

University of Toronto Pension Results to June 30, 2014

Presentation to Business Board

April 7, 2015

Purpose of Reports

- Annual financial report brings together information on defined benefit plan, including assets, liabilities and deficit, in a historical context. Links to the financial statements and the actuarial reports are included as an appendix to the report.
- Actuarial reports provide an estimate of liabilities, which are pension benefits earned for service up to the valuation date, and an estimate of the cost of new benefits being earned.
- Audited financial statements provide an audited confirmation of the fair value of the assets on hand to the valuation date and of the pension liabilities to be met.

Governance

- Annual financial report is approved by the Pension Committee, and provided for information to the Audit Committee and the Business Board.
- Audited financial statements are recommended by the Audit Committee to the Pension Committee for approval by the Pension Committee.
- Actuarial reports are approved by the Pension Committee.

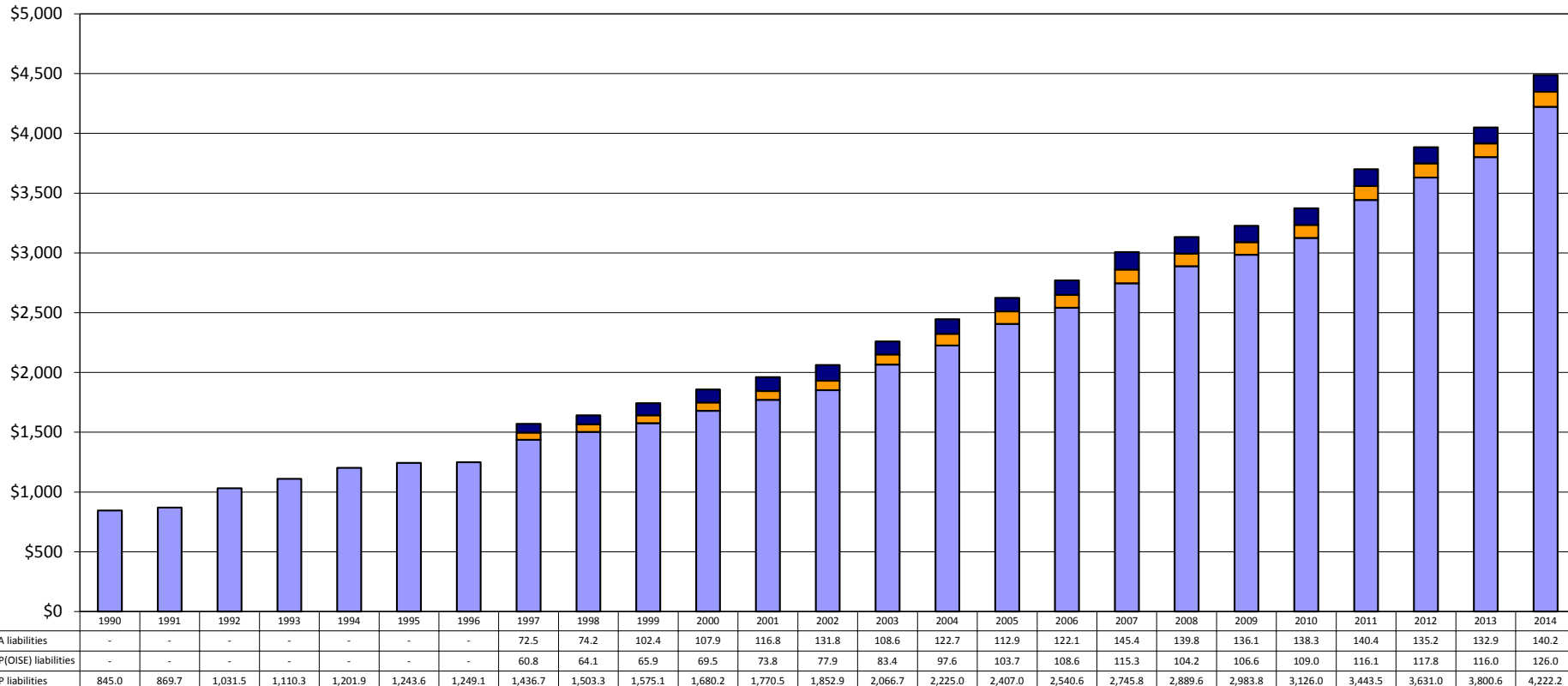
Going Concern Results for the Year (millions of dollars)

- \$ 729.5 Going concern deficit at July 1, 2014 (RPP and RPP(OISE))
- \$ 989.2 Going concern deficit at July 1, 2013 (RPP and RPP(OISE))
- \$ 259.7 Decrease in going concern deficit.

Mainly due to investment returns of 17.4%, higher than nominal target return of 6.2% and special contributions of \$222.8 million, partly offset by actuarial assumption changes.

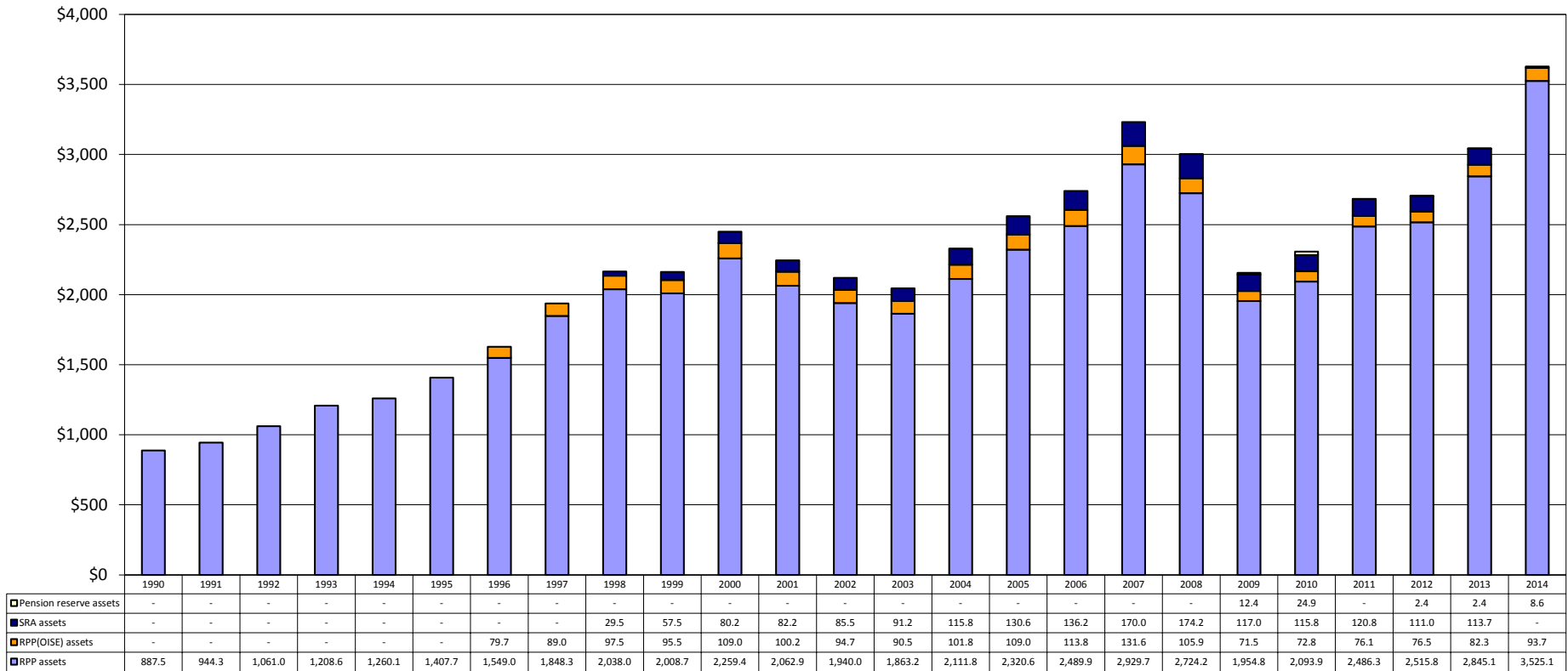
Going Concern Pension Liabilities

Going Concern Pension Liabilities
RPP, RPP(OISE) and SRA
at July 1
(millions of dollars)



Market Value of Pension Assets

Market Value of Pension Assets ^{1, 2, 3}
at June 30
(millions of dollars)



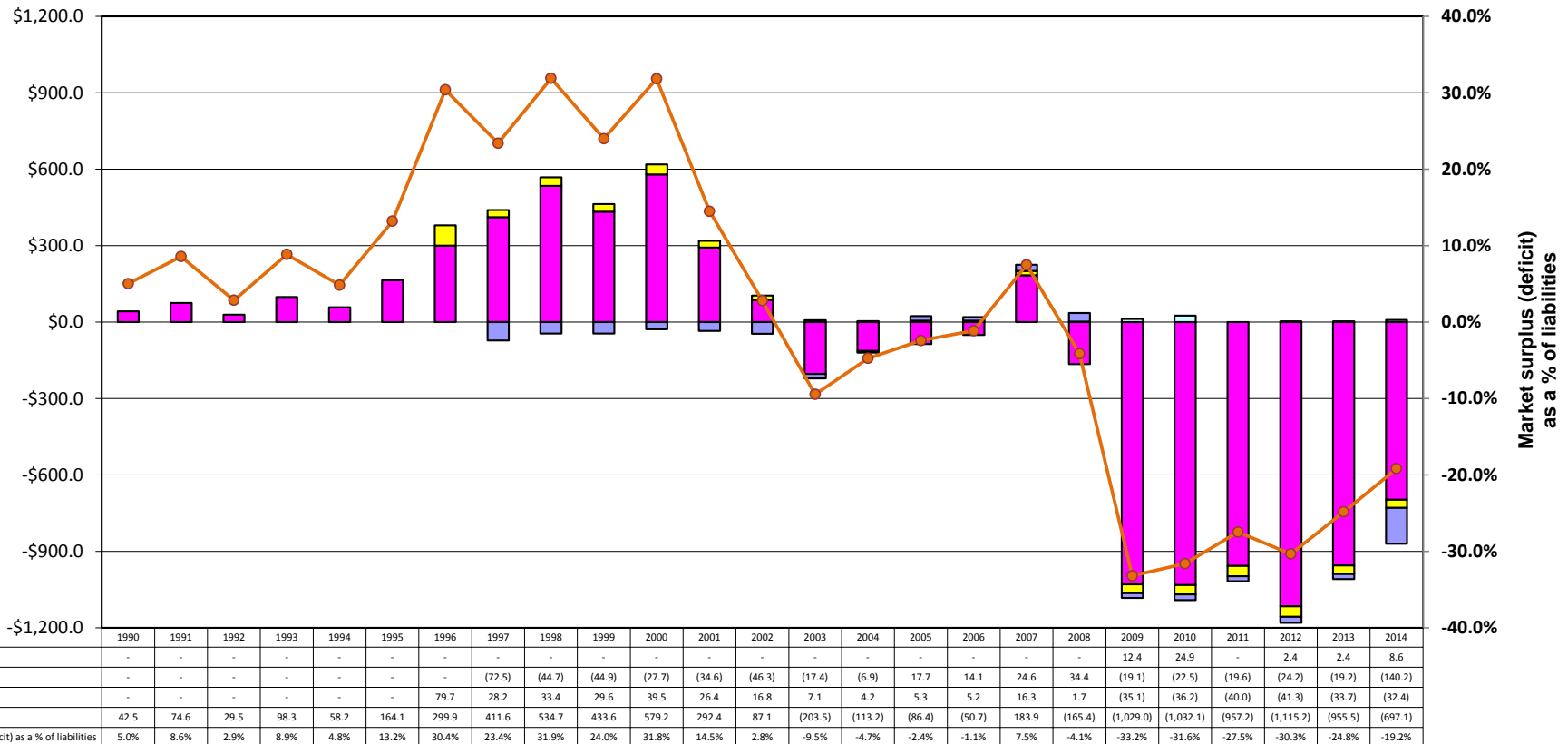
¹ Including partial wind-up members in RPP(OISE) assets in years up to 2007

² Pension reserve assets were transferred to the RPP in 2011.

³ All SRA assets were transferred to the RPP in 2014

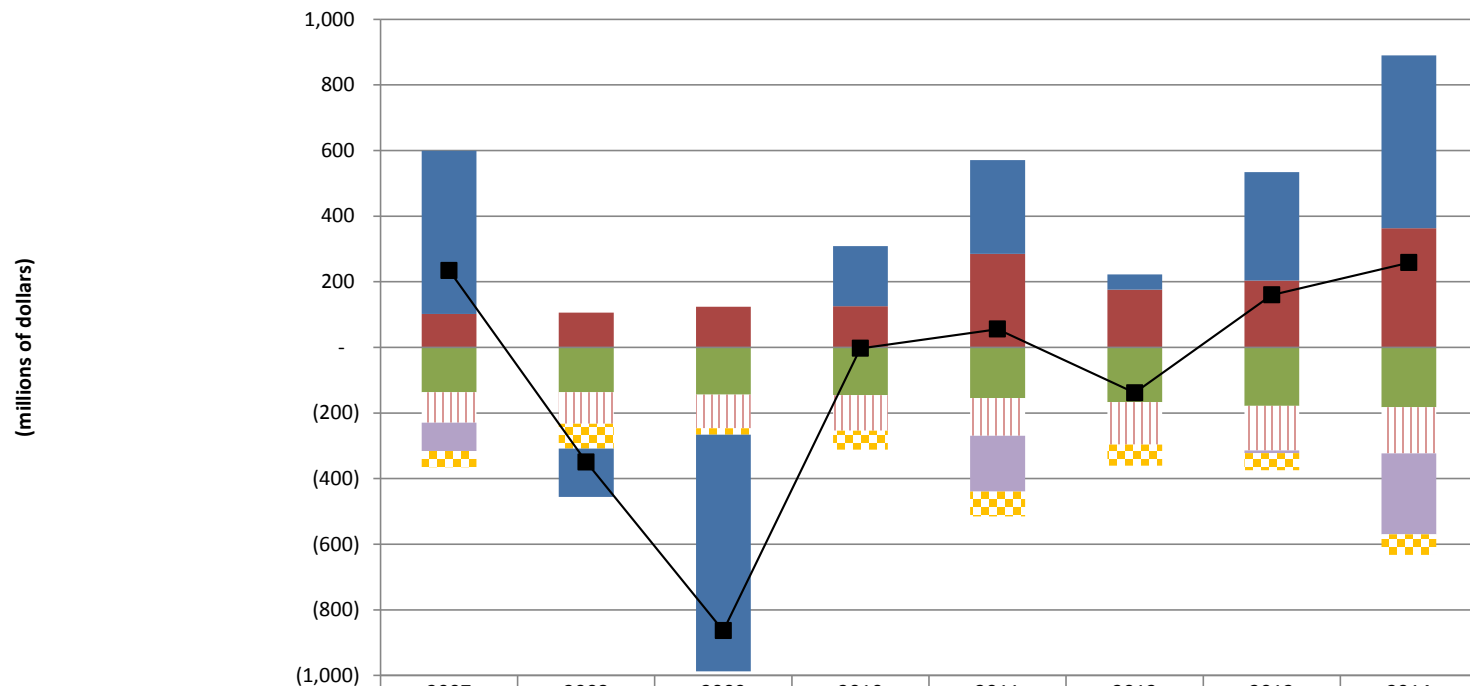
Going Concern Market Surplus (Deficit)

Going Concern Market Surplus (Deficit)
as at July 1
(millions of dollars)



Status of the Pension Plans – In Perspective

University of Toronto Pension Plan (RPP)
Components of Changes in Pension Deficit - July 1, 2006 to June 30, 2014



	2007	2008	2009	2010	2011	2012	2013	2014
Investment earnings (losses)	498	(147)	(721)	183	286	46	330	527
Contributions	102	106	124	126	285	175	204	363
Other	(49)	(75)	(19)	(58)	(76)	(64)	(53)	(63)
Changes in actuarial assumptions	(87)	-	-	-	(170)	1	(8)	(246)
Benefits accrued	(92)	(96)	(103)	(108)	(115)	(130)	(136)	(141)
Benefit payments	(137)	(137)	(144)	(146)	(154)	(167)	(178)	(182)
Decrease (increase) in deficit	235	(349)	(864)	(3)	56	(139)	160	258

Solvency Results for the Year

(millions of dollars)

\$1,055.0 Solvency deficiency July 1, 2014 (registered plans)
\$1,363.8 Solvency deficiency July 1, 2013 (registered plans)
\$ 308.8 Decrease in solvency deficiency

Mainly due to investment returns of 17.4%, offset by current long-term bond rates used to discount liabilities falling from 3.50% at July 1, 2013 to 3.10% at July 1, 2014.