 2024. As a result of the study, to increase diversification and target higher returns with lower volatility, the Board approved the addition of allocations to infrastructure assets and Canadian commercial mortgages, while lowering allocations to Canadian bonds and equities. Implementation of the new allocations is underway. Reaching the target allocations for each will take time as the external managers selected source suitable opportunities and deploy capital.

Asset Allocation

As at December 31, 2025

			Market Value (\$000s)	Current Allocation (%)	Jan 1, 2026 Target (%)	Long-term Target (%)
Balanced Fund	Fixed Income	PH&N	501,627	33.0	33.5	30.0 ¹
	Canadian Equities	BCI & Fiera ²	294,003	20.0	18.0	15.0
	Global Equities	BCI, Walter Scott, Pier21/CWW ³	522,667	35.0	35.0	35.0
	Real Estate	BCI/QuadReal	146,559	10.0	10.0	10.0
	Infrastructure ⁴	BCI	31,544	2.0	3.5	10.0
	Short Term ⁵		1,071	0.0	0.0	0.0
	Total Market Value⁶			1,497,471	100	100
Defined Retirement Benefit Fund	Fixed Income	PH&N	88,444	19.0	18.5	15.0 ¹
	Canadian Equities	BCI & Fiera ²	116,749	25.0	23.0	20.0
	Global Equities	BCI, Walter Scott, Pier21/CWW ³	210,639	45.0	45.0	45.0
	Real Estate	BCI/QuadReal	35,364	8.0	10.0	10.0
	Infrastructure ⁴	BCI	9,123	2.0	3.5	10.0
	Short Term ⁵		3,378	1.0	0.0	0.0
Total Market Value⁶			463,697	100	100	100

1 Fixed income includes an upcoming 5 per cent allocation to mortgages. TD Asset Management has been selected to manage the mortgage allocation; implementation will occur in 2026.

2 For Canadian equity managers, the target allocation is split 50/50 between BCI and Fiera. Prior to 2025, Canadian equities in the DRBF were managed by PH&N.

3 For global equity managers, the target allocation is split 40/30/30 between Walter Scott, BCI and Pier21 (sub advised by C-WorldWide (CWW)).

4 Infrastructure allocations will take two to three years to reach target.

5 Small amounts of short-term investments (e.g. cash or money market) may be held and included within the manager's portfolios.

6 Excluding cash and accruals.

INVESTMENT PERFORMANCE

In 2025, capital markets were shaped by volatility, policy shifts and structural forces. Heightened geopolitical tensions, deglobalization and trade uncertainty, along with broad tariff threats from the U.S. contributed to shifts in investor sentiment as participants reassessed growth expectations, supply chain risks and global capital flows.

For pension plans, maintaining a disciplined investment strategy, strong risk management framework and long-term perspective is essential to delivering sustainable retirement benefits to members. Pension plans operate with multi-decade horizons. Short-term market movements, policy changes, or economic cycles can create upheaval, but our focus is to deliver long-term sustainable returns over time.

Balanced Fund Annualized Returns¹ (%)

As at December 31, 2025

	1 YEAR		4 YEAR	10 YEAR
	Gross ²	Net ^{2,3}	Net	Net
2025	6.86	6.45	4.85	7.46
2024	12.57	12.11	6.77	7.69
2023	10.66	10.34	6.83	7.66
2022	-7.87	-8.23	8.19	8.11
2021	14.85	14.46	10.42	10.06
2020	12.75	12.37	9.12	8.65
2019	16.50	16.08	7.20	8.35
2018	0.03	-0.42	5.47	8.32
2017	9.52	9.17	8.58	6.58
2016	4.98	4.64	10.00	5.93

A long-term outlook allows us to remain patient and avoid reactive decisions driven by short-term headlines. By focusing on fundamentals, maintaining diversification and aligning investment objectives with the Plan's long-term nature, we aim to generate stable, risk-adjusted returns that support the financial security of our members today and for generations to come.

Plan Returns and Market Update

Although we saw underperformance from some of the Plan's managers in comparison to the broad market benchmarks, overall, the Plan generally performed as expected when compared to pension plan peers. In fact, most active equity managers underperformed their benchmarks over the year, and our Balanced Fund performed in the second quartile in comparison with other funds managed by our custodian, Northern Trust, in 2025. More specifically, while the Plan's fixed income investment manager beat their benchmark, our equity and real estate managers did not.

Global equity performance was impacted by the market favouring momentum and growth versus the Plan's approach of generally selecting quality companies that are expected to provide stable returns across a longer period. For the Plan's real estate investments, underperformance relative to an inflation-linked benchmark was driven in part by declining valuations and high levels of inflation in recent years.

In the last couple of years, equity markets have become increasingly concentrated in a smaller number of stocks and sectors. Technology stocks

1 Returns are calculated using a "money weighted" methodology based on allocation of returns to individual member accounts. This methodology differs from the performance calculations shown on page 13, which exclude Plan cashflows.

2 Gross returns are calculated before expenses while net returns are calculated after investment and operating expenses.

3 The net rate of return is credited to members' individual Combined Contribution Accounts, Variable Benefit Accounts and Additional Voluntary Contribution Accounts.

(including the “Magnificent Seven” – Nvidia, Apple, Microsoft, Alphabet, Amazon, Meta and Tesla) now represent a significant part of world equity markets, and they continued to influence equity market performance with strong returns, supported by growth in artificial intelligence and strong corporate earnings. Commodities, such as gold, benefited from ongoing geopolitical uncertainty, central bank buying and investor demand for safe-haven assets.

With a smaller exposure to these areas than the broader market, the Plan did not fully benefit from those gains. However, this positioning is intentional by our managers, as these sectors can experience sharp price swings. By limiting exposure, the managers aim to reduce volatility and protect against potential downturns. While giving up some upside in a year when those areas performed strongly, we remained consistent with a strategy focused on diversification, risk management and steadier long-term results rather than short-term performance swings.

It is also notable that 2025 marked the Plan’s first year of investing in infrastructure. While scaling up infrastructure investments takes time, these investments are intended to provide steady returns and lower volatility over the longer-term.

Balanced Fund Manager Returns^{1,2,3} (%)

As at December 31, 2025

	1 YEAR	4 YEAR
Fixed Income		
PH&N	3.9	1.0
<i>Benchmark (FTSE Canada Universe Bond Index)</i>	2.6	0.2
Canadian Equities		
BCI	23.4	11.9
Fiera	12.6	10.0
Total	18.0	11.0
<i>Benchmark (S&P/TSX Composite)</i>	31.7	13.9
Global Equities		
BCI	7.0	8.3
Pier21 (C-WorldWide) ⁴	8.8	-
Walter Scott ⁴	5.2	-
Total	6.8	7.2
<i>Benchmark (MSCI World Ex Canada)</i>	15.0	12.1
Real Estate		
BCI/QuadReal	-3.8	-1.1
<i>Benchmark (CPI + 4%)</i>	6.4	7.6
Infrastructure⁵		
BCI	4.9	-
<i>Benchmark (CPI + 5%)</i>	7.5	-
Total Fund	7.0	5.0
<i>Policy Benchmark</i>	12.7	7.7

1 Manager returns are calculated using a time-weighted methodology that is appropriate for measuring performance against benchmarks. They do not reflect cash flows into an out of the portfolio. The returns are calculated by Northern Trust and verified by the Plan’s investment consultant, PBI. The methodology for these returns differs from the Balanced Fund returns on page 12.

2 Small amounts of short-term investments (e.g. cash or money market) may be held and included within the manager’s portfolios.

3 Gross returns are reported.

4 Pier21 (C-WorldWide) began managing funds for the Plan in 2024 and Walter Scott began in 2023. Four-year returns are not yet available.

5 Infrastructure assets were added to the portfolio in January 2025.

RESPONSIBLE INVESTING

The Pension Board believes integrating environmental, social, and governance (ESG) factors into investment decisions supports risk management, aligns with their fiduciary responsibilities and can enhance long-term financial performance. Responsible investing requires managing risks and identifying opportunities that create value for Plan members. To support this, the Board developed and adopted a *Responsible Investment (RI) Policy* in 2025.

Our New Policy at a Glance

The policy outlines the Plan's commitments and approach to incorporate ESG factors into investment decisions and activities to strengthen long-term returns while acknowledging broader impacts on society and the environment. Because healthy economies, stable societies, and a livable climate underpin long-term returns, climate change is a central focus. The Plan supports the goals of the **Paris Agreement** and aims to align investments with an objective of a low-carbon transition, including monitoring greenhouse gas (GHG) emissions across the portfolio.

Our approach is aligned with the **UN Principles for Responsible Investment**, emphasizing ESG integration, active ownership, transparency, and collaboration. We work closely with current and prospective external investment managers to ensure ESG factors are embedded in due diligence, monitoring, proxy voting and corporate engagement. Managers report annually on how they address ESG risks and opportunities and how they use their influence to drive positive change. They also report on their GHG emissions and other metrics where available for the Board to evaluate.

Rather than broadly excluding investments, we focus on engagement and stewardship through our managers. This means encouraging companies to improve their practices, supporting transparency and using voting rights to promote sustainability. By holding managers accountable and escalating issues, when necessary, we aim to protect and grow long-term value and contribute to a more resilient economy and society.

To view the full RI Policy, please visit uvic.ca/pensions

Looking Ahead

The Board will continue to engage with our investment managers about their responsible investment processes and actions, communicating the high expectations that we have. We will continue to monitor climate-related and other ESG metrics and look to enhance our managers' and our own transparency. Annual RI-related updates will be provided through this report and at the AGM and our website will be updated to reflect our commitment and progress to investing responsibly.



FINANCIAL SUMMARY

Financial Reconciliation¹ (\$'000s)

As at December 31, 2025

	2024	2025
Opening Balance	1,689,440	1,882,100
Net Investment Returns	219,162	124,701
Contributions		
Member	12,728	12,958
University	26,822	27,660
Voluntary	284	469
Transfer from other plans	2,481	2,958
Benefit Payments		
Variable Benefits	(34,455)	(38,096)
IVA and DB Minimum top-up	(19,494)	(22,028)
Transfers & Lump Sums	(13,665)	(19,205)
Non-investment Expenses ²	(1,203)	(1,404)
Closing Balance	1,882,100	1,970,113

Benefit Payments (# of members)

As at December 31, 2025

	2024	2025
Variable Benefits	629	647
IVA <i>no DB minimum top-up</i>	213	255
IVA <i>with DB minimum top-up</i>	388	383
Transfers & Lump Sums	85	81

1 This financial reconciliation is preliminary and unaudited. Audited financial statements are in progress. The amounts shown above will be different to the amounts shown on page 11 due to cash and accruals. Audited financial statements will be posted to the Plan's website once finalized.

2 This includes custodial, consulting, office and administration, audit and legal fees

Contributions

Members and the university share the cost of the Plan. Required contributions are based on a percentage of members' pensionable earnings.

Members also have the option of making additional voluntary contributions by payroll deduction, or by transferring funds from other registered plans.

For additional information on contributions visit www.uvic.ca/pensions

Benefit Payments

At retirement, members can choose between two options or transfer their account balance out of the plan.

Variable Benefit

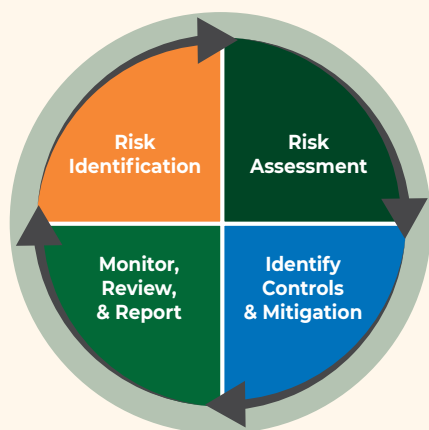
- Account remains invested within the Plan
- Monthly withdrawals chosen within a legislated range

Internal Variable Annuity (IVA)

- Converts the Defined Contribution balance into regular lifetime monthly payments
- The IVA pension is adjusted each year based on investment and Plan experience
- Eligible members receive a minimum indexed monthly payment (the "DB minimum")
- Minimum reviewed annually
- If the minimum applies, the payment is topped up to the required level

RISK MANAGEMENT

The Pension Board is committed to prudently and proactively managing the key risks associated with the Plan. The Plan's Governance Policy outlines the practices and processes that influence the risk management approach.



Risk Management Framework

Risks are documented and monitored through the Plan's risk register, supported by periodic reporting on specific issues such as cybersecurity. Risk appetite is considered across all categories, with lower-appetite areas receiving more conservative oversight and decision-making.

Governance

A suite of policies guide oversight and provide clarity on the roles and responsibilities of university staff, service providers, and the Board. These policies also address areas such as trustee education, code of conduct, and Plan communications, ensuring strong and consistent governance practices.

Legal and Regulatory

Compliance with all pension legislation and Board policies is monitored on an ongoing basis. When regulatory changes occur, the Board engages legal advisors with specialized pension expertise to ensure the Plan remains aligned with current regulations.

Investments

Professional institutional investment managers and consultants support the Board in overseeing and implementing the Plan's investment approach. An Investment Subcommittee – comprised of members with investment and financial expertise – meets regularly with managers to monitor performance, risks and alignment with the Plan's objectives. Responsible investment practices are also monitored, and the Plan's asset mix and investment beliefs are reviewed periodically to ensure investments remain consistent with long-term goals.

Funding

The Plan's Funding Policy reflects the nature of its long-term liabilities and is designed to work in tandem with the investment policies. It incorporates a long-term approach involving financial modelling and regular actuarial valuations to assess sustainability, manage contribution levels, and support the ongoing financial health of the Plan.

Plan Operations

A dedicated Pensions Services office staffed by pension specialists manages the Plan's operations. The Board and subcommittees monitor these operations through regular meetings, reporting and information sharing. All parties involved are expected to maintain robust cybersecurity policies and practices which meet industry standards.

PLAN GOVERNANCE

The Combination Pension Plan is governed by an independent Board of Trustees under a Trust Agreement. The Board oversees investment of Plan assets, financial management, and compliance with the Trust Agreement, the *Income Tax Act*, and British Columbia's *Pension Benefits Standards Act*. The University of Victoria remains responsible for Plan design and eligibility.

The Board is composed of eight trustees: four elected by Plan members and four appointed by the University's Board of Governors. Trustees may serve terms of up to three years, for a maximum of four terms. Trustees must act in the best financial interests of Plan beneficiaries.

In 2025, amendments to the Trust Agreement and Plan Text were made to:

- Extend Plan eligibility to all full-time tenure and tenure track faculty at the University of Victoria, including teaching stream faculty, effective September 1, 2025
- Adopt gender neutral language in Plan text
- Add registered retirement income funds as a transfer option in line with recent changes to the Pension Benefits Standards Act
- Remove rarely elected optional pension forms to simplify retirement choices
- Clarify the definition of credited service to reflect the longstanding practice of prorating service for partial months

The Trust Agreement defines the Board's authority, responsibilities, and the processes for appointing and electing trustees. It, along with other information, is available at www.uvic.ca/pensions or from Pension Services.

TRUSTEE ELECTIONS COMING THIS FALL

Two member nominated trustee terms conclude at the end of 2026, and the nomination process for new trustees will open later this year. More details to come in September 2026.

Pension Board Trustees

Appointed



Mr. Barry Gros, Chair
Actuary (Retired)
Term ending: December 31, 2027



Mr. Andrew Coward
AVP, Financial
Planning & Operations
Appointed ex-officio



Ms. Catherine Heath
Principal, Portfolio Manager
Term ending: December 31, 2027



Ms. Melanie Nadeau-Roy
Actuary/Retirement Consultant
Term ending: June 30, 2029

Elected



Dr. Matthew Murphy, Vice-Chair
Associate Professor of
Sustainability & Strategy
Term ending: December 31, 2026



Ms. Gayle Gorrill
Senior Executive
(Retired from UVic)
Term ending: December 31, 2028



Dr. Ori Granot
Mass Spectrometry
Facility Manager
Term ending: December 31, 2028



Mr. Stefan Grbavec
Director, Finance & Operations,
Continuing Studies
Term ending: December 31, 2026

EXTERNAL MANAGERS & SERVICE PROVIDERS

As at December 31, 2025

INVESTMENT MANAGEMENT

British Columbia Investment Management Corporation (BCI)

BCI manages the Plan's real estate and infrastructure investments, 50 per cent (target) of the Canadian equity investments and 30 per cent (target) of global equity investments.

Fiera Capital Corporation

Fiera manages 50 per cent (target) of the Canadian equity investments.

Pier 21/C WorldWide

Pier 21/C WorldWide manages 30 per cent (target) of global equities.

Phillips, Hager & North Investment Management Limited (PH&N)

PH&N manages the Plan's fixed income investments and 100 per cent of the Canadian equity investments in the Defined Retirement Benefit Fund.

Walter Scott & Partners Limited

Walter Scott manages 40 per cent (target) of the Plan's global equity investments.

CUSTODIAN

The Northern Trust Company, Canada

Custodian of the Plan's assets (excluding pooled funds) and benefit payment service.

INVESTMENT CONSULTANT & PERFORMANCE MEASUREMENT

PBI Actuaries & Consultants

ACTUARY

Mercer (Canada) Limited.

AUDITOR

KPMG LLP



Precise terms of the Plan are provided in the Plan Document, which can be found at www.uvic.ca/pensions or by request from Pension Services. We make every effort to ensure that the information in this report is accurate and complete. In the event of a discrepancy, the Plan Documents, statutes, or regulations shall apply.

Visit our website for additional information about the University of Victoria Combination Pension Plan.





Get in Touch!

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