Transcript of the Municipal Pension Plan 2022 annual general meeting

2022 AGM

The Municipal Pension Board of Trustees hosted the 2022 annual general meeting on October 13, 2022. Below is a full transcript of the meeting featuring a welcome from Hilary Brown, board chair; presentations; and a Q&A session.

HILARY BROWN: Hello everyone, and welcome to the Municipal Pension Plan's 2022 annual general meeting. My name is Hilary Brown, and I'm the chair of the Municipal Pension Board of Trustees.

I would like to begin by acknowledging what a privilege it is for us to be here on the territory of the Lekwungen People, also known as the Songhees and Esquimalt nations. We acknowledge and thank the Lekwungen People for allowing us to live, work and play on their lands. We honour their ongoing connection to the land and respect the importance of the diverse teachings, traditions and practices within this territory. Thank you.

We have a full agenda today. First, we'll go over last year's financial highlights. We'll hear an investment update from BCI. Then, we have a presentation for you on valuations, the latest results and why they're so important. We'll also have a message from the chair of the new Municipal Retiree Benefit Trust.

Then, we'll look at what's ahead for the Municipal Pension Plan. And finally, we'll move into the question and answer session. Experts are available to help answer your pension and investment questions.

The AGM is for you, so if you have questions or comments, we'd love to hear them. Feedback can be sent to the email address on your screen. For the Q&A session, you will be asked to enter your question in the box at the bottom left of your screen.

If you have a personal pension question to ask, that can be done through My Account. That link appears on your screen now. Each of the organizations you see on the screen are responsible for appointing at least one of your plan's trustees. All trustees are appointed by an organization.

Thank you to the trustees who are here with us today. It's a privilege to work with you as we do our part to guide the Municipal Pension Plan in the interest of members and their beneficiaries.

Let's quickly go over the organization of the plan. On the screen you'll see the structure of the Municipal Pension Plan. Starting at the top, the employer partner is the BC government together with the Union of BC Municipalities. The member partner is the Municipal Employees' Pension Committee, which represents you. These entities, and other appointing authorities, nominate trustees to your plan's board. We are a joint trusteeship. This means employer and member representatives share the responsibility of managing your pension plan. Here you can see how we – the board of trustees – fit into the overall structure.

We also have the Office of the Municipal Pension Board of Trustees. This office works to directly support trustees and includes staff employed both by the board and the BC Pension Corporation. The plan's executive director Judy Payne is also with us today.

Finally, we have a number of agents and service providers we work with. Several representatives are with us today, including: Aaron Walker-Duncan, representing the BC Pension Corporation, the plan's administrative agent. Aaron is the vice-president of Board and Communication Services. David Morhart is the executive vice-president of corporate and investor relations for the British Columbia Investment Management Corporation. BCI is the plan's investment agent. For Eckler Limited, our plan actuary Catherine Robertson is here. Eckler provides actuarial services for the plan. We're also pleased to welcome as a special guest Bonnie Pearson, board chair of the Municipal Retiree Benefit Trust. Thank you all for being here.

Of course, the most important people joining us today are you, the members, your unions and employers' representatives. Proudly, we can say more than 395,000 people like you look to the plan to provide a reliable income in retirement. Thanks to research from the Canadian Public Pension Leadership Council, we know that every $10 paid in retirement income supports nearly $16 of economic activity in BC. Working together, we are helping to create local jobs in BC communities while providing a dependable income to retired members. We hope that you enjoy today's events and that it helps you learn more about the security of your pension plan.

So, who are our members? Understanding who you are, and what's important to you, is critical to managing the Municipal Pension Plan. Our members include retirees, and people working in health care, public servants with local governments, people in community social services, police officers, firefighters and staff at school districts and colleges, all of whom are working to improve lives in their communities. Many of you are actively contributing to the plan. You're working hard, building a future and caring for your families. Or, you might be away from work right now – focusing on the things that matter in life, like caring for a newborn or looking after a parent.

We also know that nearly a third of you are retired and receiving your pension. You, or perhaps your spouse, made contributions to help grow the plan. The fact that the Municipal Pension Plan is the largest pension plan in Western Canada is proof of your hard work and dedication to your communities. I'm proud to introduce the Municipal Pension Plan's 2022 AGM. We appreciate your comments on the event. Those can be directed to mpbt@pensionsbc.ca. Again, that is mpbt@pensionsbc.ca. Once again, here is our agenda.

Let's get started. Vice-chair Gary Yee is next with this year's financial highlights. Gary has been a board member since 2014 and I know he's excited to talk to you about the plan's finances. Please welcome Gary.

GARY YEE: Hello. I'm Gary Yee, vice-chair of the Municipal Pension Board of Trustees.

Let's take a moment to reflect on our retirement years. What are your hopes and plans for the future? Will you be a great grandparent?

Perhaps you want to start a new career, launch a business or work part time in your community. You could be looking forward to touring the province in an RV. Or catching up on crafts, learning a new hobby or just spending more time with family.

Every one of us has a different outlook for the future. No two dreams are the same. As you enjoy retirement, or make plans for the future, know that you can count on your municipal pension to remain a reliable part of your retirement income. So, join me for an update on your pension plan's finances.

Let's get started. Our role as the board of trustees is to make investment decisions in the best financial interest of the plan's beneficiaries, which includes you as a plan member. This is something we take very seriously, especially as we continue to see uncertainty in world markets.

Despite continued effects of the multi-year pandemic, supply chain disruptions and the impact of geopolitical events around the world, the value of the Municipal Pension Plan's assets grew to $74.2 billion at the year ending December 31, 2021. That's an increase of $7.7 billion – or 11.5 per cent – which exceeds our benchmark of 7.8 per cent. The five-year return was 9.7 per cent compared to the benchmark of 8.5 per cent. In 2021, the plan added $7.9 billion from investment returns. Members and employer contributions added a further $2.5 billion. Approximately $2.7 billion was paid out in pensions, benefits and expenses.

You may recall that following the 2015 valuation, we used surplus funds to create a rate stabilization account.

This fund can help protect against future contribution rate increases for employers and active members. The value of the account has now reached $3.2 billion. The plan is growing and it's in a strong position.

So, how did we get here? The answer is: by adopting a long-term view.

As we look to the future, we can see the value of committing to responsible investment strategies. This means considering the environmental, social and governance factors that can impact an asset's long-term value. For the third year now, we have released climate related financial disclosures for your pension plan. These disclosures highlight best practices and provide a positive example of the transparency of climate data in capital markets.

We believe it is important to provide you with transparent information about climate change, and how we take climate-related risks and opportunities into account in investing the pension fund. This approach demonstrates our commitment to transparency and informing you of our climate action initiatives.

Maintaining the strength and resiliency of the plan is critical to prepare for the challenges of the future. Despite the uncertainty of our times, your Municipal Pension Plan continues to deliver on its goal of providing secure pensions to members like you. The steps we are taking today will ensure the plan remains strong well into the future.

It is true that no two dreams are the same. Whether yours involves reaching the peak of the highest mountain or finding more time to share stories with your loved ones, your plan will continue to be a dependable source of income and help you achieve your goals. Thank you.

HILARY BROWN: Thank you Gary. We're grateful to have such good financial news to share.

Next I am pleased to introduce Harpinder Sandhu, chair of the Municipal Pension Board of Trustees Investment Committee and Gordon Fyfe, CEO and chief investment officer of BCI, the plan's investment manager.

Together, they will provide an update on the plan's investments. Please welcome Harpinder and Gordon.

HARPINDER SANDHU: Hello, and welcome everyone. My name is Harpinder Sandhu; I am a board trustee with the Municipal Pension Plan. I've been on the board for three years appointed by the Canadian Union of Public Employees in BC. And in my work experience, in relation to international finance, geography and economics and my experience with the public service pension board has worked well with me being the chair of the investment committee here.

The role of the investment committee essentially has- sets the overall direction for investments through the Statement of Investment Policy Procedures, the SIPP. And also coordinates asset allocations for reviews and updates. It also monitors investment performance and oversees BCI's investment activity for the plan's fund and leads the board's work on climate action.

Our key relationship with BCI is that the board is responsible for overseeing an investment portfolio of $74.2 billion on behalf of the members.

And the primary objective is to ensure that the pension plan is secure and stable over the long-term, which depends on several factors including whether the plan has earned enough returns on investment. Or accept the investment beliefs and financial goals of the plan and BCI put that investment strategy into action. And the board monitors investment activity and progress.

And with that, welcome Gordon Fyfe, BCI's CEO and chief investment officer since 2014. With more than 30 years in the investment and the finance industry. He is responsible for managing over $200 billion on behalf of British Columbia's public sector.

GORDON FYFE: Thank you very much. Yeah, I just passed through eight years this summer here back in Victoria. I grew up in Victoria but I moved back eight years ago to run BCI.

HARPINDER SANDHU: Nice to have you back home.

GORDON FYFE: I agree.

HARPINDER SANDHU: And so, what I'd like to do next is, you know, we have a few questions for you. So maybe I'll just dive right in. If you're ready?

GORDON FYFE: I am ready, sir.

HARPINDER SANDHU: All right. So essentially when we see the returns over the past year, these are great results for the plan.

Investment activity certainly helped drive the growth of the plan's assets. However, what were the key drivers of this performance? How did BCI approach the challenges we saw in the market last year?

GORDON FYFE: Sure, well if we're going to look at one year, and I'll talk more about that in just a moment, but let's look just at one year because we like to look longer term. But yes, Harpinder, you're absolutely right. It was a very, very strong year for the fund. The return overall in the portfolio was 11.5 per cent during the year. That compares to an overall benchmark. So if we weren't making any active decisions, the portfolio would have returned 7.8 per cent. But with all of the active decisions, 11.5 per cent overall.

Now that compares to your actuarial rate, so how you keep the contributions and the benefit payouts in balance, you need to earn 6.5 per cent per year. And we did 11.5. So it was a very good year. And the returns came very strong - returns actually in any of our ownership positions. Equity ownership, or real estate ownership infrastructure ownership. So for example, our private equity portfolio returned over 30 per cent last year.

And our public equities. So those are the ones trading on a stock exchange; those shares returned over 14 per cent last year. The real estate portfolio had a 14.5 per cent return. And infrastructure, we think of it as being very low risk is and very low volatility but it actually generated a 12.5 per cent return during the year. The only asset class that was negative was bonds because interest rates if you remember were going up quite aggressively.

But even there, whereas the overall bond market as we measured was down almost a full percent, the way we had managed a portfolio, our return was only negative .2. So 0.2. So 0.2 of 1 per cent. So just a fraction of the overall negative return in bonds. So all of those different investments contribute to the return. But in addition to just generating the return, our portfolio managers took advantage of what they thought were exceptionally strong markets.

And they did begin selling some large chunks of assets, particularly in private equity. We sold quite a bit of private equity at the highs at the end of last year and early this year. So all of that cash has come back in and we're sitting on it now as the markets come down and we have that available to reinvest as things get much cheaper.

Something else we've been working with your board with the Municipal Pension Plan over the last eight years to change a lot of things about how we're managing the funds. And one of the things we've done is brought a lot of the money that used to be managed for us by external managers, we brought that in house.

So we're making those decisions today inside of BCI. So instead of paying huge fees, to external managers, those fees now we don't pay them anymore.

So that becomes a part of your return and flows through and into your plan. And that saved us significant amounts of money. We've also diversified the portfolio significantly over the last year - the last eight years.

And when I say diversify, I mean we've changed and added a lot of new asset classes that weren't there before. We've changed geography. We were heavily, heavily weighted to Canada previously.

And we reduced that and we are now invested in many countries around the world and that makes a large difference because not all countries are exactly the same but we've also diversified the range of products. And so more credit and other parts of the capital structure are on offer.

But as I mentioned at the beginning, we don't tend to evaluate over just one year. It's important, your pension liabilities are very, very long term. So we look at our returns and we position the portfolio for the long term.

And let's look at five years. And over five years, the fund has generated 9.7 per cent on average per year in each of those five years. And that's against a benchmark. So if we weren't making any investment decisions and just indexing everything, we would have earned around 8.5 per cent. So that's 1.2 per cent per year of value added each of those five years. So again, the more important number is almost 10 per cent per year over the last five years, which is keeping the plan in very good surplus at the moment.

HARPINDER SANDHU: Yeah, so that almost leads me to the next question.

Essentially, we have investments that are a big part of how we make our commitment to lifetime pension for members, and our work at BCI plays a major role in our committee. But we monitor short-term results of course, as you've outlined. And as you've said so many times, we are really in it for the long term. So let's look at both.

So far in 2022, you know, has brought market challenges with high inflation, supply chain disruptions and rising interest rates. So can you share with us what you are currently seeing in the market? And how BCI is working with us to prepare plans and portfolio for the long term?

GORDON FYFE: Maybe a really simple but clear way of explaining what's going on is we entered into the COVID crisis. Everything shut down. And so central banks, governments were concerned that the economy was going to flatline.

So they began pumping a whole bunch of liquidity. Printing money if you want, to provide liquidity to the markets and try and get us through this very, very difficult period. While all of that's going on, so you think about the amount of money in the system is growing through all of this. And some of that's going in and helping people who are having problems, losing their job during COVID. But some of it went into the financial markets.

So think of the financial markets as a giant sponge. The more money you create, the more that sponge sucks up the money and the higher the prices get. And that's what happened. The central banks were printing so much money, more than was actually needed by the consumer, and all of that excess money, that excess liquidity, ended up going into assets, houses and other financial markets. And the prices of those went up.

What we're facing now is that the central banks were very slow to tighten. They thought that COVID was going to continue to come back. They thought inflation was as they called it, transitory, and it was a temporary situation. It wasn't, and inflation got away from them. And so they were a bit slow getting started and now they are fighting the battle against inflation. And they must and they will stop inflation.

We have gone through this back in the late 70s and early 1980s when central banks were fighting inflation and then they backed off too soon and inflation came back very quickly and then they had to get very aggressive.

So there are histories and lessons - sorry lessons in history where they backed off too soon. And they are looking at those and they are not going to back off. So they are going to keep on tightening for some time to come. That means raising interest rates. But also, if you've heard the term quantitative easing during the financial crisis, what they are doing now is quantitative tightening. They are pulling money out of the system. So they are squeezing that sponge to bring the excess money out. And you're going to see asset prices coming down. Because they need to balance the demand for goods with the supply of goods. And there's some out balance there. And if we all feel poorer, so if asset prices come down, if our house prices come down, if stock markets come down, we're all going to feel poorer and we're all going to spend less.

And if we're spending less, we're demanding less and that helps balance things out. And you're right when you mention that, Harpinder, BCI and the municipal board have spent the last eight years preparing for exactly these sorts of scenarios.

And as I mentioned before, we'd been diversifying. By assets, by geography, by products. We've been internalizing the investment decisions. Taking money away from external managers where we can keep those fees, gain more control of the assets. Because now they're ours, making the decision. But also more importantly to reduce the fees we're paying and in some cases those fees are 4 to 5 per cent per year of the underlying asset.

So that's been a significant contributor to the returns. But we've also improved a lot in the last eight years - a lot of our systems, technology, our ability to manage the investment risks in our portfolio. But also to monitor the amount of liquidity that we have. And what I mean by that is we never want to be in a position where we need to have cash to pay the benefits. So we're forced into selling an asset that we don't want to sell at a time we don't want to sell it. Because if you have to sell in the middle of a crisis, you're not going to get a really good price.

We're monitoring and managing our liquidity in the fund very, very closely. So we're ready for, as we can be, for whatever is going to be happening this year and into next year. Now we were ready back in 2020 but the thing is the markets declined and recovered so quickly. In 4 ½ weeks we didn't have that many opportunities.

So BCI is ready. We're not going to panic and we're not going to find ourselves in a situation where we're forced to sell. And what we're hoping is like what happened back in the great financial crisis of 2008 and 2009, we're going to be in a position to take advantage of other owners' panic and they'll be forced to sell and we'll be able to buy great assets at presumably discounted prices.

HARPINDER SANDHU: And based on that, the diversification that you've talked about of our asset mix leads it into my next question. So one of our central activities as an investment committee is to review and recommend updates to the plan asset mix. It’s something we review on a regular cycle.

And we actually spend a significant amount of time on it. So would you like to talk a bit about what the asset mix is? And then why it’s necessary?

GORDON FYFE: In fact it’s the most important decision we make in the plan is the long-term asset mix. Because our job, meaning both your job and my job together, is not to maximize the return in the portfolio, our job is to make sure that the contributions that members are making throughout their working life are there and invested in a way to make sure that when they retire, there are enough assets to cover their pension payments.

So the risks that we have to take in the portfolio have to be aligned with the level of long-term return that’s required to do that. We’re not a hedge fund. We’re not going out and looking to make 20 per cent every year and taking a risk along and aligned with that. So we need to look at what our job is which is to make sure there’s money to pay the pensions when people retire. Basically the contributions that everyone makes around, say, 25 cents, and then the returns that we make over the period you’re working which adds up to 75 cents, is the dollar that you get when you retire.

And that’s our job. So again, your board, the Municipal Pension Plan and all of their advisors which includes BCI, we’re looking and working to design a mix of assets that best match your liabilities.

And this work is- we talk about it all the time and there’s a complete revamp of it every three years. And the reason we do that is there’s a whole bunch of different assets.

You can buy money markets for example and put it on deposit. But very low risk, but it’s going to be very low return and there will not be sufficient amount of money at the end when you retire to pay your pension. And there are other assets like private equity that offer a great long-term return, but it’s going to be very volatile and there’s a lot of risk.

More risk than we need to take in the overall portfolio. So our work is to find the best mix to match this particular structure of liabilities that exist.

So, and I think just to mention like people were saying, what kind of changes have you made over the last year? And just a couple of the things that we’ve done is we’ve significantly increased the weighting in private assets. So infrastructure, real estate, private equity. Because your assets are so long term and I think I mentioned earlier as well, we put a lot more assets diversifying outside of Canada as well.

HARPINDER SANDHU: Definitely really important points. So this is why we’re having this really important discussion to outline the process, and the reasons why we have such an asset mix and why it’s so important. And related to the importance of the diversification, we also have the importance of responsible investment, which has been a theme for the board for many years. I know BCI shares that.

BCI published its latest environmental social governance annual report in the summer. Can you provide an update on BCI’s ESG approach and how this approach supports the board's responsible investment?

GORDON FYFE: Let me restate what you - or just repeat what you said.

And that is that Harpinder, you and the municipal board have done a very good job communicating to BCI that assessing and managing these environmental, social and government risks and opportunities, it really is a fundamental part of your mandate to grow and protect the plan's funds.

So you've done a great job of communicating that to us. And I can assure you that BCI is totally aligned with you. And so in all of our investment decisions, we are looking at the behaviour of the companies and the assets that we're buying. Because if in the end, a company is acting badly, and towards its employees, towards its customers, towards its shareholders, towards its community or towards the environment, over the period of time that we're going to be owning that company - which is multiple years, sometimes decades - the bad behaviour is going to hurt the value. Sometimes it will actually destroy the company. Because some businesses act so badly they end up losing their licence to operate. Or they may just lose customers, they may lose employees.

All of these things hurt the value of the business that we're investing in. So we do a very thorough job of in every investment that we make, analyzing all of their behaviours to make sure they are aligned with ours. Now, we won't just sell every business because of some bad behaviour. If we sell, then what ends up happening is we lose any opportunity to influence the business to improve.

So we are very active and we have a very large team to meet with the companies that we own, are evaluating and persuading them to make improvements if we identify some deficiencies. What's interesting but also important is that we don't do this on our own. There are other like-minded investors, particularly the large pension funds, not only in Canada but around the world. And we gather with them, and we will find companies that we feel are behaving badly and we will collectively go and put a lot of pressure on their boards to change their behaviour.

So BCI does have a corporate-wide ESG strategy. And as I said, we're making sure that this is a part of the investment process and a part of the investment decision in every asset that we're looking at buying. But I want to remind everyone that ESG is not only about avoiding risks. And it's not only about attacking companies that are behaving badly. Because there are huge opportunities that exist as well, in new technologies and new businesses that are working in this transition. So we have large teams that are also considering that.

As you said, I would strongly recommend for anyone interested in more details to look at our 2021 ESG annual report and the supplementary case studies that are there and you can find that on our BCI website.

HARPINDER SANDHU: Yes, thank you so much.

And related to the ESG, a lot of our members and then of course take a keen interest in certain issues around the E, which is the environmental issues. And we as a board take a responsibility to manage the fund in the best interest of the fund's beneficiaries. And that includes the commitment to address both the risks and opportunities presented by climate change.

So as a final question, how does BCI look at climate-related risks and opportunities in the portfolio? And how important are transition related assets like green bonds and renewable power in the overall strategy?

GORDON FYFE: You know I've seen during this year's estimates that there's going to be trillions of dollars required over the next few decades. Because this is not a quick fix. But trillions of dollars over the next few decades to address climate change.

And the thing is we need to realize all of this money cannot, it will not and it cannot, come from governments. And private investors and institutions like BCI are certainly going to have to be involved in financing and contributing to investments in these areas. But these are opportunities not only to improve the climate situation but also to invest in businesses that are going to generate great returns as this shift takes place. And I'm going to repeat that nothing we're doing is at the expense of returns for the plan.

But what we're doing is seeking out investments that are going to benefit the energy transition, but also at the same time contribute to the returns of the plan. And since 2020, for example, you asked about green bonds. QuadReal, our real estate subsidiaries, issued over $1.2 billion of green bonds so far and they are continuing to do that. In other areas our infrastructure team has recently reached an agreement to purchase Reden Solar which has operations around Europe and in Latin America. And it was published in the spring the QuadReal - sorry, the Mosaic, our timber company - they announced they are taking a sizable piece of their forest and setting them aside for carbon credits. And our real estate company QuadReal, I mentioned the green bonds but they also have an extensive real estate portfolio nearing almost $60 billion.

There's a lot of real estate in there those buildings need to be heated and cooled. A lot of energy going in. It has a very large and dedicated team that's looking at each existing building but also new construction and seeing how the carbon footprints of those buildings can be reduced with changes to the HVAC systems and the envelopes of those buildings. So these are just a couple of examples what BCI is doing on climate within the actual and existing portfolio and assets that we own, Harpinder.

HARPINDER SANDHU: Great, thank you so much for spending time with us here.

These are an outline of what we do to support our membership, and the plan beneficiaries, and the importance of all the investment strategies that go into this.

You know I appreciate your time in joining us and you know, from there, if there's any closing comments left over, I'll just give you a moment.

GORDON FYFE: Well, I guess to quote a chairman that I had many years ago when I was running the federal government's fund, markets go up and markets go down.

And right now we're in a period where markets are going to go down. You'll get days when you get a good rally, but we're in a situation where interest rates will go up for awhile. Inflation has to come under control. And I know that people are going to worry about what's happening to my pension fund? But - and you're going to maybe think that we're crazy because you may see that we're all sitting here smiling - we know what we're going to be doing during a crisis like we're starting to get into now. And that is we're very well positioned. We have liquidity. We're going to stay calm and what we're hoping is back in '08 and '09 we'll have great opportunities to buy assets we never would have imagined we could have bought at sale prices. So we're going to go through a rough period; you may read in the paper that oh my gosh the returns were negative this year.

But remember we're not being forced into selling anything. We're out deploying capital and buying assets at cheaper prices which are going to perform very well in the decade ahead. And that is our job. There's nothing we can do to stop market decline, except we will be taking advantage of it. So buckle up, it's going to get rough, but we are well, well positioned to take advantage of that over the longer term.

Thank you Harpinder for the chance to address the meeting today and it's always great to chat with you.

HARPINDER SANDHU: Yep, thank you for the sound advice. And appreciate it. And thank you for reassuring our membership. And always great to chat with you also. Gordon Fyfe CEO of BCI.

GORDON FYFE: Thanks Harpinder.

HILARY BROWN: Thank you for that engaging discussion.

Next, I'm pleased to introduce Robert Weeks, valuation committee chair, to present the 2021 valuation results. Over to you Robert.

ROBERT WEEKS: Hello, everyone. My name is Robert Weeks and I chair the Municipal Pension Plan's Valuation Committee.

We'll begin with a video exploring what a valuation is, and why we do it.

Imagine you're responsible for a pension plan that more than 395,000 people look to for a reliable income in retirement. With $74.2 billion in assets, the decisions you make can have a lasting impact on people's lives and the success of the plan.

This is where valuations come in. They help trustees like me keep your Municipal Pension Plan on the right track so that members like you can collect the pension you've saved for and earned through years of hard work. Employers can offer a valuable benefit to their employees, and communities can enjoy the economic benefits of pension spending. Valuations look at things like estimated costs and expenses.

An independent actuary provides advice on future risks and opportunities. How many people will be collecting in the years ahead and for how long? What will the plan cost to administer? How much will members earn in the future? What returns do we expect on our investments? The result is a snapshot of the plan's overall health at a point in time, and a look at how different economic and demographic changes might affect the plan. At least every three years, our valuations answer the important question – how much money is left after taking into account all pension commitments?

Importantly, they help us manage the plan so your pension benefit can be paid to you when you retire. If there is a surplus, the Joint Trust Agreement guides how those funds can be used. Following the valuation in 2015, we created something called a rate-stabilization account that is funded by surpluses and earns investment income.

The money in this fund supports long-term plan stability and can help cushion you and your employer from rising contribution rates. Surplus funds may also be contributed to an inflation adjustment account to help pensions keep pace with the rising cost of living.

The valuation informs the board as we consider what level of cost-of-living adjustments, or COLA, the plan can support for the next three years. The board has adopted a sustainable model to best manage cost-of-living adjustments, so they remain available for not only current, but also future retirees. Want to learn more? Check out the *Learning Resources* section on the Municipal Pension Plan website.

As you can see, valuations are a very powerful tool we have for managing the plan's financial health in a careful, prudent way. Valuations are performed at least every three years, as required by our Joint Trust Agreement.

Today I am pleased to share with you the results of the most recent valuation, which shows us the health of the plan as it was on December 31, 2021. Perhaps the most important number that we get from this work is the plan's level of funding. When a pension plan is fully funded, that means we have all the money needed to pay our members' current and future pensions, based on current contributions continuing. As at December 31, 2021, your Municipal Pension Plan was funded a 105.3 per cent. Moving now to our economic outlook, we are expecting lower rates of returns on our investments.

The world's economic situation has shifted, and we are seeing market fluctuations, rising inflation, supply chain challenges and lingering effects of the multi-year pandemic. The board takes a conservative approach when we make forecasts about the plan's future performance. We also avoid overreacting to short-term trends. As such, we have lowered the discount rate from 6.25 per cent to 6 per cent. This is our assumed rate of the return on plan investments over the long term. The board has adjusted the plan's asset mix to account for these lowered expectations.

Let's now look at the update on the plan's demographics. Here we can see the breakdown of active members by age.

About 36 per cent of you are 39 or younger. People in their forties and fifties make up about 53 per cent of active membership. Those over 60 are around 11 per cent of active members. It's important to note that the proportion of plan members who are retired is increasing.

We make use of data analytics from a company called Club Vita to help us understand and manage risks associated with member longevity. After taking into account these membership trends, we see the plan continues to remain healthy. We recognize that an aging membership means we will increasingly depend on investment returns to maintain the plan. We're also assuming that the average retirement age will continue to increase and plan members will live longer, healthier lives.

This means we can expect to see further increases to the proportion of retired members in the plan. The latest valuation also showed we have a surplus of $3.76 billion for 2021. We will look at how that is used in a moment. When looking at the plan's funding, about one-quarter of a person's pension comes from member and employer contributions. The rest is made up of returns on our investments. The 2021 surplus is great news for the health of the plan.

It is also a reminder of how important it is that we continue the strategies that have been successful for us. This includes our commitment to responsible investing and assessing and managing risk over the long term.

Here we can see how this most recent valuation result compares with past years. The plan has been fully funded since 2015. Following the valuation in 2015, we created the rate stabilization account. I'll talk more about that in a moment. That account continues to grow, resulting from the surplus funds we've transferred, as well as growth in the fund's investments.

The Joint Trust Agreement directs that a portion of the surplus be sent in equal amounts to the inflation adjustment account, or IAA, and the rate stabilization account, also known as the RSA. The RSA is used to reduce the likelihood of contribution rate increases. And the IAA can help members' pensions keep pace with inflation as the cost of goods like groceries and gas increases. From the $3.76 billion of the surplus, about $2.46 billion will be kept in the basic account as a contribution cushion. Another $277 million will also be used to maintain current contribution rates. That leaves us about $1.02 billion to split equally between the rate stabilization account and the inflation adjustment account.

As part of the valuation process, the plan actuary determines the cost-of-living adjustments, or COLA, the plan can support over the long term. As a result of the 2018 valuation, we capped COLA increases to 2.1 per cent to help ensure meaningful COLA for current and future retirees. Because of the current health of the plan, and based on the advice of the actuary, the board cautiously decided to remove the COLA cap for the next three years. For 2023 through 2025, the board will instead consider COLAs up to the increase in Canada's consumer price index (CPI) from September to September.

For example, a COLA effective on January 1, 2023, may reflect the increase in the CPI from September 2021 to September 2022. Although there is no cap on COLA during this time, trustees still have the option of providing a COLA less than the increase in the CPI from September to September. The board's COLA decisions are dependent on the health of the plan. COLAs, when provided, take effect January 1. The amount of COLA effective for 2023 will be posted on the plan website in January. It will also be in the winter issue of *Pension Life*, a newsletter distributed to retired members. Sustainable COLA is closely tied to actual inflation levels and actual investment returns. We will review what the sustainable COLA level is every three years as part of the actuarial valuation.

To conclude, investing responsibly and managing the plan's assets in a prudent way continue to produce positive results. We've seen a lot of turbulence and uncertainty in recent years. The COVID-19 pandemic, supply chain challenges, rising inflation and uncertainties resulting from global conflict - these are circumstances that have tested our assumptions.

Our most recent valuation shows our strategies are working and the Municipal Pension Plan remains in a strong position for members. Thank you.

HILARY BROWN: Thank you Robert.

We will now hear from the chair of the new Municipal Retiree Benefit Trust, Bonnie Pearson. Bonnie, over to you.

BONNIE PEARSON: Hello, Municipal Pension Plan members.

On behalf of my colleagues on the board of the Municipal Retiree Benefit Trust (or MRBT), I would like to thank the pension board for offering us the time to speak with you today. On January 1 of this year, the MRBT took over the responsibility of managing the trust fund and administering your retirement health benefits.

Let me tell you a little more about why that's good news for you. We know that access to affordable health and dental benefits is important to all members, whether you're retired or still working. The MRBT Board of Trustees prioritizes making group benefits accessible to current and future retirees. Access to group benefits through your pension plan is not guaranteed the way your pension payments are. Having a sustainable source of funding helps us continue to provide access to these benefits in the face of rising costs.

To understand how the Municipal Retiree Benefit Trust improves the sustainability of the group benefit program, let's take a closer look at how the trust works. The MRBT is an employee life and health trust, or ELHT. ELHTs are trusts created to pay benefits to employees and related persons. In this case, "employees" are former employees of MPP plan employers who are collecting a pension. The operations of ELHTs are regulated by the *Income Tax Act*. Funding for the trust comes from three sources: a one-time transfer of $100 million from employer contributions in 2021; ongoing employer contributions of 0.6 per cent of salary; premiums paid by retired members enrolled in extended health and dental benefits. The MRBT fund can now accumulate and be invested to earn income. Its funds are invested by BCI (the British Columbia Investment Management Corporation) under the guidance of the MRBT board.

The MRBT board will be working with the plan actuary to forecast the sustainability of the plan relative to the current benefits offered. This will enable the board to make decisions that balance the short-term and long-term interests of plan members. This more stable source of funding contributes to the sustainability of the group health and dental benefits program. The trust's governance structure also contributes to its long-term sustainability. The MRBT is governed by eight trustees. At least two trustees are retired members of the Municipal Pension Plan and at least two are active members of the plan.

Four of the trustees are appointed by the member partner (the Municipal Employees' Pension Committee). Those trustees are: me, Bonnie Pearson, Lorne Burkart, Janice Morrison and Tom Stamatakis.

The remaining four trustees are appointed by the employer partner (the provincial government and Union of British Columbia Municipalities). Those trustees are: Lyn Kocher, Dean Levangie, Diana Lokken and Gary MacIsaac.

All trustees bring a wealth of professional experience and qualifications in relevant areas such as health care, benefits and joint trusteeship. You can read more about the background of each trustee on the plan website. The Municipal Retiree Benefit Board of Trustees works closely with the Municipal Pension Board of Trustees.

MRBT trustees are solely focused on the health and dental program for retired members, while MPP trustees are responsible for the governance of your pension plan as a whole. Some trustees serve on both boards.

Each board was established under a separate agreement of the Municipal Pension Plan partners. The MRBT board chair and vice-chair meet regularly with the pension board chair and vice-chair. Your retirement benefits will continue to be provided by Pacific Blue Cross. You have the same coverage and group health number as before, and you can continue to make claims the same way.

Please continue to contact Pacific Blue Cross for questions about coverage and claims. BC Pension Corporation continues to provide benefit administration services for the extended health and dental plans.

Contact BC Pension Corporation if you have questions about premiums and questions about enrolment in extended health care and/or dental plans; moved outside BC or Canada; changed your name or contact information. The easiest and most secure way to contact BC Pension Corporation is through My Account.

Visit mpp.pensionsbc.ca and click My Account to sign in. You can also contact BC Pension Corporation using the *Contact us* page on the plan website. It has been my pleasure to be here today with all of you. To learn more about the Municipal Retiree Benefit Trust, visit mpp.pensionsbc.ca and click *About us > Who we are > Municipal Retiree Benefit Trust*. We will also share more information in the winter issue of the retired member newsletter, *Pension Life*.

On behalf of the Municipal Retiree Benefit Trust Board of Trustees, thank you for your time today. We are proud to have the opportunity to support your access to sustainable post-retirement group benefits. Back to you, Hilary.

HILARY BROWN: Thank you, Bonnie. We appreciate your update on the Municipal Retiree Benefit Trust.

We will open things up for questions momentarily.

First, I want to provide you all with an update on some of the activities and goals for the year ahead. Our 2020–2023 Strategic Plan concludes in June. That framework set overarching priorities to strengthen plan awareness and advocacy; enhance plan governance; and promote plan sustainability. We're working toward improving awareness of the plan and advocacy by: Developing a strategy to more effectively communicate with younger and future members so they learn about the plan's value and have their needs met when they join the plan.

For example, helping them learn how they can maximize their pension and how they can get a head start planning their finances. We're enhancing plan governance by exploring investing in a manner that is compatible with climate targets that respond to the challenges of global warming. This includes the Paris Agreement goal of keeping global average temperature rise below two degrees above pre-industrial levels.

To promote plan sustainability, we're examining eligibility requirements that may enable more employees and their employers to join the plan, and enhancing the onboarding process for new trustees. We're also now turning our attention to planning for the next three years. The board remains committed to continuing to build the plan's sustainability and meeting the challenges presented by climate change.

This means guarding your pension against the risks of a warming planet but also seizing upon financial opportunities to support the solutions. In this way, investments can be compatible with the Paris Agreement commitment while also serving to grow the value of the pension plan in order to meet our fiduciary duty to invest the plan funds in the best interests of all beneficiaries.

Our third climate-related financial disclosure can be viewed in the recently published *2021 Annual Report*.

The board believes that better access to climate related data helps investors assess, price and manage climate risks. We are committed to providing disclosures in line with the world's leading framework, the Task Force on Climate related Financial Disclosures, or TCFD. Look for more information on climate action on the plan website later this year. Recognizing the vital importance of responsible investing is why the board and BCI are signatories to the Principles for Responsible Investment, or PRI.

Since 2007, we've been signatories to this United Nations-supported international network of investors. We share a goal of incorporating environmental, social and governance considerations into the work of large-scale asset owners like the Municipal Pension Plan. Enhancing your plan's resiliency also requires a focus on people.

Looking to the future, reaching younger and future members remains a priority. The Municipal Pension Plan creates so much value for people as they build their retirement savings. With the uncertainty of today's economy, it can be a challenging time for young people starting their lives and careers. Our pension can help to ease some of those worries by being a strong component of retirement planning.

A 2019 report from the Canadian Public Pension Leadership Council, or CPPLC, showed Canadians over 65 without an employer pension had an average retirement savings of $97,000. People with a pension plan had an average of $469,000 saved up for their retirement years. These are benefits we can point to as we grow the plan and aim to attract and retain members.

An important part of the pension story is how defined benefit plans like ours impact the communities we serve. CPPLC's research last year showed every $10 of pension payments in BC produced nearly $16 of economic activity. Public sector pension plans also supported $2.8 billion in tax revenue in British Columbia. Discussing the impacts of plans like MPP helps raise awareness of the plan's value to British Columbians and their communities.

Website enhancements can also improve the quality of service we provide to members and employers. We want to make it easier for our employers to access pension information and manage employee files. Our goal is to make the employer website more intuitive and easier to navigate. That way, employers can complete their tasks faster and have more time for other priorities.

Before we jump into the questions and answer session, there are just a few of housekeeping items I'd like to cover. As you direct your questions to the panel, here is a reminder of the different roles we have with the Municipal Pension Plan.

Your board of trustees is responsible for administering the pension plan and managing the pension fund, including the investment of assets. BCI is our investment agent. BC Pension Corporation is our administrative agent. BCI and the Pension Corporation both operate in accordance with the board's direction. Pacific Blue Cross administers the group benefits program for our retired members. It does this through the Municipal Retiree Benefit Trust. Other experts will also be on hand to help answer your questions.

To ask a question, enter it in the "Ask box" located on the bottom left of your screen. We will get to as many as we can. If we run out of time and don't get to your question, a response will be published to the plan website in the coming weeks. Once again, you can ask a question by entering it in the "Ask box" located on the bottom left of your screen.

Just a reminder that if you have a personal pension question, those can be sent through My Account. We'll put that link on your screen again now. From the plan website, sign in or register for My Account and locate the envelope icon on the top right of the web page to send a personal pension question. You will be contacted with a response. Thank you.

We are now ready to receive your questions. Prior to that, I will just introduce our panel for you.

On our panel we have myself, Hilary Brown the chair of Municipal Pension Plan. Gary Yee our vice chair. Bonnie Pearson is with us, she is the chair of the Municipal Retiree Benefit Trust. Harpinder Sandhu, chair of the investment committee. Robert Weeks, chair of the valuation committee. Judy Payne is our executive director. David Morhart is here with us from BCI. Catherine Robertson is here with us from Eckler, and Aaron Walker-Duncan is here with us from the British Columbia Pension Corporation. Thank you to all the panel for joining us for this question and answer session.

So let's get started. I see the questions are rolling in already, which is great. First question is, inflation is making it harder to afford things I need. What are you doing to help retired members? So, I'm very happy to answer that question to start with.

The first thing is that inflation is on the minds of all of us and we are very well aware of that. During the presentations we were pleased to announce due to a healthy plan of December 31st 2021, we are now removing the COLA cap from the 2023/2025 years.

As you know though, COLA is not guaranteed, nor does the board have to grant COLA.

So we will be looking at this every year to ensure that the plan is still sustainable going forward. As you also know the economy is also on everyone's minds, so we will monitor investments accordingly. So now we can happily say we are removing the cap until 2025.

Judy, I'll ask you if you have any other comments on that question as well?

JUDY PAYNE: Thanks Hilary. I think inflation is really hard on families.

And people have had a hard time the last little bit. I think one of the ways that the board helps with inflation is to protect the purchasing power of members' pensions. And so we see that with sustainable COLA in particular. As you noted, COLAs aren't guaranteed but once they are granted they form part of the basic pension or other components that are in pay.

And the valuation shows the COLA cap can be lifted. So it will be removed for the next three years including the one for January 2023.

That decision will be made later this year. So that's really good news for retired members.

HILARY BROWN: Great. Thanks so much Judy.

So the next question I see also relates to the COLA cap. When will we learn what the 2023 to 2025 COLA cap will be set at? And when will we learn the COLA for 2023 to 2025? Rob? Can I turn this one over to you?

ROBERT WEEKS: Yeah thanks Hilary.

I think we hinted at that decision with the answer just made previously. As we spoke about, our most recent valuation showed that the inflation adjustment account can maintain full inflation adjustments. We will make our decision shortly as a board.

That decision will be posted on our website in January. It will also be part of the *Pension Life* winter edition. That issue of *Pension Life*. And that COLA will take effect January 1 and it will be up to a maximum of CPI from September of 2021 to September of 2022.

I hope that answers the question.

HILARY BROWN: Great, thanks very much Rob.

The next question that's coming in is will subsidized dental benefits be brought back? Since the post-retirement benefits now are over to our new trustees, I will turn that one over to Bonnie. Go ahead Bonnie.

BONNIE PEARSON: Thanks Hilary.

When the Municipal Pension Plan board of trustees made the decision to remove dental subsidies based on a comprehensive review of a number of factors at that time, including plan member utilization and costs, the decision to move to voluntary dental was intended to protect the sustainability of the extended health and group benefits.

We do not have plans to reinstate subsidized dental benefits at this point.

HILARY BROWN: Okay, thanks Bonnie.

The next question queuing up is there a process or opportunity to receive a personal one on one assessment of my pension options? I have contributions to different plans. I would like to better understand my pension situation. Aaron, can I ask you to take that one on please?

AARON WALKER-DUNCAN: Yeah sure. Thanks very much Hilary and good morning everyone.

Yeah, great timing for this question, because just in this past year we've introduced a new online tool for members to be able to book one-on-one counselling appointment with an advisor. And so if this is something that is of interest to you, you can go on the website and just do a search for or book an online appointment. And it will take you to the information about that.

And you can do it right there online and we have the ability to pull up your file in advance. Be prepared to talk about your circumstances and your specific needs and answer any questions that you might have.

So yeah, encourage people to take advantage of that tool that's now available.

HILARY BROWN: That's great news and I'm sure a lot of members will take advantage of that. Thank you very much.

So the next question: using ESG rate-informed investing is a rather anemic approach to ethical investment. BCI's disclosure of the portfolio of investments is simply chilling. What good is a sound pension if we simply contributed to leaving the world in tatters for our children by the time we retire?

So given that this is an ESG question, I'm going to ask Harpinder to first address it from his perspective of the chair and then over to David from BCI.

HARPINDER SANDHU: Thank you Hilary.

Yes, so using an ESG rating-informed approach, we go far beyond just the rating informed approach. I think what we have done is the board managing a plan and the best financial interests of the beneficiaries. But we also recognize climate change is an investment opportunity and long-term material systemic risk to the plan.

So because of that the best way to balance our fiduciary duty in terms of investment and also address climate change is to influence companies to change them from within. So the approach has been to not to divest, but to stay invested in those companies and steer them in the right direction. And under our direction, BCI has been actively engaged in many companies, directly engaged with them on climate related work for more than 20 years. So we have a various different methods rather than just rating but also working with them directly.

David, if you have anything else to add, please? Thank you.

DAVID MORHART: Thank you Harp, you've covered a lot of this in your previous discussion. Gordon of course covered a number of these points too.

Ratings themselves are not sufficient. This is about active managements. This is about actively monitoring risks and opportunities. And we do that through direct engagement with companies that we own, especially where we are a majority owner. We're working with boards and management to actually make change and move towards climate commitments. Proxy voting is also a good step as well.

So we are not an ethical investor per se, but we're looking for good practices Gordon laid out. We're looking for good practice among companies and doing the right thing overall. And Harpinder as you mentioned previously, there's a lot of things we've done through climate action - PRH, TCFD, etc. - that put us on the world stage with peers. We're very proud of what we have there.

The climate action plan will be renewed in the next month. You'll see that come out.

But we also have an annual ESG report. Which each year we continue to expand our reporting, so I hope individuals will go to BCI.ca and look at some of those reports.

HILARY BROWN: Great, thanks very much for answering that question.

Just a reminder that questions are coming in which is wonderful. But just a reminder if you do want to ask a question, enter it in the "ask box" located at the bottom left-hand side of your screen.

So the next question, I will be asking Bonnie to answer it. And the question is, what are the medical and dental amounts?

BONNIE PEARSON: Thank you. I think the best way to find medical and dental amounts for your extended health are to visit www.pac.bluecross.ca/mrbt

The amount that you pay in premiums is individual and based on your years of service, what subsidy you get as an individual and your dependants. So I can't give you, it wouldn't be accurate to give you an amount or run through the whole thing.

But if you look at Pacific Blue Cross website, and the micro site for MRBT, those numbers are there. They are reviewed annually. And any change in premiums will be announced in the winter life that comes out this winter.

So that's where you'll see the updated premiums. But the current premiums are on that website. Thanks Hilary.

HILARY BROWN: Great thanks, Bonnie. Appreciate the answer.

Okay, the next question is again referencing the COLA the 23 and 25. Is it true that the 2023 to 2025 COLA will have no cap and may be as high as the Canadian CPI? So the answer to that question is yes. We have removed the COLA cap for the next three years.

But I'm going to ask Rob to expand a little bit on that, please.

ROBERT WEEKS: Thanks Hilary.

Yeah the short answer is yes, it is true. We have decided to remove the cap on COLA. Previously our cap was set at 2.1 per cent. Now the cap is removed which gives us the flexibility to make a decision. That decision's upcoming to increase COLA to the possible maximum of CPI from September of 2021 to September of 2022.

That decision will be made shortly by the board and again we're going to communicate that decision out in January on our website and in the winter *Pension Life* news letter. Thanks.

HILARY BROWN: Great, thanks Rob.

The next question is, we are looking at dramatic global events related to climate change. While I appreciate this AGM report's description of BCI's disclosures, discussions and assessments on the risk of climate change, will the board be more proactive, direct BCI to significantly increase investments in non-carbon energy generation and climate solutions?

So I can answer that question. The way we direct BCI it's done through our SIP, Statement of Investment Procedures.

And we receive regular reports from BCI. And I can tell you that the board is exploring the feasibility of the Paris Agreement aligning the investments, and we'll share more information when it becomes available. So keep an eye out on the website and we will be providing more information at a later date. The next question is, is our Municipal Pension Plan vulnerable to a similar bond margin call sell-off similar to what just happened in the UK?

Harp and David? Because this is investment related so I'll ask you to take this one again.

HARPINDER SANDHU: Yes, this issue came up in our earlier meeting. We do discuss these items as they develop around the world. The UK situation is related to leverage and derivatives.

But also due to the expectations would continue to stay low. Because of that there were lack of communication between the central bank and the pension funds there.

So I think from that it depends. We have these conversations quite often. We see disruptions around the world. And we did bring this up to BCI. From what we gather, we were quite confident that we were not in the similar situation. But I'll let David add a little more colour, thank you.

DAVID MORHART: Yes, thank you Harpinder. Yes you're absolutely right.

We're not in the same situation. A lot of those plans were collateralized. They had pledged their assets. So we don't do that to the same extent. It's something that we're actually looking to issue uncollateralized and unsecured opportunities because that's a benefit for our clients, MPP being one of them as well. So we also, as you would have heard earlier, maintained ample liquidity both within the plan and overall in our portfolio. So we're feeling quite comfortable as we work through this, and given our long-term objectives, it keeps us in a very good place.

HILARY BROWN: Great, thanks very much David and Aaron.

I'm just going to look what the next question is. Here is COLA again: Why can we, sorry, why can we not get the new COLA percentage info each year for January so we can inform MPP how much income tax to take off our monthly pension payments?

Rob? Can I turn that one over to you?

ROBERT WEEKS: I think the best way to answer that is our decision in regards to COLA is based on CPI from September to September. So that, given that, that dictates our decision that comes late in the year. Like we said, we are going to post this decision on our website in January and our pension newsletter.

I'm not sure if there's anything else. Judy do you maybe have anything else to add to this question?

JUDY PAYNE: No, I think that's it in a nutshell, Rob.

ROBERT WEEKS: Thank you.

HILARY BROWN: Thanks Rob and Judy.

The next question is: Can you please explain how the disability pension through MPP works? And I'll turn this one over to you Aaron.

AARON WALKER-DUNCAN: Sure, thanks Hilary.

We could spend a whole hour on this, but I won't. For the purpose of today, but there is the ability under the Municipal Pension Plan for members who are totally and permanently disabled that may be eligible for a disability benefit under the plan. And that would be in place of any termination or return of benefits that the member might otherwise be eligible for.

There are lots of specific eligibility requirements for a disability pension. So I would encourage you to go online onto the plan website is and in the search function type in disability pension and there's a whole bunch of information there that's available that explains the details of what's required to be eligible for the pension. But there is a benefit available under the plan.

HILARY BROWN: Thanks very much. The plan's return is fantastic for the fiscal year that ended December 2021. I agree it was and we're all very happy about that. However the global market condition has changed significantly since the fiscal year-end. Major stock indexes have dropped over 25 per cent from their all time highs in December 2021.

How is the plan performing so far? And what is your return projection for the current fiscal year? So just before I hand it over to Harp and David, I will mention that we have anticipated the changes in the market.

And so we are prepared, as Gordon said, for the rough ride that we're facing. It - Gordon as he mentioned, he's taking advantage of this by hopefully buying assets that will be at a lower rate for those who have not got the liquidity and they need to sell. We are going to take advantage of hopefully buying some of those assets.

But I'll let Harp and David expand on that a little bit. Go ahead Harp.

HARPINDER SANDHU: Thanks Hilary.

Yes so we have anticipated some of this. And at the same time, you can never predict the future. That's why we can't really predict the current fiscal year as markets are still fluctuating. You see a lot of wild swings lately and high volatility.

But at the same time, you keep in mind that our investments are diversified. So it's not necessarily that everything's in the stock market. We do have a diversified portfolio in a wide variety of assets. So because of that, there's balance within the portfolio.

And at the same time, we look at the volatility. But we don't react to it. I think we are long-term investors. We know the markets do go up and do come down at times. So wherever there are opportunities to purchase at a lower price, you know I'm sure BCI takes advantage of that. And when it comes down to markets that are overvalued, we have those discussions about selling certain assets.

But if anything else, I'd like David to add. Thank you.

DAVID MORHART: Well thank you, Hilary and Harp. You've covered the major points.

I'll just reiterate what you've heard before. Maintaining a good comfortable liquidity position means we have an ability to ride through the rough ride as Gordon put it. But it is also - and he mentioned this earlier - that you actually don't lose anything if you don't sell - if you are not forced to sell.

That's why liquidity is so important. Having that as well and reiterating what Hilary said, where there are depressed prices, it's an opportunity the buy as well. And given that long-term focus- this is a great chance for us to really demonstrate the power of our "patient capital," as we put it.

HILARY BROWN: Great, thanks very much David and Harp.

The next question coming up is: Will the MPP consider additional voluntary contributions similar to OMERS? Right now at this time the plan is not considering voluntary contributions as a plan feature.

But Judy, did you want to add some comment to that?

JUDY PAYNE: Thanks Hilary.

This has been a popular question for a couple years now at our AGM. I think you can see what the board's priorities are. They are outlined in the current three-year strategic plan that's posted to the plan's website. Right now the board is very much focused on protecting the basic benefit and meeting the pension promise to plan members, as well as addressing sustainable COLA. The board's planning process, though, refreshes every three years. And so there's always a possibility that this will come back on the board's agenda. But at this point it's not part of the strategic plan.

HILARY BROWN: Great, thanks Judy.

The next question, this is about Blue Cross health benefits, when is the next review of this agreement due? And Bonnie I'll ask you to take that question please.

BONNIE PEARSON: Thanks Hilary.

There is not a pre-scheduled review period for extended health benefits. The new board has spent this year setting up governance structures and policies. It is our plan to do strategic planning during 2023. And certainly a discussion of review will likely be a part of that conversation. But there is not a fixed date at this point where we would review the current plan design. You couldn't- as I said, on the Pacific Blue Cross site, their micro site, the basics of the plan are there.

You can also go to the mpp.pensionsbc.ca and the information will be there. And you can also contact the MRBT with thoughts on that, but to give you an exact date, there is not one scheduled right now.

I also want to just quickly amend or correct a statement I made in my previous answer. Communication around rates, premiums, will be made for you in January. It may or may not be in *Pension Life* I'm advised. So I just need to be clear that you will get communication. The format is one that we're determining. Thank you.

HILARY BROWN: Thanks very much Bonnie.

Okay, so the next question. I just seem to have - sorry. Scrolling down on my chat features so I have to keep catching up to them. Can you explain how the temporary annuity works?

So what I can tell you is the temporary annuity is a feature that enables members to convert a portion of their lifetime pension into additional funds for an early retirement. For their early retirement years.

But I'm going to ask Aaron if he wants to kind of expand on that or talk a little bit more about it.

AARON WALKER-DUNCAN: Sure, thanks Hilary.

Yeah, you've covered it well. Just really taking some of your otherwise lifetime income that's payable for your lifetime and retirement. And converting that into a - or bringing forward some of that amount into - so it's payable in the early years. The temporary annuity's typically paid until you're 65 years old or until your death, if earlier.

The only other thing I would add is the plan in the past year or so added a new feature to allow members to select different levels of temporary annuity. So there's a full- what we refer to as a full temporary annuity amount or you could take a half temporary annuity or a quarter.

So more flexibility for members considering what their income needs might be in the early part of their retirement years and allows flexibility to front-end load some of their pension.

HILARY BROWN: Great, thanks Aaron.

For those members out there who are thinking about retiring, I encourage you to go onto the My Account and get more information about all of these things like temporary annuity.

There's a lot of good information there, very helpful to understand what these things are all about. Thanks Aaron, appreciate it.

The next question is: In the current environment of high inflation, increasing interest rates and declining values in financial assets including real estate and bonds, what is MPP's approach to controlling drawdown risk? Has MPP engaged in LDI strategies such as those employed by UK pension funds?

I'll ask David to respond to this one.

DAVID MORHART: Thank you for a very technical question.

Someone is obviously watching closely what's going on out there. LDI is a liability driven investment strategy. Typically it's employed by closed defined benefit plans that are very mature in their nature. So not a lot of new members coming in and more drawdowns happening. So they try to manage their liabilities going forward. So we do not use them. We're not in that space. Either- in any of our clients' spaces. But also our approach to liquidity and the diversification that we have gives us so many more options to deal with.

Short answer, no, we don't use LDIs.

HILARY BROWN: Thanks very much David and again I agree, thank you very much for the person who sent in that great technical question.

One of the presentations said that the plan is 105.3 per cent funded. Can you explain a little bit more about what that number means? I'll turn this question over to Rob and we are also very lucky to have Catherine from Eckler, our actuarial company.

Rob and Catherine, if I could hand that over to you please?

ROBERT WEEKS: Sure, before I go to Catherine what I'll say is we do a valuation every three years based on a growing concern. Based on that, that model of doing a valuation which means contributions are going to continue based on our assumptions, we're in a position that we have a surplus. That's what that 105.3 per cent funding means.

That surplus allows us to do things like contribute to the rate stabilization account. Contribute to inflation adjustment account, which of course is part of the reason we've made the decision to remove the COLA cap. I think that's the best way I can answer that question and Catherine I invite you to add more.

CATHERINE ROBERTSON: Rob, I think you gave a very comprehensive answer to that question.

Certainly we're pleased to see that the plan's 105 per cent funded and in a surplus position for the trustees have been able to make the decisions that they have made.

So I don't have anything to add to your response, thanks.

HILARY BROWN: Great, thanks very much Catherine and Rob.

The next question is: Looking back on the last few years there was a lot of worry about how the pandemic would play out and its impacts on the plan so far. What have you seen so far? And are we out of the woods yet? Well, the pandemic has certainly had impacts on all of our lives.

And the way companies and organizations like MPP's conducted business, hopefully we will be out of the pandemic soon, but at this time I will ask Rob and Harp to share their thoughts on what they've seen so far.

HARPINDER SANDHU: Thank you Hilary.

So yes, pandemic of course major impact on the global economy and on people across the board and various nations having reacted to it accordingly. We're still seeing the impact of the pandemic because it was such a massive disruption to the global economy.

And in response to that you had governments pumping a lot of money and support and spending a lot of fiscal and monetary policy adjusted to support. And now in response to that as we're coming out of that we're seeing a lot of labour disruption and supply chain disruption and not to mention a war that had broken out in the Ukraine.

So adding to all these disruptions, we aren't unnecessarily I would say out of the woods. I think we're still monitoring that and making sure that as we progress and move forward in our investment strategy we are able to react and look at the long-term when making these adjustments.

Rob? Anything to add?

ROBERT WEEKS: I think I'll add we take as a board and a valuation committee a long-term view of the plan and we look many years ahead. We've made prudent decisions like reducing our discount rate in the recent valuation which means we have a lower expected return.

That said, we still believe and know we're funded well and we had been planning for this for some time now. One of the outcomes is the rate stabilization account which gives us plan resiliency if, for example, we have low returns moving forward. Thanks.

HILARY BROWN: Thanks Harp and Rob.

Next question touches a little bit - Harp touched on the war in Ukraine - and this has to do with that as well. With the war in Ukraine the energy crisis in Europe energy independence has become crucial. How does BCI balance the environmental factor in ESG and the fact that the world is still heavily relied on fossil fuel.

Climate change, including energy concerns, I think needs to be addressed by everyone.

So at our request, BCI is addressing climate change and has been for quite some time, so I'm going to ask David to speak to that a little bit more?

DAVID MORHART: Thank you, Hilary.

I'll repeat some of the comments that I've said earlier. That we've been engaged in this since our founding in the early 2000s. Watching the progression of various agreements had been made. We're also founding signatory to a number of things that have come along. Climate action 100 et cetera.

And following some of the various international objectives, whether it's Paris or otherwise, so it's something that we need to continue to monitor. It's an evolving science and understanding. Reporting is getting better. It's a slow venture.

But it's one that we feel is important.

So those initiatives are good. But we're also an active investor. We work with companies. We try to understand companies before we even invest. And we try to move them towards that responsible investing paradigm. And it's important that they balance these things. Now to the specific question about energy independence, it's an interesting one, because it's not an either/or. Because energy, security independence needs to be balanced with climate change.

So as a worldwide investor we are always looking for opportunities to find renewable investments but also to find ways for companies in the existing space to do a better job in the work that they are doing.

So I think again if you were to look at our latest ESG report, and you'll be seeing our climate action plan coming out in the next few weeks, you'll see some of those persistent efforts that we have. And we're certainly pushing regulatory bodies and others to get to better discloser and to more understandable and consistent metrics that all of us can best understand.

HILARY BROWN: Thanks David. So the questions are rolling in still, which is great. We really appreciate all the questions being asked.

But I'm just going to remind you if you do want to ask a question, enter it in the "ask box" which is located on the left bottom of your screen. So again the "ask box" which is located on the left bottom of your screen.

Will pension workshops begin again? Aaron? Can you take that one?

AARON WALKER-DUNCAN: Yeah, thanks Hilary.

I guess my first response is I'm not aware that they ever stopped. But I think what question, the asker, may be asking about is in person workshops. Because we do have a comprehensive portfolio of online courses and webinars available today and have for quite some time. We are not planning at this point to return to in-person workshops mainly because we found that the online webinars and workshops are so much better attended. They provide members throughout the whole province with much more flexibility to attend and participate how and when they want.

And whereas when we used to travel around the province delivering workshops, we might not only go to some of the further reaches of the province once a year. And that wasn't really providing members with the level of service that they need. And so we are continuing to expand our online program.

So again, I'd encourage people to go to the plan website and look up - there's a whole section of online courses and webinars. There are ones members can do themselves in their own time at two o'clock in the morning if they want. If they are a shift worker and they happen to get home and they really feel it's important they need to learn about their pension at 2 a.m., they can do that. Or they can participate in what we refer to as instructor-led live webinar type courses where they can participate in an online course and interact with the presenter and ask questions and things like that.

So, all that information is available for new members looking to learn basic information about their pension plan right through to those members that are considering retirement and want to know about detailed information about options and different choices they need to make and things like that.

So go and check it out online.

HILARY BROWN: Great, thanks Aaron.

I'm really happy somebody sent in that question because I do want to encourage our members and everybody to take advantage of these workshops. They're extremely well done and very helpful and they hope they can provide lots of information. And especially encourage younger members to look at them and knowing lots about your pension.

Because it really is your pension and workshops that are very valuable. So I encourage everybody to reach out and take them.

AARON WALKER-DUNCAN: Yeah sorry one of the other things I would say there as a quick add to that is that one of the things we've also been able to do by going online is put these into more bite-size consumable chunks.

Because as you said, there's a lot of information there. And going and talking to somebody for three hours isn't necessarily the best learning experience. We know that from an adult learning perspective. So it breaks it down into smaller bite-size chunks that people can consume as and when they want.

HILARY BROWN: Great, thanks Aaron.

So the next question is: If your plan is with Green Shield Canada, do we switch to Blue Cross? And because this is benefits I'll turn it over to Bonnie again.

BONNIE PEARSON: Thanks.

So when you retire, your coverage with your employer ends; your coverage that you have while you're active. So in our case, Municipal Pension Plan, your option is to join the extended health plan.

And that extended health plan is currently provided by Pacific Blue Cross.

And in order to make an informed decision on joining, it is optional but we strongly encourage you to maintain coverage. That information on what's covered in that plan is available at www.pac.bluecross.ca. And it's the same website that I bobble each time I've said it.

But you'll find it there and go to the micro site and you'll see your benefit booklet there - what's available to you as you move to retirement.

HILARY BROWN: And just - thanks, Bonnie.

And just so everybody knows, all of these websites et cetera will be available at the end of the session.

So if you've missed something then we will be making them all available. So thank you.

Next question is: The Canada Pension Plan has made a net zero by 2050 commitment that includes scope-free emissions.

Why isn't the MPP or BCI measuring scope-free emissions associated with my pension portfolio? Why isn't BCI requiring companies in my pension portfolio to measure and report their scope-free emissions?

I'm going to ask David to speak to the details of tracking emissions. So David, can I turn it to you please?

DAVID MORHART: Absolutely, and thank you Hilary and thank you for the question.

I'll refer back to our report and the stuff we have there again. At BCI.ca you'll see that we track the carbon footprint and the information that's there and that's where I wanted to anchor my answer here. Getting accurate and consistent data across the spectrum is a real challenge for everyone in the investment industry. So we're working hard with regulators and others to get to a consistency in reporting.

And for those lessfamiliar, scope-free deals with not your direct operations, but with those entities that you're feeding the supply chain and other aspects of your business with. So you have a lot less influence.

So we're working with companies to better understand what is their total end-to-end carbon footprint and how that comes together. So again pushing to get better data is going to be important before you actually set a target.

So we again disclose as much as we're confident in with respect to our carbon footprint within our existing strategies and plans, and we'll work with regulators to get better reporting and then build our metrics from there in the future.

HILARY BROWN: Thank you David.

So the next question is: Do I need to let the MPP know if I go on maternity leave? If so, when do I do that?

First, before I turn this over to Aaron, I'm just going to say to whoever wrote this question in, if you are going on maternity leave, congratulations. That's wonderful news and we always need more little babies in this world as far as I'm concerned.

So congratulations. And now I'll turn that over to Aaron.

AARON WALKER-DUNCAN: Yeah, thanks Hilary.

Yeah, you don't need to directly let us know. But you need to talk to your employer.

And also again go to the website and look at the benefits that are potentially available to you. One of the attractive features of the Municipal Pension Plan is the ability to purchase your maternity leave service if you wish so you can be credited with pensionable service on your maternity leave.

And typically there's a cost-sharing arrangement with your employer in doing so one of the new things the plan introduced a couple years.

HILARY BROWN: So has Aaron frozen up? I'm just stopping the session and I know I'm speaking. For the viewers watching, I'm going to just pause for a moment and I'll ask my technical crew if this is able to be fixed.

So it turns out it's just Aaron who has frozen up. I'm going to move on to the next question.

And our apologies for that little technical glitch. Well the next one is actually not a question, it's just a compliment, which I appreciate the sender sending this in. Considering we have been struggling with the COVID pandemic for three years, I am pleased that the MPP has done a great job of keeping the plan's finances secure and strong. Well done.

Thank you very much to whoever wrote that in. We really appreciate that compliment and we continue to look forward to serving you as best as we can in these quite trying times.

The next question is: Part-time employees are not required to join the MPP. Why is it not a requirement that part-time worker enrolment is made mandatory? Judy, can I get you to answer this question?

JUDY PAYNE: Yeah, absolutely.

So Municipal Pension Plan is definitely a valuable asset. Anybody who participates in a defined benefit plan knows how much that contributes to their retirement income security.

In Municipal, full-time employees are required to enrol and part-time employees have an enrolment test essentially where they need to meet a certain amount of service over a couple of years and a certain salary test as well. The other way for part-time employees to get in is if their employer passes a resolution for them to get in.

So if you are a part-time employee and you don't yet have the option to enroll in the plan because of your amount of service or salary that you're getting, then I would go talk to your employer about the opportunity for them to pass the resolution to allow you to participate.

I think in terms of practical application, it's a really great benefit, but sometimes part-time employees have more competition for their scarce income. And so it's not automatic the way it is for full-time employees.

HILARY BROWN: Thank you very much Judy.

So just a reminder as well that if you do have any personal pension questions, we welcome you and ask you that you send them through My Account. That can be found on our website. And also if you are asking a question here today, you can just put it in the ask box located on the bottom left of the screen.

So the next question is: Real estate asset prices have appreciated significantly during the past two years. Housing affordability has become a major issue for many active plan members. Rents and home prices are close to historical highs. BCI invests a large portion of the plan in real estate assets. What are your outlooks on the real estate market in the current rate environment?

Thanks for the great question. And I'm going to ask Harp for his thoughts and then we'll turn it over to David as well.

HARPINDER SANDHU: Thank you Hilary.

Yeah, so currently the real estate prices, and we have seen a very high prices and accelerating during the COVID pandemic because of the lower interest rates. Now we're seeing the opposite.

Seeing in the last few months a lot of pressure in the real estate market with rising interest rates and that's deflating asset prices overall from the globe. So in relation to our portfolio with our real estate, we have quite a diverse portfolio. Not necessarily just in housing residential. Commercial industrial properties. Not only Canada but around the world.

So having that diversified portfolio and real estate and also having the understanding real estate is a liquid asset, we don't trade it quite frequently. It's an asset we keep and we'll decide to sell when prices are right. So we don't have to - we're not pressured to be in a situation where many homeowners might be. So at the same time, we do take the long-term view that as the real estate market does fluctuate up and down, we'll take advantage of it where we can.

Apart from that, if you have anything else to add, I'll ask David.

DAVID MORHART: Thank you, Harp. You've covered the major points there.

Again, the diversification ensures that the plan's investments are well looked after.

To the extent we're seeing inflation, in this real estate is one of the new inflation hedges. To the affordability question though, there are a number of things that our agent QuadReal who manages both real estate debt and mortgage portfolio and the real estate assets, they are looking at any of their new developments, especially in the housing area - residential student housing. Those types of things, always to have components of affordability built in as well. So certainly a very close eye to this.

But as Harp has mentioned, with a long-term view we had the ability both to ride through some of the bumps that we're seeing now. But, also to be an active member in the community where we see great opportunity for that long-term capital.

HILARY BROWN: Thank you David and Harp, and thank you for the person who asked the question.

The next question is: Are there different levels of post-retirement medical plans that are available to members? What are the costs of these levels?

And Bonnie, I'll ask you to take that question please.

BONNIE PEARSON: Thanks.

There are not more than one extended health benefit. There is one extended health benefit. There are two options on dental. So you can elect to join an extended health and not take dental. You can elect to join extended health and dental. And you make a decision on dental between basic and enhanced coverage when you're making your decision around dental.

And those rates again can be found on the mpp.pensionsbc.ca website. Because they are somewhat individualized based on extended health, having some degree of subsidization. Dental is 100 per cent paid by premiums. Thanks.

HILARY BROWN: Thanks Bonnie.

So the next question has got to do with the COLA cap. With the amount of surplus in the pension fund and the announcement of the removal of the cap effective January 2023, and the board of trustees has the right to make a decision of the amount of CPI going forward, can the board retroactively grant a one-time payment for 2021?

So I'll just make the comment that the plan is not structured to provide retroactive payments.

And I'll just ask Rob to speak more about how the COLA will work over the next three years. So Rob?

ROBERT WEEKS: Yeah thanks.

Again the board has decided to remove the cap on COLA which gives us the flexibility of option to provide COLA to a maximum amount of CPI. That decision will be made annually for January 2023 very soon and will be made on an annual basis for the next three years on a go-forward basis, not retroactively, as you said, Hilary. Thanks.

HILARY BROWN: Thanks Rob.

So somebody is asking if this presentation will be available for viewing or re-viewing after the live event is concluded. And yes, it's being recorded currently. And it will be posted to the plan website in the coming weeks. And as well as a transcript will be there as well, so you can visit it at mpp.pensionsbc.ca, and again mpp.pensionsbc.ca; that's the MPP site.

And it will come up in a couple of weeks' time. So our next question is: We have a couple of questions about fossil fuels as part of the plan investments. That is, what are the holdings and the percentage?

We do provide a great deal of information about investments in the plan's annual report, which is available on the plan's website. So I encourage you to look at that.

But I'm also going to ask Harp and David to speak a little bit more about this.

And our holdings. So go ahead Harp and David.

HARPINDER SANDHU: Thank you Hilary.

Yes, so fossil fuels we do have them in our portfolio. I don't know the exact number; that does fluctuate. I'll get that information from our reports outlined by Hilary.

At the same time we do invest in fossil fuels but also try to steer these companies into a more greener, cleaner future. Because of that investment, we do have a greater power over these companies to help us get to our climate goals.

So it's not necessarily that we're sometimes whether you're invested in fossil fuel company or not; at times we do invest in those who are willing to make that shift. And there has been progress in the near term.

For other details I guess maybe David if you have any other additional details to add please?

DAVID MORHART: And yes you make a really good point.

It is a lot disclosed in both MPP's annual report, our own BCI's annual report. So I encourage folks to go there. We publish annually an investment inventory for all of our investments. And that is unique among peers. Nobody else does that. So that's one where you can get a fair bit of information from as well. But stepping back a little bit to Harp's comment, we do have some holdings.

But I'll say generally we're well underweight in this as we've shifted to broader global markets and more into the renewable spaces. So it's something that we're very active in, where we have engaged companies making progress.

We feel that's good corporate citizen, but good for returns as well for the plan.

HILARY BROWN: Thanks David and Harp, so the next one is not a question but again a compliment and I really appreciate it.

Kudos, thanks for making the website clear for us to navigate. Keep up the great work. Now it's just spreading the word. So Aaron, do you want to make any comments about the website?

AARON WALKER-DUNCAN: Not really other than beyond thank you as well.

It's great to get feedback from people on the website. We're continuously looking for ways to enhance it and make it more accessible. There's a lot of information there.

We do canvas members and look for ways to make improvements so thank you for the feedback.

HILARY BROWN: Great. Thanks very much and again thank you for the feedback as well.

The next question is: What is the COLA for September 2021 to September 2022? I'm assuming in this question this person is actually asking what CPI is for September

2021 to September 2022, then, and I don't believe the September CPI has been announced yet. We would expect that soon.

But Catherine can you confirm this?

CATHERINE ROBERTSON: Yes, thank you Hilary.

I can confirm that the CPI data is published by Statistics Canada. And the September 2022 figure is not yet available. Typically the information gets published around about the 20th of the month. So we would expect to see that information in about a week's time for the September 2022.

HILARY BROWN: Great, thank you very much.

The next question is: There is a charge of $100 deductible for benefits for retiree, why wasn't that taken away like it was for the working people?

Bonnie, could you perhaps address that concern?

BONNIE PEARSON: Well as we've said several times, the plans are different between active members and your post-retirement benefit. The extended plan is designed to provide sustainable benefits for current and future retirees.

So we balance all of the elements of the plan to ensure that sustainability is met. So you can always provide feedback to us by writing to us at contact@mrbt.ca and the trustees do review all of the comments we receive.

We know deductible is one of them. I will say, just anecdotally, the utilization of post-retirement benefit plan is different than inactive. So as I say, all of the features of it are reviewed by the board regularly and periodically. But right now the decision was made to maintain the $100 for the post-retirement group plan.

HILARY BROWN: Okay, thanks Bonnie.

Another comment, not a question; again we do appreciate your feedback. I would like to thank the MPP Board of Trustees for removing the cap off inflation for the next three years. You've listened to our concerns about the cap and the inflation today. Thank you for hearing our request. Thank you very much for the comment.

And we are just very, very pleased the valuation results show we have a very healthy plan as of December 31st, 2021, so thank you. So the next question coming in is: If I am still contributing as an active member, will COLA increase my pension benefits down the road in any way? So when we provide COLA for a specific year, it applies to pensions that members are currently receiving. COLA applies once you're receiving a pension.

So Judy would you like to add anything to that?

JUDY PAYNE: Absolutely. So good question. The intent of the board's approach to sustainable cost-of-living adjustments is specifically to ensure that not just today's retirees but future retirees also get access to meaningful cost-of-living adjustments when their pensions become payable.

So cost-of-living adjustments, as Hilary said, are not guaranteed. But when they are granted, they are applied in January. And they apply to the various components that are in pay, whether it's a lifetime pension or a bridge benefit. And they continue for the duration of that benefit while it's in pay.

HILARY BROWN: Thanks Judy.

So I'm just aware of the time. It's according to my computer now 11:57. So we will be wrapping up the question and answer period shortly.

I do have one more question that we can cover. Just to let you know if you haven't had an answer to your question, we will be addressing each of those that have not been answered.

But this last question says: I would like Pacific Blue Cross or another carrier to include emergency travel insurance coverage to the retiree's group medical and dental plan similar to my wife's public service health care plan, which she has from being a civilian retiree of the RCMP.

Bonnie?

BONNIE PEARSON: Thanks Hilary and thanks for asking the question.

Our priority as a board is to continue to provide current and retired plan members and future retirees with sustainable and affordable health and dental coverage. We do not have any immediate plans to add emergency travel coverage, but as I've said previously, if you have feedback on your coverage, please write to us at the MRBT Secretariat and pass those comments along to us for the board's consideration.

HILARY BROWN: Thank you Bonnie.

So there's one other question here and it's - we've had a number of questions about the COLA from the coming year. And whether they will be arranged, we can consider - we expect that we will be able to provide COLA that equals the increase in the CPI from September 21 to September 22. But having said that as we did mention, we will be looking at all the factors and the plan takes this - or the board takes it very seriously - in terms of what we provide for COLA.

So we look forward to providing that information to you in January. And I'm just looking at the time and I will just answer this one question very quickly and then I think we will have to wrap up the questions. Is there an average age of retired members in the MPP and if so, what is that age?

That's a great question. Judy or Catherine, do you have that number handy by any chance?

CATHERINE ROBERTSON: I unfortunately do not have the number handy unless Judy can provide it. I can say that it does form part of the actuarial valuation report which is usually published on the pension website.

JUDY PAYNE: Yes. And I would, just going to say that information should be in the *Annual Report* which was published in August.

HILARY BROWN: Okay. Thanks Judy and Catherine.

I'm just looking at the time. It's 11:59 now and we are concluding this AGM at noon. So I would just like to thank everybody. This does conclude our 2022 annual general meeting. But I just really want to thank everybody who helped to make this event possible and most of all to all of you for joining us online here today. There's a lot of work that goes on behind the scenes to make this AGM possible so I would like to specifically reach out and thank Erin and Shannon from our board support office for making this possible as well as all the people contributing in the background. Our communications people et cetera have done a wonderful job.

And again I thank all of you for joining us today. If we didn't get to your question, we will make every effort to respond soon on the plan website. As well, somebody asked about - a recording of today's event will be published to the plan website under *About us*. We welcome your feedback on the AGM. Your input helps us continue to improve the event. We do take it very seriously when you provide input and we take that into account when we are planning for the future AGMs. This includes what worked for you and what did not. Anything you'd like to see next year? Take a moment to share your thoughts by sending an email to mpbt@pensionsbc.ca. And again that email is mpbt@penaions.bc.ca

Please remember we are always here to help. If you have a personal pension question, remember that you can sign in or register for My Account. Locate the envelope icon on the top right-hand side of the page if you'd like to ask us a question. Your pension questions are always secure and you'll get a secure response, all within My Account, within a short period of time. Finally, I will leave you with a list of resources shared throughout the AGM. These will appear on your screen now. They will also be available when we post the recording of this. So if you don't have time to catch them now, then go and look at the recording and they will be available.

Thank you again for being here and for engaging with your pension plan. Spread the word next year's AGM is on October 12, 2023. And we really look forward to seeing you all online again next year. Thank you for being here. Thank you everybody. Take care and have a great day. Bye now.

END OF TRANSCRIPT