

PUBLIC SERVICE PENSION BOARD OF TRUSTEES
MEETING HIGHLIGHTS

September 8 and 9, 2022
Victoria, British Columbia

The Meeting Highlights is a summary of issues that were considered, or decisions that were made, by the Public Service Pension Board of Trustees [Board] at its latest meetings. The September 8 and 9, 2022 meeting was held by video conference.

Please note that the official Board Minutes record the business conducted by the Public Service Pension Board of Trustees and their decisions. If there are any discrepancies between the Meeting Highlights and the official Board Minutes, the official Board Minutes shall govern. Disclosure of any documents referred to in the Meeting Highlights or the official Board Minutes is subject to applicable Board policy and the *Freedom of Information and Protection of Privacy Act*.

Please note that these Meeting Highlights include decisions considered at the June 27 and 28, 2022 informal meeting of trustees, and ratified by the Board at the September meeting.

Pension Board Matters

The Board agreed to cost-share a trustee's participation in the ICD-D Rotman Directors Education Program.

Reports from Service Providers

Administration services are provided by the BC Pension Corporation and investment management services are provided by the BC Investment Management Corporation [BCI]. The provider of post-retirement group health and dental benefits administration is Green Shield Canada [GSC]. The group health and dental consultant is Willis Towers Watson [WTW].

A. Plan Administration – Report from the Pension Corporation

The Board received a report on the Inflation Adjustment Account (IAA) sensitivity model, updated to March 31, 2022. The IAA sensitivity model provides an indication of the sustainability of the IAA and is reviewed by the Board in addition to the Plan actuary's analysis. Both the IAA model and the actuary's analysis indicate that the IAA will be able to fund full Consumer Price Index (CPI) pension adjustments over the long term. The strength of the IAA is attributed to past low inflation and good

investment performance.

The Board received reports on the Pension Corporation's enterprise risk and privacy programs. The Board also received the financial summary for the three months ended June 30, 2022, and a report on the proportion of available post-retirement group benefit funding used in the three months ended June 30, 2022.

The Board received reports on the Pension Corporation's service delivery plan accomplishments and the annual results of benchmarking Pension Corporation's services compared to peer organizations.

B. Plan Investment – Report from BCI

The Board received a report on BCI's active ownership activities on behalf of the Board in 2021, including ESG engagement and proxy voting.

The Board received reports on BCI's enterprise risk management program, technology strategy and key performance indicators. The Board received reports on investment risk, investment strategy and summaries of the 2021 asset class annual reports for private equity, real estate and real estate debt, infrastructure and renewable resource investments.

The preliminary rate of return for the total pension fund for one year to June 30, 2022 was -0.5% compared to the benchmark return of -6.5%. The five year annualized return was 7.7%, compared to the benchmark return of 5.6% and the 10 year annualized return was 9.1% compared to a benchmark of 7.5%. Total assets under management as at June 30, 2022 were \$39.69 Billion.

Committee Reports

A. Audit Committee

The Board approved the Financial Statements of the Public Service Pension Plan for the year ended March 31, 2022. Information about the Financial Statements is distributed to active plan members in the Report to Members and to retired plan members in the winter edition of the *Pension Life* newsletter. The full Financial Statements will be available in the 2022 Annual Report, which will be posted on the Plan website in November here: [Reports - Public Service - Public Service](#).

The Board appointed KPMG as its auditor to conduct the 2023 audit of the Public Service Pension Plan and approved the audit fees.

The Board approved the Audit Committee’s annual request for funding for professional and other expert resources and Committee education. The cost of the request is shared equally between the College, Municipal, Public Service and Teachers’ Pension Boards of Trustees.

The Board ratified the appointments of Chung Yan Ip, an appointee of the Teachers’ Pension Board of Trustees, and Carol Delveris, an appointee of the Municipal Pension Board of Trustees, as members of the Audit Committee.

B. Benefits Committee – No report.

C. Communications Committee

The Board approved the content of the Public Service Pension Plan Annual Report for the year ended March 31, 2022. The Annual Report with Financial Statements will be available on the Plan website at [Reports - Public Service - Public Service](#) in November.

The Board approved a Responsible Investment Communications Plan.

D. Governance Committee

The Board approved revisions to its operational policies related to the roles and responsibilities of the vice-chair, the code of conduct and succession planning.

E. Investment Committee

The Board approved amendments to the Statement of Investment Policies and Procedures (SIPP) and Funds and Investment Management Agreement (FIMA) related to BCI’s funding program and the use of unsecured debt. The Board also approved housekeeping amendments to the SIPP.

F. Responsible Investment (RI) Committee – No issues to report.

G. Trustee Education Committee

The Trustee Education Committee organizes the annual BC Public Sector Pension Conference, an initiative of the College, Municipal, Public Service and Teachers’ Pension Boards of Trustees. The Board approved the preliminary budget for the 2023 BC Public Sector Pension Conference.

Website

The [Public Service Pension Plan website](#) contains valuable information about the Plan. You can find many of the Board's governance documents and operational policies in the website under [About us > Who we are > Public Service Pension Plan](#). The web content is updated regularly.

Future Board Meetings

The next regularly scheduled quarterly meeting of the Public Service Pension Board of Trustees will take place on December 15 and 16, 2022 in Victoria.

Please direct any questions or comments about this document to:

Public Service Pension Board of Trustees

By phone 250 387-8200
By fax 250 387-4199
By email pspbt@pensionsbc.ca

For general questions about the Public Service Pension Plan, or about your pension, please contact the **BC Pension Corporation**:

By phone Victoria: 250 953-3033
 Toll-free in Canada and the U.S.: 1 800 665-3554
By fax 250 953-0425