

# **Governance of the Western Pension Plans**

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## **Executive Summary**

The governance of Plans has evolved gradually over

participating employer), based upon percentages of pensionable earnings. Plan Members may

Significant changes in the investment environment have occurred. Equity market correlations have increased with the continued synchronization of global capital markets, reducing the diversification benefit of regional equity allocations. A global approach has been adopted within the Diversified Equity Fun0.00012 0 612 (i)15(v)117 within

described below. The purpose of specifying these principles is to define a broad framework within which the Plan design can be reviewed and specific operational decisions can be made. It is important to recognize, of course, that the principles themselves may at times conflict. For example, cost considerations may conflict with the goal of optimum choice. In such areas of conflict it will be particularly important for the Pension Board to exercise good judgements in making the appropriate trade-offs. Despite such difficulties, it is anticipated that the act of defining basic principles will be of great benefit in helping both present and future Pension Boards to review the overall design of the pension plans, to make specific operational decisions, and to assure continuity between present and future Pension Boards.

**Principles:**

1. **Offer members the broad and diversified CHOICE of both investment and retirement vehicles.** Flexibility and choice is very important because it allows individuals to adopt different decisions reflecting their degree of risk tolerance, the size and nature of their investo

**Intention of Passive Management**

The Joint Pension Board has

