



Pension Advisory Committee Representative

Annual Report to VIUFA

2021

Plan Performance

According to the Trustees' Report of February 2021, the College Pension Plan's one year return ending August 31, 2020 was 8.0 %, which is below the benchmark of 10.3%. The 10-year return is 8.8% which is above the benchmark of 8.0%

Cost of Living Adjustment

A cost-of-living adjustment (COLA) of 1.0% has been approved for retirees, effective January 1, 2021.

New Plan Members

The SFU Faculty Association and the SFU Board of Governors have ratified an agreement for SFU faculty members to join the College Pension Plan. Our trustees report that SFU has made this decision in part as a recruitment tool.

Socially Responsible Investing and the College Pension Plan.

The PAC sub-committee on Socially Responsible Investing and the College Pension Plan will be preparing its third tri-annual report over the next year.

It is significant to note that the second triannual report made the following recommendation:

- that BCI (the agency responsible for the Plan's investments) set specific targets for reducing its carbon footprint (BCI has no specific targets 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)

I am happy to report that BCI has recently announced that it will reduce its carbon footprint in its global public equities portfolio (65.9% of its assets) by 30% by 2025, using 2019 as a benchmark.

In our upcoming report we plan to assess BCI's progress on the following recommendations from our second triannual report:

- that BCI extend its forecast horizon to better capture the potential risk of its investments to the environment;
- that BCI, as a matter of intergenerational justice, factor into its risk assessments risks to the maintenance of just institutions and access to a reasonable quality of life that will be borne by future pensioners;

- That BCI publish a detailed list of the Key Performance Indicators currently being used to assess ESG (Environmental, Social, Governance) performance and provide an aggregate rating on how well each one is being met;
- that BCI develop a mechanism for reporting on ESG performance in private equity investments;

Finally, the third triannual report will assess the degree to which BCI's investment strategies reflect a commitment to reconciliation with Canada's Indigenous peoples.

Respectfully submitted by

Robert Pepper-Smith

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