



**Pension Advisory Committee Representative**

## **Annual Report to VIUFA**

**2022**

### Plan Performance

According to the Trustees' Report of February 2022, the College Pension Plan's one year return as of December 31<sup>st</sup>, 2021 was 10.8% against a benchmark of 9.5%. The 10-year return is 9.8%, which is above the benchmark of 8.0%. A valuation report will be issued in May 2022. The plan is expected to have a modest surplus.

### Cost of Living Adjustment

A cost-of-living adjustment of 2.7% was awarded to retirees, effective January 1<sup>st</sup>, 2022.

### Retiree Group Benefits

Green Shield Canada has agreed to lower premiums for extended health by 2% and for dental work by 1.8%.

### Russian Invasion of Ukraine

BCI (our investment manager) is divesting from all Russian equities (approximately 107 million in Russian stocks) due to reputational risk.

### Socially Responsible Investing and the College Pension Plan.

Over the coming year, the PAC sub-committee on Socially Responsible Investing and the College Pension Plan will be preparing its third tri-annual report.

In this report the sub-committee plans to assess BCI's progress on the following recommendations from the 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 used to assess ESG (Environmental, Social, Governance) performance and provide an aggregate rating on how well each is being met;
- that BCI develop a mechanism for reporting on ESG performance in private equity investments (in progress).

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

I have prepared a draft FPSE PAC values statement, to assist with work on the third triannual report.

This will be my last term as your PAC representative. Many thanks to the VIUFA executive, the membership, and especially to Don Alexander and Michael Down for your ongoing support. It has been a privilege to work with you.

Respectfully submitted by

Robert Pepper-Smith

April 2022