



# **Combination Pension Plan & Money Purchase Pension Plan ANNUAL GENERAL MEETING**

July 6, 2022

# 2021 Pension Board of Trustees

## University of Victoria Combination & Money Purchase Pension Plans

<b>David Boudinot</b>	Term ending December 31, 2023
<b>Keith Dixon (Vice-Chair)</b>	Resigned effective December 31, 2021
<b>John Gilfoyle</b>	Term ending June 30, 2023
<b>Lisa Hill</b>	Resigned effective October 31, 2021
<b>Michael Miller (Chair)</b>	Term ending December 31, 2022
<b>Matt Murphy</b>	Term ending December 31, 2023
<b>Susan Service</b>	Term ending December 31, 2022
<b>Andrew Coward</b>	Appointed <i>ex-officio</i>
<b>New Board Trustees (Effective January 2022)</b>	
<b>Barry Gros</b>	Term ending December 31, 2024
<b>Catherine Heath</b>	Term ending December 31, 2024

# Pension Services

<b>Director, Pension Services</b>	Christa Taylor
<b>Associate Director, Pension Services</b>	Oliver Cowern
<b>Administrative Assistant</b>	Meaghan Vardy
<b>Pension Entitlements Officers</b>	Ian Jones Sarah Thomas
<b>Pension Entitlements Clerks</b>	Sylvia Andre Donna LeBere
<b>Governance &amp; Communication Officer</b>	Marshal McLernon
<b>Pension Entitlements &amp; Projects Officer</b>	Christine Mojica
<b>Senior Administrative Clerk</b>	Sutti Tungsiriratana
<b>Pension Financial Accountant</b>	Nicole Pan
<b>Pension Accounting &amp; Entitlements Clerk</b>	Shirley Omelchuk

# Market Value of Investments

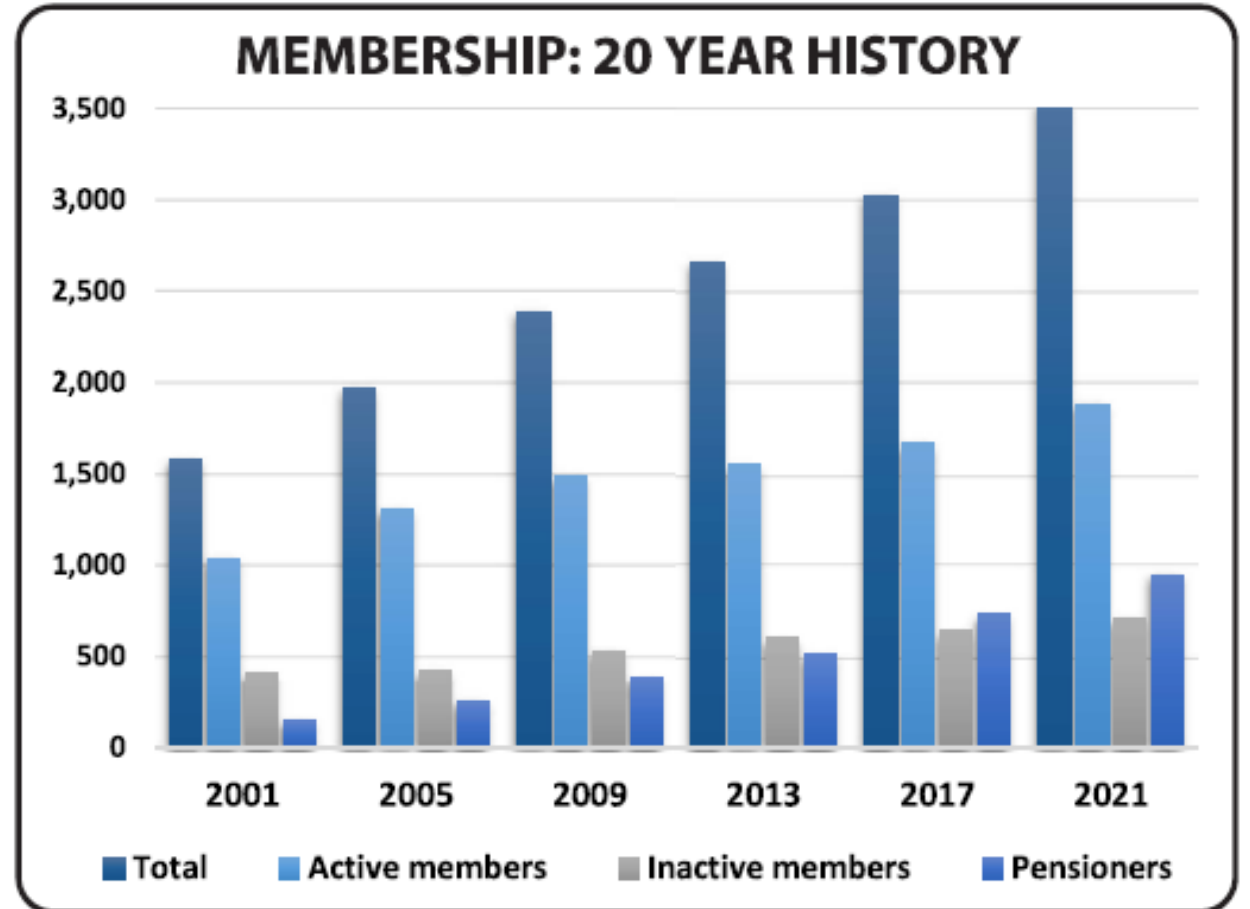
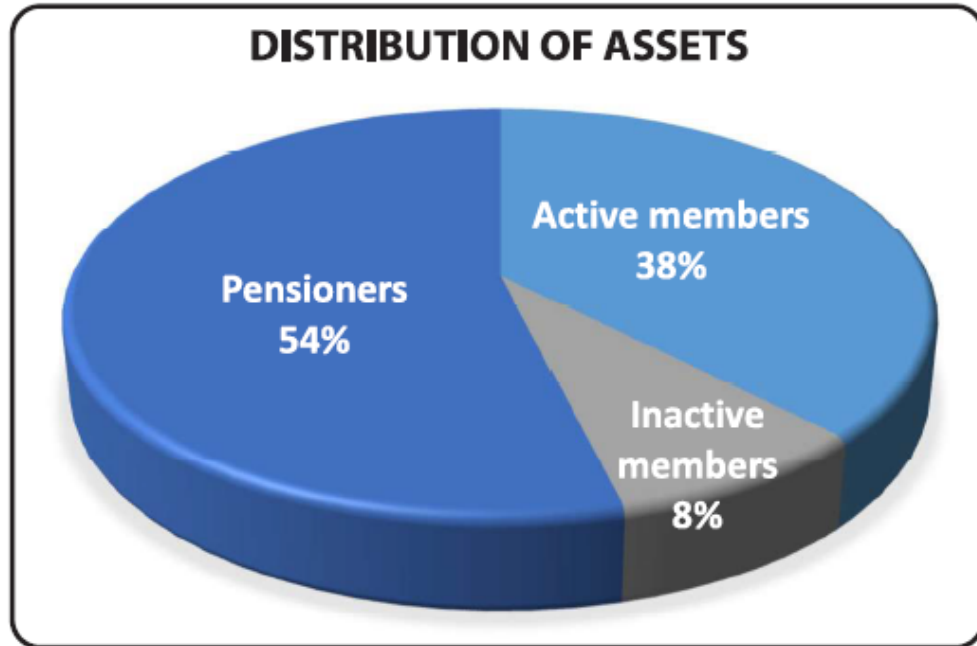
As at December 31, 2021

Combination Pension Plan	2019	2020	2021
Balanced Fund	1,112,405	1,226,597	1,378,904
DRBF	243,933	283,749	341,270

Money Purchase Pension Plan	2019	2020	2021
Balanced Fund	78,372	89,073	103,335

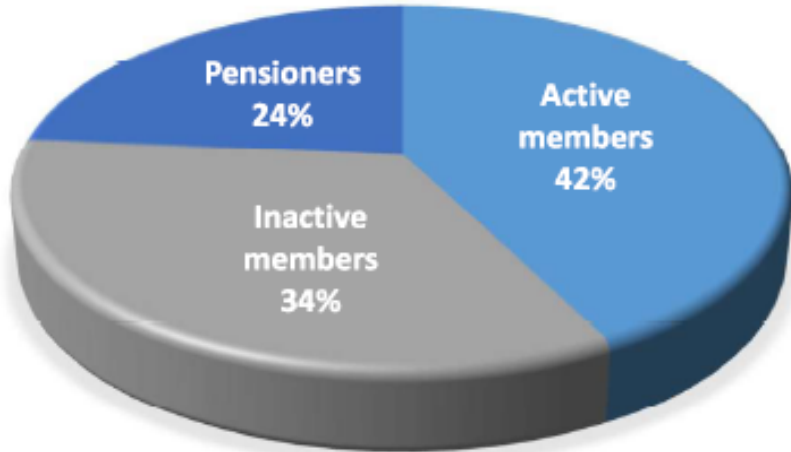
*Expressed in 000's*

# Membership: Combination Pension Plan

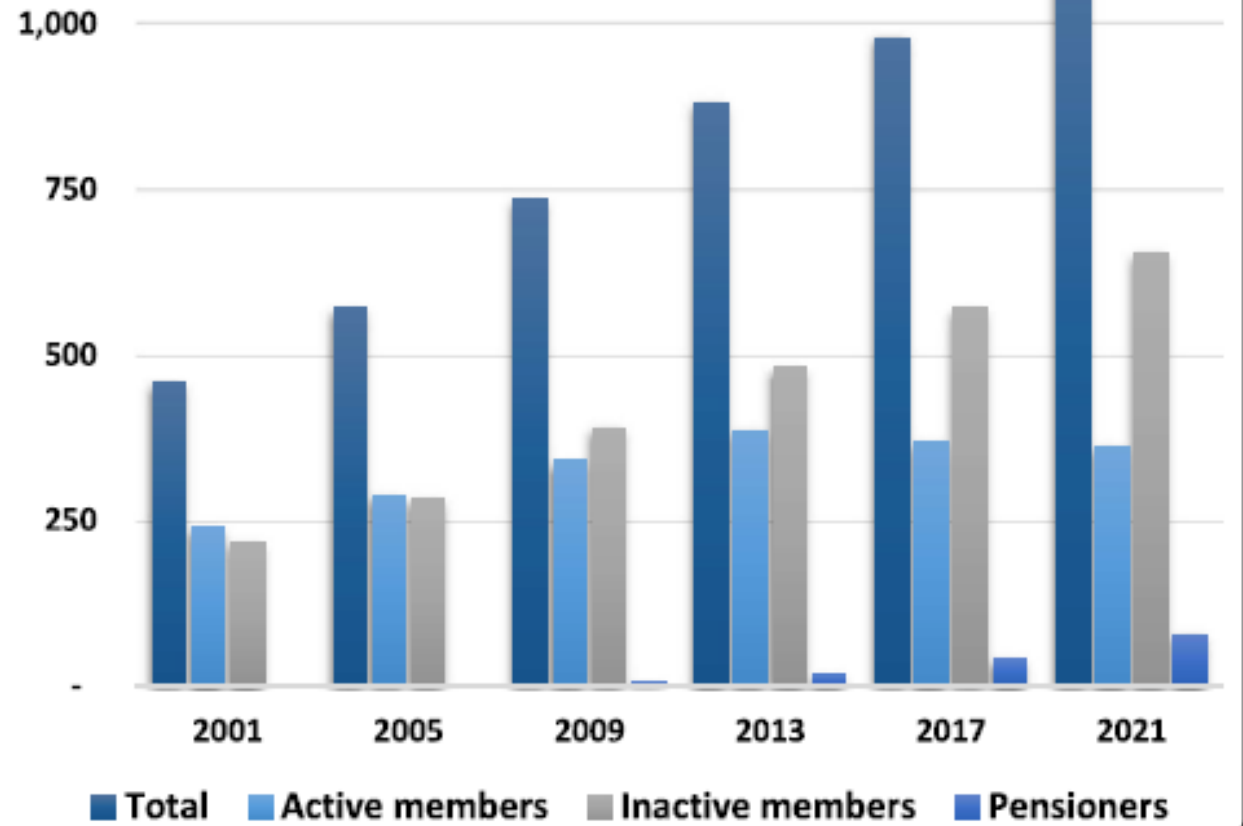


# Membership: Money Purchase Pension Plan

## 2021 DISTRIBUTION OF ASSETS



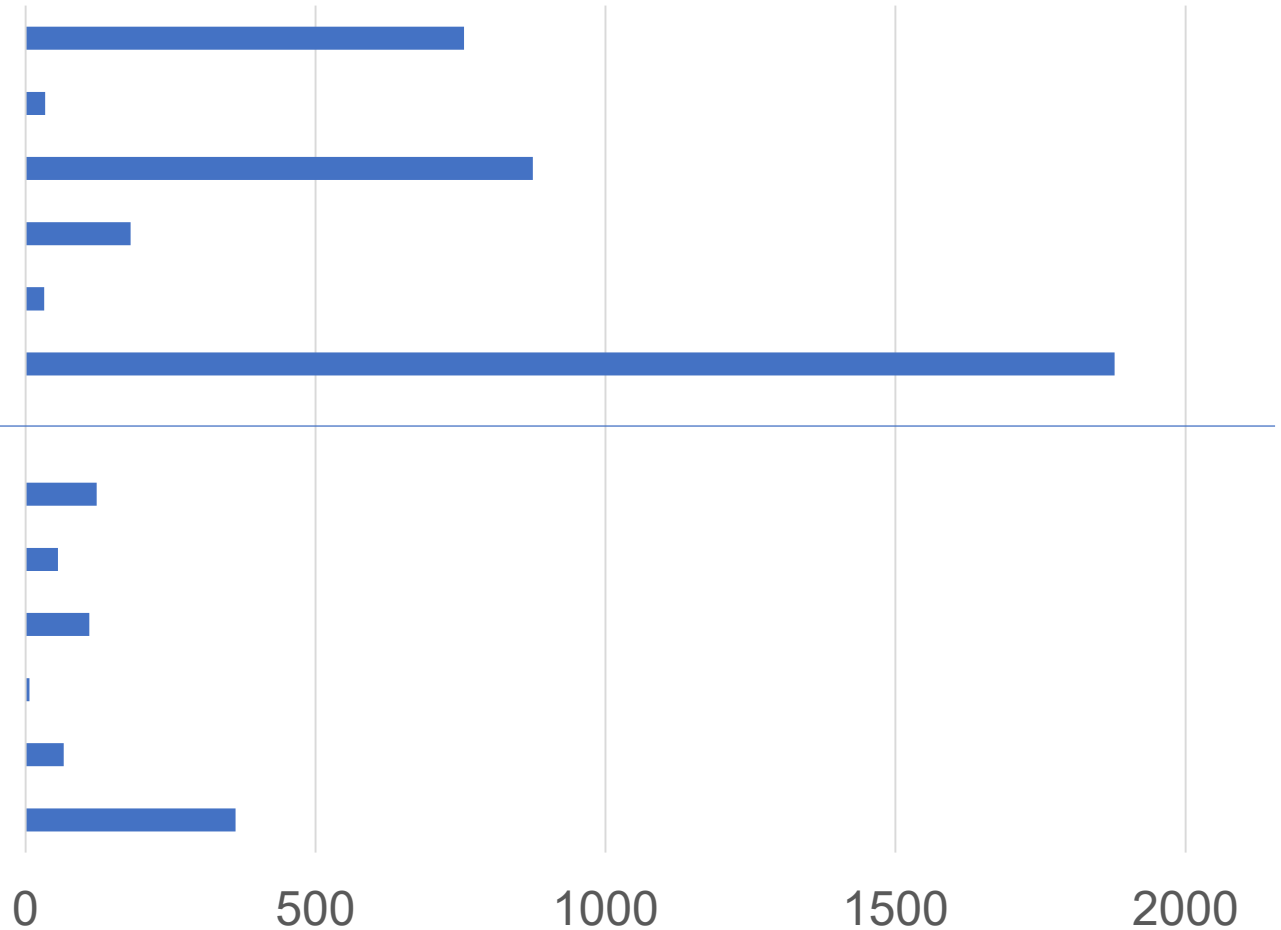
## MEMBERSHIP: 20 YEAR HISTORY



# Active Membership

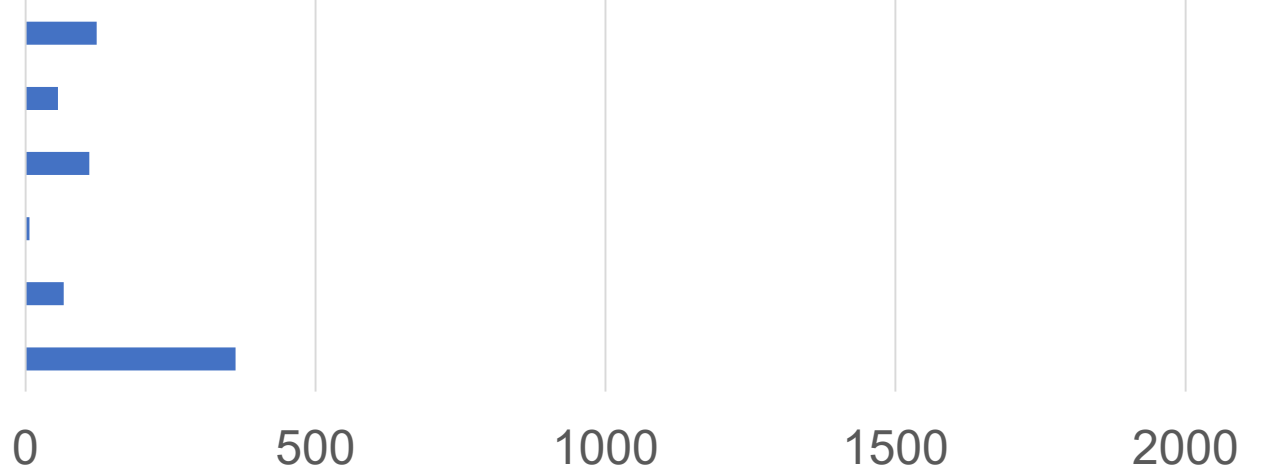
## Combination Pension Plan

Faculty 756  
Librarian 34  
PEA 875  
ME 181  
Other 32  
Total 1878



## Money Purchase Pension Plan

Faculty – Teaching 123  
Faculty – Other 56  
PEA 110  
ME 7  
Other 66  
Total 362



# 2021 Performance Review

Comparisons from the PBI/Northern Trust universe

<b>BALANCED FUND</b>	<b>1 YEAR</b>	<b>2 YEAR</b>	<b>3 YEAR</b>	<b>5 YEAR</b>	<b>10 YEAR</b>
Total Plan Return (Net of investment fees)	14.5%	13.4%	14.4%	10.4%	10.3%
Asset Mix Benchmark	11.7%	10.8%	12.1%	8.6%	8.7%
Value Added (Net of investment fees)	2.8%	2.6%	2.3%	1.8%	1.6%
<b>DRBA</b>	<b>1 YEAR</b>	<b>2 YEAR</b>	<b>3 YEAR</b>	<b>5 YEAR</b>	<b>10 YEAR</b>
Total Plan Return (Net of investment fees)	17.5%	15.3%	16.3%	11.3%	11.0%
Asset Mix Benchmark	15.6%	13.0%	14.4%	10.2%	9.8%
Value Added (Net of investment fees)	1.9%	2.3%	1.9%	1.1%	1.2%

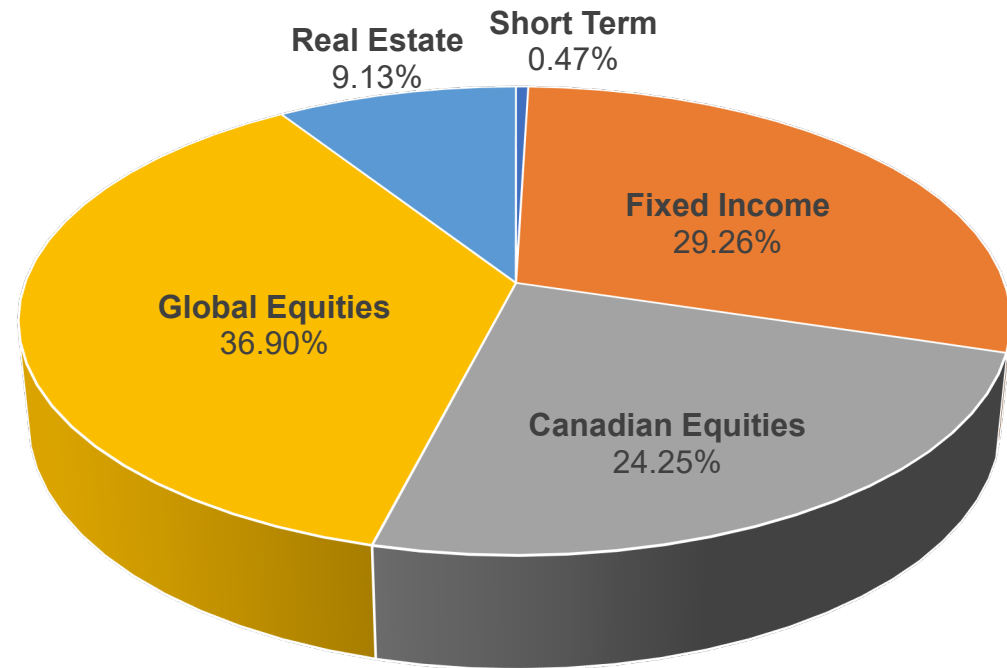


# Summary of Plan Expenses

Combination Pension Plan & Money Purchase Pension Plan <i>Expressed in \$000's</i>	2019		2020		2021	
	\$	%	\$	%	\$	%
Investment Management	3,702	0.35	3,817	0.32	4,321	0.33
Custodial & Consulting	92	0.01	60	0.00	66	0.00
Office & Administration	577	0.06	550	0.05	595	0.05
Audit & Legal	76	0.01	68	0.01	82	0.01
<b>TOTAL EXPENSES</b>	<b>4,447</b>	<b>0.43</b>	<b>4,495</b>	<b>0.38</b>	<b>5,064</b>	<b>0.39</b>

# Asset Mix: Balanced Fund

Asset Class	\$ <i>Expressed in \$000's</i>	%
Short Term	6,918	0.47
Fixed Income	433,693	29.26
Canadian Equities	359,371	24.25
Global Equities	546,952	36.90
Real Estate	135,304	9.13
<b>Total Market Value</b>	<b>\$1,482,238</b>	<b>100.00%</b>



# Manager Allocation & Performance: Balanced Fund

INVESTMENT MANAGER	ALLOCATION (%)			RETURN (%)			
	Actual	Benchmark	Allowable Range	1 YEAR	1 YEAR	4 YEAR	4 YEAR
	WEIGHT	WEIGHT		GROSS	BENCHMARK	GROSS	BENCHMARK
<b>FIXED INCOME</b>							
PH&N	29.2	36.0	20-46	-2.0	-2.5	4.8	3.5
<b>CANADIAN EQUITIES</b>							
BCI	12.3		9-13	25.0		11.5	
Fiera	12.1			27.9		11.1	
Total	24.4	22.0	14-27	26.4	25.1	11.3	10.3
<b>GLOBAL EQUITIES</b>							
BCI	36.8	32.0	20-40	24.5	20.7	16.5	13.7
<b>REAL ESTATE</b>							
BCI	9.1	10.0	5-15	11.1	9.0	6.0	6.5
<b>TOTAL FUND</b>				<b>14.9</b>	<b>11.7</b>	<b>10.7</b>	<b>8.7</b>

# Fund Performance: as at March 31, 2022

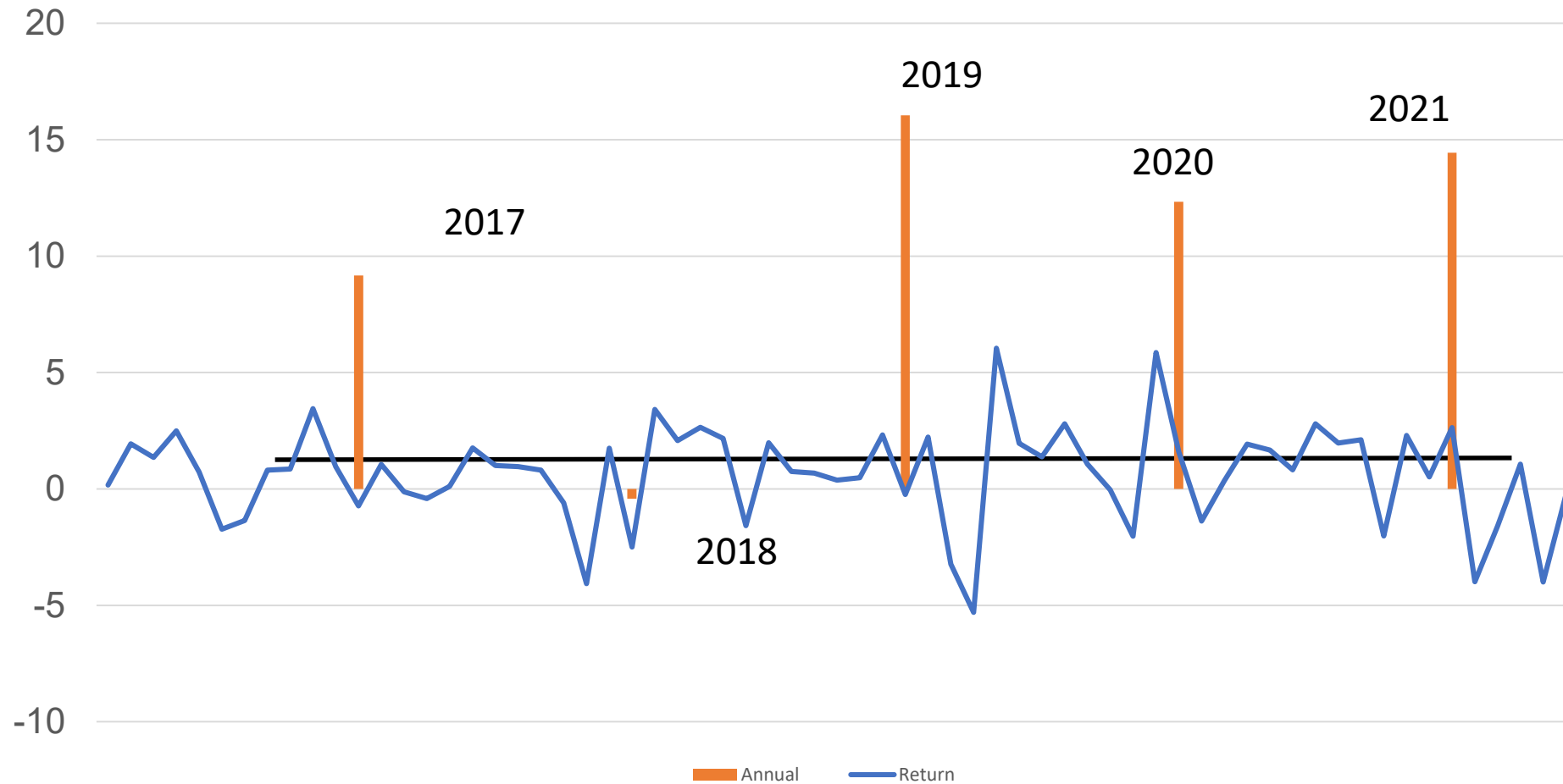
## Balanced Fund

	3 Months	1 Year	2 Years	3 Years	5 Years	10 Years
Total Plan Return (Net of fees)	-4.5%	8.4%	14.5%	9.6%	8.6%	9.3%
Asset Mix Benchmark <sup>1</sup>	-3.4%	6.6%	13.7%	8.1%	7.2%	7.9%
Value Added (Net of fees)	-1.1%	1.8%	0.8%	1.5%	1.4%	1.4%
Balanced Fund Benchmark (Net of Fees) <sup>2,3</sup>	-3.7%	5.5%	14.0%	7.5%	6.6%	7.2%

### Notes

1. UVic Balanced Fund Asset Mix Benchmark = 22% TSX Capped + 32% MSCI World ex-Cda + 36% FTSE Cda Universe Bond + 10% (CPI+4%)
2. Traditional Balanced Fund fee is assumed to be 35bps
3. Balanced Fund benchmark consists of a traditional 60% equity (split 50/50 between Canadian and Global Equity) and 40% universe bond mix

# Balanced Fund Performance: Monthly & Annual Returns



# Long-Term Perspectives: The TSX Composite Index



		Since March 2020	Since December 2021
<b>March 16, 2020</b>	11851.81		
<b>December 27, 2021</b>	21228.84	79.1%	
<b>March 21, 2022</b>	22005.94	85.7%	3.7%
<b>June 27, 2022</b>	18861.36	59.1%	-11.2%

# ESG: Investment Manager ESG Summaries

Managers	Fiera	PH&N	BCI
PRI Signatory	2009	2015	Since inception of PRI
Responsible investment policy	Yes	Yes	Yes
Voting Rights Policy	Yes (ISS)	Yes (ISS)	Yes
Shareholder Engagement Policy	No	Yes (internal)	Yes
External ESG Resources	MSCI, CCGG, CBIA, Bloomberg, Sustainalytics, ISS, CDP Climate Score, SASB	MSCI, Sustainalytics, ISS, Glass Lewis, Bloomberg, TruValue	BCI has not provided information on the external ESG resources used. A number of providers are footnoted/credit in BCI's ESG reporting.
ESG issue notification/action	Yes	Yes	Yes
PRI Rating:			
• Governance	A+	A+	BCI is classified as an asset owner rather a fund manager by the PRI. They score A+ for strategy and governance.
• Filtering	A	A+	
• Intergration	A	A+	
• Engagement	A	A+	
• Voting Rights	B	A	
Consideration of UN Sustainable Development Goals	Yes	No	Yes
Carbon Score	Yes (MSCI)	Yes (Bloomberg)	Yes
ESG Score	Yes (MSCI)	Yes (MSCI, Sustainalytics)	BCI provides an annual report with a comprehensive assessment, including numerical scoring on ESG metrics.

Source: PBI – Manager responses to PBI ESG Survey 2019/2020

# ESG: Carbon Intensity/Carbon Footprint by Manager

	Date of evaluation	Portfolio	Benchmark	Percentage of benchmark
Fiera (Canadian Equity)	2020	241.3 (Tons of CO2 per \$M of sales)	280.01	86%
PH&N (Canadian Equity)	2020	242.4 (Tons of CO2 per \$M of sales)	315.2	76%
BCI (public equity at BCI)	2019	108.2 (Tons of CO2 per \$M invested)	121.2	89%
PH&N (Fixed Income)	2021	302.0 (15% coverage)	216.6 (18% coverage)	Carbon Intensity metrics insufficient

- Fiera and PH&N use different sources (MSCI vs Bloomberg).
- BCI measures carbon footprint. PH&N and Fiera provide carbon intensity.
- Insufficient coverage of PH&N fixed income portfolio to provide a full carbon intensity or footprint.



# Board Priorities: Implemented January/February 2022

- **Actuarial Valuation** for the period ended December 31, 2021
- **ESG Working Group** – three pension plans: CPP, MPP, Staff Plan
- **Governance Review** – including consideration of Board composition and election procedures

# Questions or Comments?

If you wish to ask a question, please add your name to the queue via the chat function of Zoom. The moderator will invite participants in order.



**[pensboard@uvic.ca](mailto:pensboard@uvic.ca) | [250.721.7030](tel:250.721.7030) | [www.uvic.ca/pensions](http://www.uvic.ca/pensions)**

**Thank you for attending.**



**Pension Board**  
University of Victoria

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# Appendix 1:

## PENSION PLAN CONTRIBUTIONS EXPRESSED AS A % OF MEMBER'S BASIC SALARY

		Money Purchase Pension Plan	MPP Total	Combination Pension Plan (Plan Document)	CPP Plan Document Total	Combination Pension Plan Current Rates - 2020	CPP Current Total
<b>Defined Contribution/Combined Contribution Account (DC)</b>							
Up to YMPE*	Member	3.00%	11.37%	3.00%	10.37%	4.00%	10.37%
	University	8.37%		7.37%		6.37%	
Above YMPE*	Member	5.00%	15.00%	5.00%	14.00%	6.00%	14.00%
	University	10.00%		9.00%		8.00%	
<b>Defined Retirement Benefit Account (DRBA)</b>							
	University	N/A		1.00%		4.00%	

\* YMPE: Canada Pension Plan Year's Maximum Pensionable Earnings (2021 YMPE: \$64,900)

# Appendix 2:

## COMBINATION PENSION PLAN CONTRIBUTIONS EXPRESSED AS A % OF MEMBER'S BASIC SALARY

		Basic Member & University Rates	Total Basic Rates	Member & University Rates 2011 - 2019	Total Rates 2011-2019	Member & University Current Rates - 2020	Total Current Rates
<b>Defined Contribution/Combined Contribution Account (DC)</b>							
Up to YMPE*	Member	3.00%	10.37%	4.35%	10.37%	4.00%	10.37%
	University	7.37%		6.02%		6.37%	
Above YMPE*	Member	5.00%	14.00%	6.35%	14.00%	6.00%	14.00%
	University	9.00%		7.65%		8.00%	
<b>Defined Retirement Benefit Account (DRBA)</b>							
	University	1.00%		5.05%		4.00%	

\* YMPE: Canada Pension Plan Year's Maximum Pensionable Earnings (2022 YMPE: \$64,900)

## Proposed Resolution:

Be it resolved that the Pension Board investigate and report back to the membership by December 31, 2022 on the impact of, feasibility of, and best approach to having the Teaching Stream faculty join the Combination Pension Plan.