



Money Purchase Pension Plan

ANNUAL GENERAL MEETING

www.uvic.ca/pensions

Acknowledgement

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

Agenda

- Introductions
- 2023 Highlights
- Membership
- Investment
- Financial Highlights
- Risk Management
- 2024 Priorities

Meeting Process: Questions

- Questions will be addressed at points throughout the presentation.
- **Zoom:** Enter your question using the Q&A function which is available on the bottom of your screen. The moderator will relay your questions to the Board.

2024 Pension Board of Trustees

University of Victoria Money Purchase Pension Plan

Andrew Coward	Appointed <i>ex-officio</i>	
Ori Granot	Term ending December 31, 2025	Policies & Procedures Subcommittee Chair
Stefan Grbavec¹	Term ending December 31, 2026	
Barry Gros	Term ending December 31, 2024	2024 Chair , 2024 Governance & Communications Committee Chair, 2023 Vice Chair
Catherine Heath	Term ending December 31, 2024	Investment Subcommittee Chair
Michael Miller	Term ending December 31, 2025	2024 Vice Chair , 2023 Chair
Matt Murphy²	Term ending December 31, 2026	
Melanie Nadeau-Roy³	Term ending June 30, 2026	

¹ S. Grbavec was elected effective January 1, 2024. He replaces David Boudinot, who stepped down after 2 terms on the Board.

² M. Murphy was re-elected effective January 1, 2024.

³ M. Nadeau-Roy was appointed in mid-2023, replacing John Gilfoyle, who stepped down after nearly 12 years on the Board.

Pension Services

Executive Director, Pensions and Plan Governance	Randi Topp
Director, Pension Services	Oliver Cowern
Manager, Member Services	Sarah Thomas
Administrative Assistant	Meaghan Vardy
Paralegal & Governance Coordinator	Chrissy Drew
Pension Entitlements Clerks	Donna LeBere, Gail Ronayne
Pension Entitlements Officers	Ian Jones, Shirley Omelchuk, Karli Ross
Pension Entitlements & Projects Officer	Christine Mojica
Senior Administrative Clerk	Sutti Tungsiriratana
Pensions Accountant	Nicole Pan
Accounting Associate	Matthew Denning
Pension Communications Officer	Hervey Simard

2023 Highlights

01

MEMBERSHIP

Active | 336

Inactive | 707

Pensioners | 94



**Pension Seminars delivered to 58 members.
Trustee election for two trustee vacancies.
Annual General Meeting held virtually in May.**

02

INVESTMENTS

10.3% | Net Investment Return in 2023

7.6% | 10-Year Annualized Net Rate of Return

0.37% | Expenses in 2023

**Returns over the last 3, 5 and 10 year timeframes
are above benchmark and in top quartile
compared to other balanced funds as measured
by our custodian, Northern Trust.**

Two new equity managers added in 2023.

**Project started to hire a consultant to support the
Board with moving its responsible investment
approach forward.**

03

FINANCIALS & RISK MANAGEMENT



Contributions received: \$4.3M
Benefits paid: \$3.6M
Total assets: \$104.8M



Risk management evolving:
Governance and investment policies updated to enhance documentation of key risks and how these risks are managed.

04

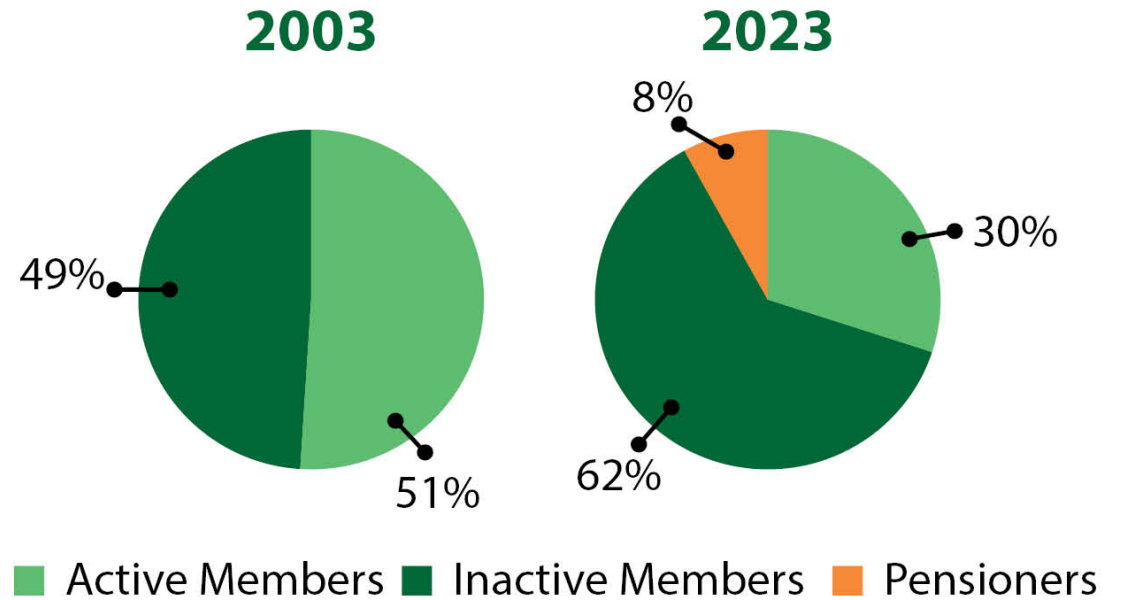
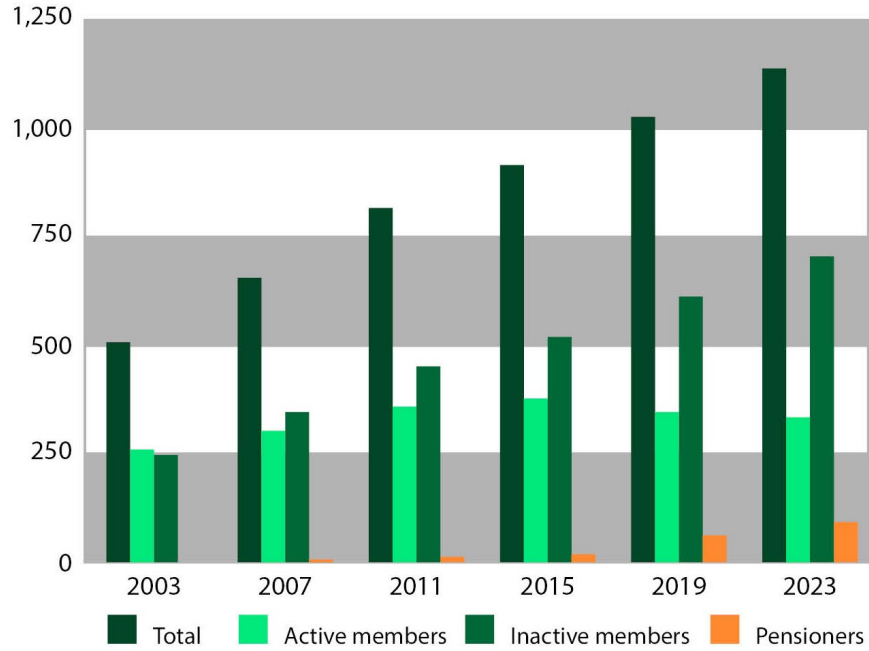
GOVERNANCE

BC Financial Services Authority (BCFSA) selected the Plan to be reviewed as part of its risk management framework, and provided a report to the Pension Board in early 2023. Some strengths and also areas of improvement were identified, as would be expected. Recommendations were implemented during 2023, strengthening the Plan's oversight and processes and helping to ensure the Plan remains strong and sustainable for many years ahead.

Membership

Membership

MEMBERSHIP: 20 YEAR HISTORY



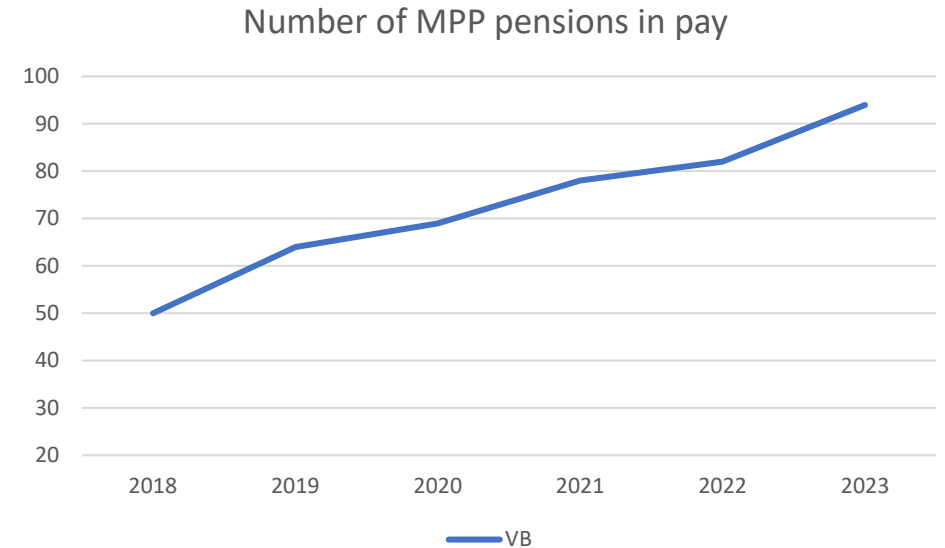
2023 Member Trends – Number of Pensions in Pay

When employment with UVic terminates, a Plan member can either:

- Transfer their balance out of the Plan; or
- Leave it in the Plan and take it out as retirement income

Pensions in pay:

- The Variable Benefit (VB) was introduced for MPP in 2006.
- Since introduction, numbers of VBs have grown steadily.



2023 Member Trends – Benefit Selection By Age

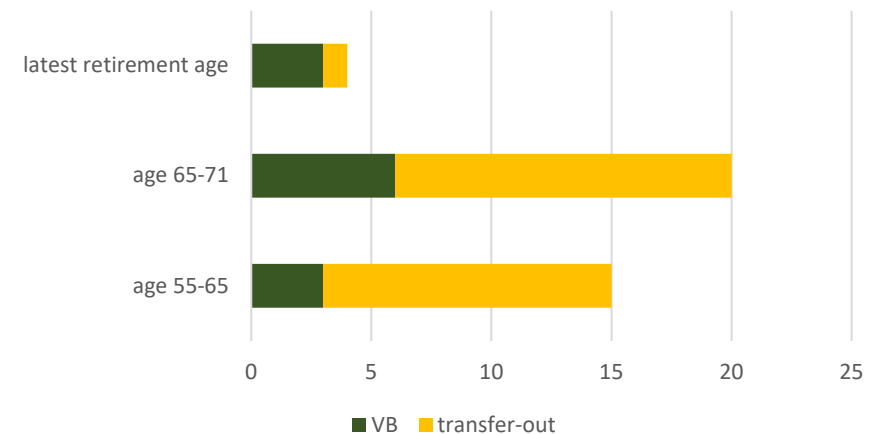
Variable Benefit (VB)

- The VB offers the ability to retain account balance invested in the Balanced Fund, and select the annual withdrawal amount (subject to minimum and maximum limits)
- Fees are relatively low compared with financial institutions: 0.37% in 2023
- Pension Board selects investments of the fund
- Minimum balance requirement: 2 x YMPE to elect a VB (\$137,000 in 2024)

VB vs. Transfer

- More members tend to transfer out than take a VB, especially at younger ages

Number of new MPP pensions by age in 2023



2023 Member Trends – Voluntary Contributions

Through payroll:

- Members can enhance their retirement savings by making additional voluntary contributions through payroll - however only 5% of active members take advantage.

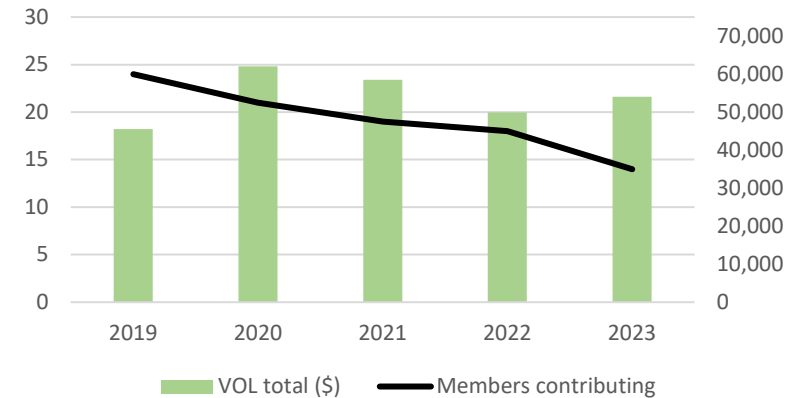
Transferring-in:

- In 2023, 8 members (1%) chose to transfer-in RRSPs/LIRAs.

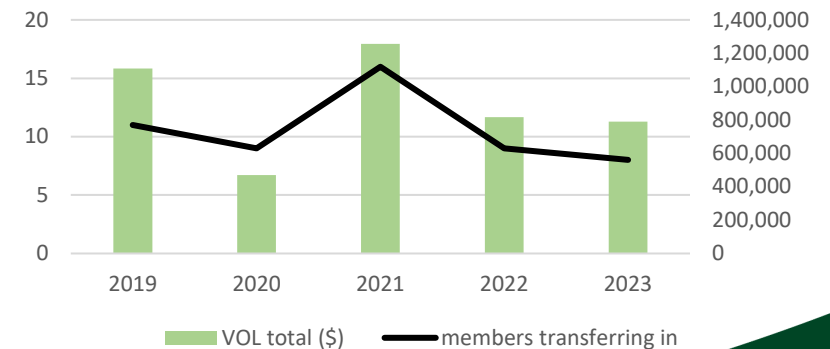
Voluntary contribution features:

- Immediate tax deduction through payroll contributions
- Flexibility to easily increase or decrease deductions as needed
- Low management fees compared with financial institutions

Voluntary contributions through payroll

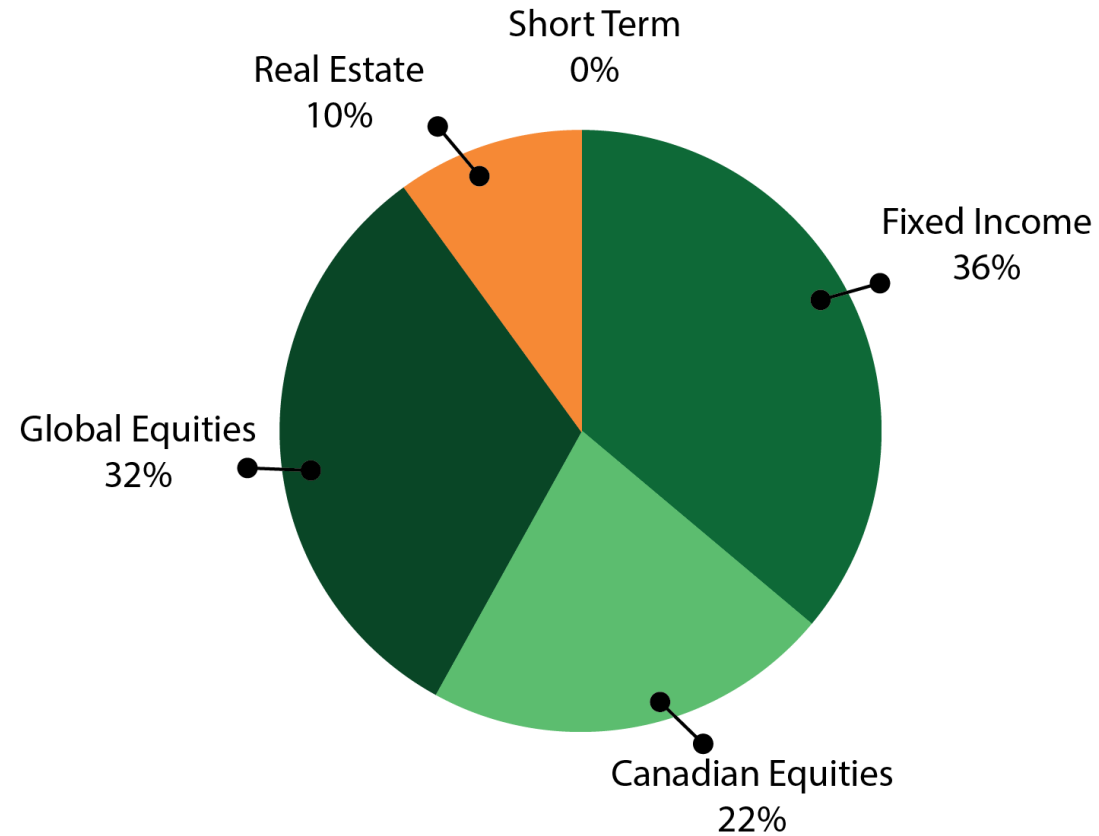


MPP voluntary transfers-in



Investments

Investments: Target Asset Mix



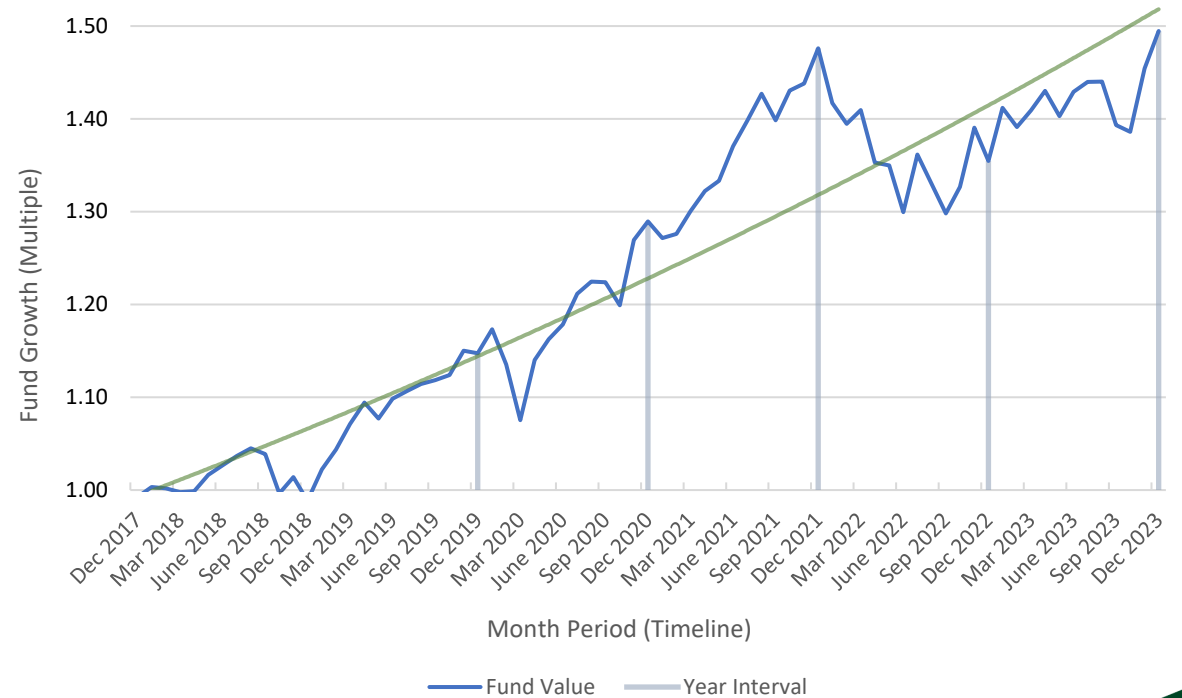
Investments: Balanced Fund Performance and Growth

(as of Dec. 31, 2023)

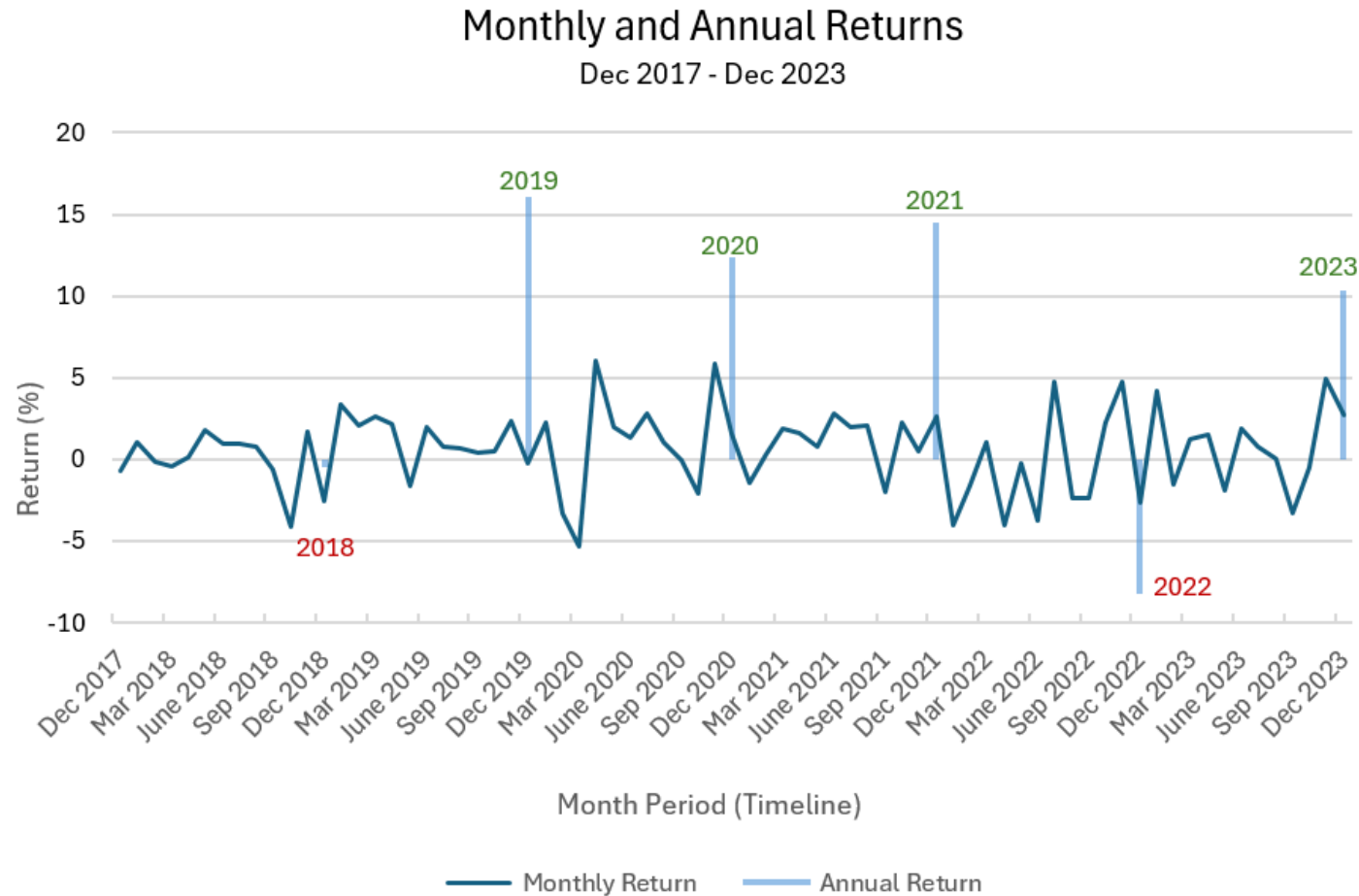
BALANCED FUND ANNUALIZED RETURNS (% ¹) as of December 31, 2023				
	1 YEAR		4 YEAR	10 YEAR
	Gross	Net	Net	Net
2023	10.66	10.28	6.80	7.64
2022	-7.88	-8.24	8.17	8.09
2021	14.84	14.44	10.40	10.04
2020	12.75	12.34	9.11	8.64
2019	16.50	16.05	7.19	8.34
2018	0.03	-0.42	5.45	8.30
2017	9.52	9.17	8.56	6.57
2016	4.98	4.63	9.98	5.92
2015	9.10	8.71	11.29	6.70
2014	12.21	11.87	9.17	7.07

1- These returns are calculated using a money-weighted methodology, which reflects cash flows into and out of the portfolio. These returns are calculated based on information provided by Northern Trust.

Balanced Fund Growth
Dec 2017 - Dec 2023



Balanced Fund Performance: Monthly & Annual Returns



Investments: Manager Performance (as of Dec. 31, 2023)

BALANCED FUND MANAGER PERFORMANCE

INVESTMENT MANAGER	RETURN (% ²⁻³) as of December 31, 2023			
	1 YEAR	1 YEAR	4 YEAR	4 YEAR
	GROSS	BENCHMARK	GROSS	BENCHMARK
FIXED INCOME				
PH&N	7.5	6.7	1.5	0.0
CANADIAN EQUITIES				
BCI	15.8	11.8	10.8	8.6
Fiera	10.7	11.8	10.5	8.6
Total	13.3	11.8	10.7	8.6
GLOBAL EQUITIES				
BCI	18.0	20.8	9.9	9.9
Walter Scott ⁴	NA	NA	NA	NA
Total	17.9	20.8	9.9	9.9
REAL ESTATE				
BCI	-5.5	7.5	3.8	7.9
TOTAL FUND	10.5	12.4	7.0	6.0

2- These returns are calculated using a time-weighted methodology. This methodology does not reflect cash flows into and out of the portfolio, and is more appropriate for measuring performance against benchmarks. The returns are calculated by Northern Trust and verified by the Plan's investment consultant, PBI.

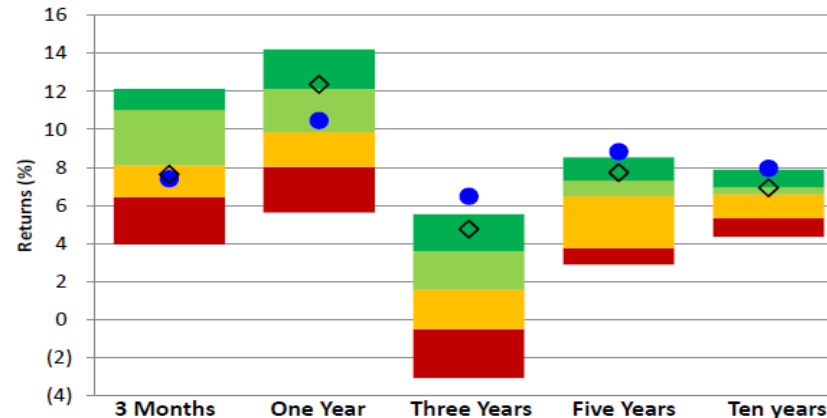
3- Short term investment results are grouped with respective managers.

4- Walter Scott began managing funds for the Plan in mid-2023. A full year of returns is not yet available.

Investments: Manager Performance (as of Dec. 31, 2023)

PBI

Balanced Fund Performance vs Pension Plan Universe (Gross of Fee returns)



	3 Months	One Year	Three Years	Five Years	Ten years
5th Percentile	12.1	14.2	5.5	8.5	7.9
25th Percentile	11.0	12.1	3.6	7.3	7.0
Median	8.1	9.8	1.6	6.5	6.6
75th Percentile	6.4	8.0	(0.5)	3.8	5.3
95th Percentile	4.0	5.6	(3.1)	2.9	4.3
• Balanced Fund (quartile)	7.4 (3rd)	10.5 (2nd)	6.5 (1st)	8.8 (1st)	8.0 (1st)
◇ Total Plan benchmark	7.6 (3rd)	12.4 (1st)	4.8 (1st)	7.7 (1st)	6.9 (2nd)

PERFORMANCE MONITORING REPORT DECEMBER 2023

All fund and quartile returns are gross of investment management fees
Universe: Northern Trust

1

Appointment of New Managers in 2023

- BC Investment Management Corporation (BCI)'s global equity fund previously included allocations to Walter Scott and C WorldWide investment funds in addition to an internally managed sleeve
 - BCI terminated Walter Scott in 2021 and C WorldWide in 2023, choosing to manage the full fund internally.
- The Pension Board preferred the prior diversification and managers, and following a detailed review of each, decided to engage both Walter Scott and C WorldWide (through Pier21) directly.
 - 40% of the global equity allocation was transferred Walter Scott in March 2023, and 30% was transferred to Pier-21/C WorldWide in March 2024 (leaving 30% with BCI)

Responsible Investing

- The Pension Board is committed to investing responsibly
 - Taking environment, social and governance (ESG) factors into consideration can positively affect long-term financial performance
 - Acknowledgement that climate change represents a long-term systematic risk that needs to be managed
- Managers are expected to consider ESG (and other) risks in selecting stocks and report regularly to the Board/Investment Subcommittee on how these risks are being managed
- The Board's Investment Consultant assists in assessing the managers in these areas

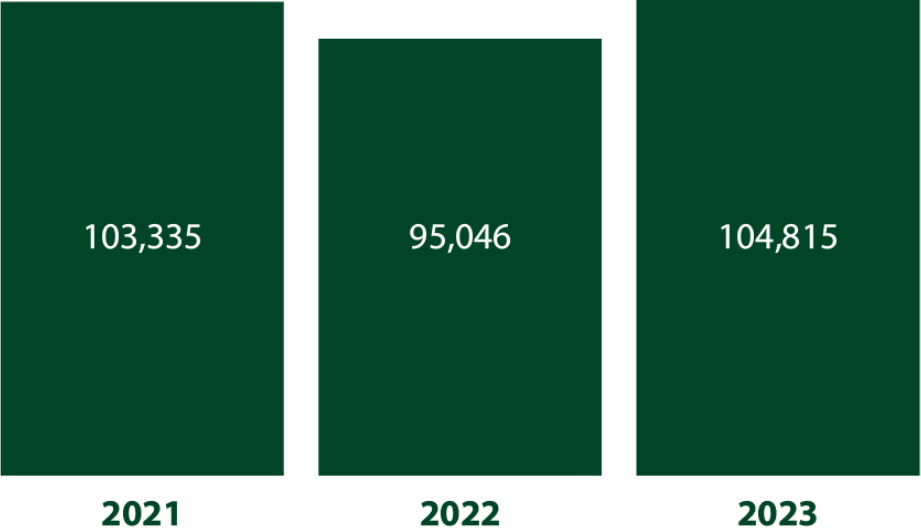
Responsible Investing – Managers

- For each manager, the Board (Investment Subcommittee) reviews and considers, when selecting and monitoring managers, items such as:
 - Is the manager a PRI Signatory? – *All are signatories*
 - Do they have a responsible investment policy? – *All do*
 - How are ESG factors integrated into their decision-making processes?
 - How do the managers vote their proxies and how do they engage with companies to improve? – *Examples are reviewed*
 - Do they consider sustainable investment goals? – *All equity/RE managers do*
 - Carbon footprints, or other metrics, where available, including progress over time and footprint vs. benchmark.
 - *This is an evolving area. All of the Plan's equity managers have footprints below their benchmark's footprint.*

Financial Highlights

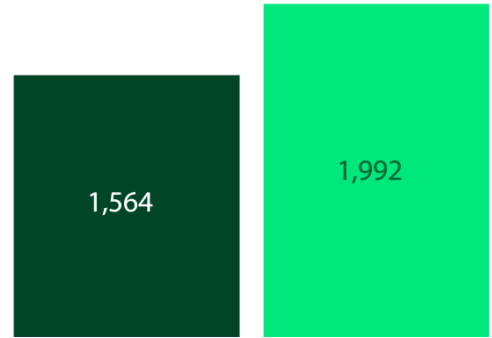
Financial Highlights

MARKET VALUE OF INVESTMENTS \$000's



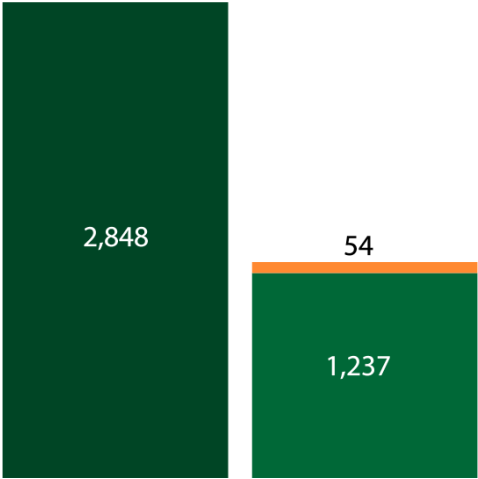
Financial Highlights

VALUE OF PAYMENTS 2023
\$000's



■ VB ■ Transfers & Lump sums

CONTRIBUTIONS 2023
\$000's



■ University ■ Members ■ Voluntary

Financial Highlights

EXPENSES

The following table details the expenses incurred to invest and administer the Plan. Expenses are deducted from gross returns to determine net returns. Net returns are distributed to members' accounts.

BALANCED FUND EXPENSES		2021		2022		2023	
	<i>Expressed in \$000's</i>	\$	%	\$	%	\$	%
	Investment management	298	0.33	316	0.29	236	0.25
	Custodial and consulting	4	0.01	7	0.01	8	0.01
	Office and administration	41	0.05	42	0.04	51	0.05
	Audit and legal	23	0.02	20	0.02	59	0.06
	Total expenses	366	0.41	385	0.36	354	0.37

Risk Management

Risk Management

Governance

- Pension Board with diverse skills and backgrounds
- Robust policies reviewed regularly (e.g. governance, funding, investment)
- Ongoing monitoring

Plan operations

- Dedicated Pension Services office with pension expertise
- Annual compliance reports & detailed triennial assessment
- Regular reporting to Board

Investments

- Professional managers and expert consultants
- Asset mix studies
- Audited financial statements

Legal and Regulatory

- Annual compliance reports to Pension Board (confirms compliance with pension regulations and Board Policies)
- Legal counsel with specific pension expertise

BC Financial Services Authority - Plan Review

- BC Financial Services Agency (BCFSA) routinely performs reviews of pension plans in accordance with their risk management framework
 - In Fall 2022, the MPP was selected by BCFSA for such a review. Report received Jan. 2023
 - Areas reviewed include controls and oversight, administration and member communications
 - Assessment identified several strengths and certain areas for improvement as well, as would be expected in this type of review.
- Throughout 2023, the Board reviewed, addressed and responded to BCFSA's comments, implementing recommendations and strengthening the Plan's oversight and process documentation.
- Changes made will help to ensure the Plan remains strong and sustainable for many years ahead.

2024 Priorities

2024 Priorities for Board and Pension Services

Continued focus on Risk Management

Ensuring the financial stability of the Plan is critical. Risks are evolving and processes should too:

- *Reviewing cyber security risk*
- *Completing an asset mix study to ensure an optimal risk adjusted return for members and the plan*
- *Working with a climate/ESG consultant to advance progress in this area.*

Communications Transformation

Following from 2023 survey, enhance communications to better serve Plan members:

- *e.g. website content being reviewed, pension seminar recordings to be available, looking into online access for members*

Ensure Continued Compliance and Excellence in Plan Oversight and Member Service

You've given us your trust and we want to continue to earn and build it

Questions or Comments?



pensboard@uvic.ca 250.721.7030 www.uvic.ca/pensions

Thank you for attending.



pensboard@uvic.ca 250.721.7030 www.uvic.ca/pensions

Appendix

Service Providers

INVESTMENT MANAGERS

BC Investment Management Corporation (BCI)	BCI manages all of the Plan’s real estate investments, 50% of the Canadian equity investments in the Balanced Fund and 60% of the global equity investments of the Balanced Fund and DRBF.
Fiera Capital Corporation	Fiera manages 50% of the Canadian equity investments for the Balanced Fund.
Phillips, Hager & North Investment Management Limited (PH&N)	PH&N manages all of the Plan’s fixed income investments and all of the Canadian equity investments in the DRBF.
Walter Scott & Partners Limited	Walter Scott manages 40% of the Plan’s global equity investments. (They were appointed in mid-2023).

CUSTODIAN

The Northern Trust Company, Canada	Custodian of Plan assets (excluding BCI funds) and benefit payment service.
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INVESTMENT CONSULTANT

PBI Actuaries & Consultants

PERFORMANCE MEASUREMENT

PBI Actuaries & Consultants

ACTUARY

Mercer (Canada) Limited

AUDITOR

Grant Thornton LLP