



Pension Advisory Committee Representative Annual Report to VIUFA 2019

Plan Performance

According to the Trustees' Report of February 2019, the College Pension Plan's one year return ending August 31, 2018 was 10.3%, which is above the benchmark of 9.4 %.

Cost of Living Adjustment

Effective January 1 2019, retirees received a cost-of-living adjustment of 2.07% (the cap on inflation adjustments). Between October of 2017 and October of 2018, the actual inflation rate was 2.30%.

The trustees will be receiving a triannual valuation report in early May. The expectation is that the plan will show an ongoing surplus. This surplus may be used to raise the COLA cap to 2.75%.

New Plan Members

The SFU Faculty Association has voted in favour of joining the College Pension Plan. SFU is preparing an application for consideration by the Board.

Socially Responsible Investing and the College Pension Plan.

The PAC sub-committee on socially responsible investing and the College Pension Plan was to submit its second tri-annual report this year. That report has been delayed by one year due to contract negotiations.

At our February 2019 meeting BCI VP for ESG strategies Jennifer Coulson spoke to us about BCI's climate action plan. Here are some of the highlights of Ms. Coulson's talk:

*BCI has no specific target with regard to reducing the carbon footprint of its public equity investments. In contrast CDPQ (a major Quebec pension plan) has committed to a 25% reduction in its carbon footprint per dollar invested by 2025.

*BCI has no external audit to verify its claims with regard to SRI factors but is heading in that direction.

*BCI distinguishes between active and passive holdings with regard to SRI strategies. For instance, CPR is in the active file with regard to health and safety and Chevron with regard to climate action. Tahoe resources, which was recently before the BC Supreme Court for human rights abuses, has slipped from the active to the passive file, possibly due to a lack of responsiveness. The vast majority of our public equity investments do not receive active SRI attention (Ms. Coulson works with a team of five).

*There is no SRI team to assess BCI's private equity investments. PAC has asked BCI to speak to us about this.

Respectfully submitted by

Robert Pepper-Smith

April, 2019