Brandon University Retirement Plan
Board of Trustees
Wednesday, June 7, 2023 at 1:00 pm
Clark Hall Room 104

AGENDA

1.0 Call to Order

2.0 Approval of Agenda and Minutes

2.1 Approval of Agenda – June 8, 2023
2.2 Approval of Minutes – February 15, 2023

3.0 Connor, Clark & Lunn Investment Management Ltd (L Ross Onder/P Muldowney)

3.1 Investment Performance Review

4.0 New Business (Eckler)

4.1 Approval of the Brandon University Retirement Plan Annual Report Incorporating the Annual Financial Statements (Todd Birkhan, BDO Canada/Allison Noto, BU)
- 4.1.1 Brandon University Retirement Plan – Audit Results Memo (2021)
- 4.1.2 Brandon University Retirement Plan – Annual Report 2021

4.2 Actuarial Valuation of the Brandon University Retirement Plan as at December 31, 2022
- 4.2.1 Draft Report on the Valuation
- 4.2.2 Summary of the Valuation Results Presentation

4.3 Member Notice re: Plan Amendment 23/01 and Employee Booklet (Draft)

4.4 CRA Request for plan changes for compliance with Income Tax Act (Canada) – Draft Amendment 23/02
- 4.4.1 Letter from CRA
- 4.4.2 Draft Plan Amendment
- 4.4.3 Presentation outlining examples of how early retirement recalculation works

4.5 COLA Revised Summary

5.0 Continuing Business

5.1 Pension Trustee Election to replace Maurice Koschinsky

6.0 Correspondence

6.1 CIBC Mellon Custodial Fees – Invoices

Invoice #	Duration	Amount
292394	Mar 1 – 31, 2023	$10,906.10
290019	Feb 1 - 28, 2023	$11,390.95
288801	Jan 1 – 31, 2023	$11,243.76

6.2 Connor, Clark & Lunn - Invoice

Invoice #	Duration	Amount
16792_1939	Oct1 – Dec 31, 2022	$226,649.93

6.3 Eckler Ltd.

Invoice #	Duration	Amount
Professional Services 0192BUN01-EB1-23-1015	Jan 1, 2023 – Mar 31, 2023	$23,154.29
Administration Services 0194BUN10-EB1-23-0654	Dec 8, 2022 – Mar 31, 2023	$19,734.80

7.0 Upcoming Meeting Dates

Wednesday, November 22, 2023 1:00 – 4:00 p.m. Clark Hall Room 104

BRANDON UNIVERSITY

Brandon University Retirement Plan
Pension Trustees
Wednesday, February 15, 2023
MEETING MINUTES

Present:	Allison Noto (Exempt) Brent Cuvelier (IUOE-A) David Taylor (BUFA) Doug Pickering (BUFA) Eric Raine (MGEU) Greg Misener (MGEU) (via Zoom) Nicky Kreshewski (Resource (via Zoom) Scott Lamont (Board of Governors) Shawn Chambers (Board of Governors) (via Zoom)
Guests:	Andrew Kulyk, Eckler Ltd. (via Zoom) Shannon Tesluck, Eckler Ltd. (via Zoom) Lizanne Ross Onder, CC&L (via Zoom) Peter Muldowney, CC&L (via Zoom)
Regrets:	Blanca Garcia de Alvarado (IUOE-D) Maurice Koschinsky (Retiree)
Recording Secretary:	Donna Neufeld

1.0 Meeting called to order at 1:05 p.m.

The Chair started the meeting with an acknowledgement with respect to the lands the Brandon University campus is located.

2.0 Approval of Agenda

2.1 Approval of Agenda of February 15, 2023

> Motion: Moved and Seconded (S Lamont/B Cuvelier)
>
> BE IT RESOLVED THAT THE agenda for the February 15, 2023 meeting of the Brandon University Retirement Plan Pension Trustees be approved as presented.
>
> CARRIED

2.2 Approval of Minutes of November 23, 2022

> Motion: Moved and Seconded (A Noto/S Lamont)
>
> BE IT RESOLVED THAT THE minutes for the November 23, 2022 meeting of the Brandon University Retirement Plan Pension Trustees be approved as amended.
>
> CARRIED

3.0 Connor, Clark & Lunn Investment Management Ltd. (L. Ross Onder/P. Muldowney)

3.1 Investment Performance Review

- L Ross Onder gave an overview of the CC&L Investment Performance Review presentation.
- Executive Summary:
  - The fourth quarter closed off an unusual year which included inflation reaching levels not seen in four decades, the most aggressive rate hiking cycle in a generation and the largest armed conflict in Europe since World War II.
  - Equity markets rallied in the fourth quarter as inflation moderated but ended the year in negative territory.
  - Canadian Long Bonds declined in the fourth quarter and declined most of the major markets for the calendar year.
  - The Retirement Plan portfolio's fourth quarter return was 5.0%, 0.5% below its benchmark.
  - The portfolio's annualized 4-year return was 7.8%, 2.0% above its benchmark.
  - Since the meeting in November 2022, there was an additional capital call for infrastructure.
- Portfolio Valuation and Asset Mix
  - The opening value of the portfolio as of October 1, 2022 was just over $204 million.
  - The portfolio experience over $10 million of gains in the 4th quarter which brought the total at year end to over $212 million.
  - As of the end of January 2023, the market value of portfolio's was over $224 million.
  - In January, the Plan participated in a capital call for Infrastructure; and it is anticipated there will be another capital call for Real Estate in the spring 2023.
- Market Review
  - Investors anticipated Central Banks would look to begin moderating interest rate hikes.
  - The Canada yield curve remained inverted due to higher short-term rates.
- Investment Returns
  - For the calendar year, the portfolio was -12.1%; 0.6% above benchmark.
  - The 4-year returns the Plan's investments are up 7.8%; 2.0% over benchmark.
- Asset Class Returns
  - All Asset Classes in the Plan portfolio in the 4th quarter were positive except for Long Bonds which were down 0.9%.
  - Canadian Equities were up 7.3% at the end of the 4th quarter; -2.4% at year-end and 13.2% over the 4-year period.
  - Global and Emerging Market Equities were up 8.8% at the end of the 4th quarter; -12.2 at year end and up 11.5% over the 4-year period.
- Canadian Equity – Market Review
  - Due to the conflict in Ukraine, the energy sector was the outstanding performer for 2022.
  - Growth stocks were negatively impacted in 2022 due to the rise in interest rates.
- Fixed Income – Market review
  - The CC&L Long Bond Fund was down 21.4% for the year but slightly ahead of its index.
- Real Estate
  - The Fund is invested in 308 commercial real estate properties across Canada.
  - Physical occupancy and rent collection remain strong.
  - Fund posted a 2.1% return in the 3rd quarter. From April – September 2022, the Plan return is 6.2%. Returns for the 4th quarter are delayed to the end of March.
- Infrastructure
  - There are over 90 projects in the Fund spread across 30 investments.

  - In the 3rd quarter the Fund was up 1.4%; and since the first capital call in May, the Funds returned 2.5%. Returns for the 4th quarter are delayed to the end of March.
- Real Estate & Responsible Investing Update
  - A specific example of how the investment teams integrate responsible investment considerations into their investment processes is Steeles Technology Campus, Toronto ON.
  - 4 separate buildings, 675,000 square feet on 45 acres of land with state-of-the-art engineering systems.
  - The property has a top quartile energy efficiency ranking from Energy Star. It also has an estimated 30% reduction in annual greenhouse gas emissions, 60% annual reduction in electricity used for lighting and a savings of 7.7 million litres of water annually. This property is also Fitwell Certified. This focuses more on the health and safety aspects of employees in the building.
  - This property has received several awards including BOMA Best Platinum, BOMA 360, BOMA Certificate of Excellence, BOMA Building of the Year, WiredScore Platinum and CREST awards. These awards are the standards and certification of a property that operates as a top environmental, social and governance performer.
- Economic Picture & Outlook
    - The sequence of events in the economy line up with what occurred in previous economic cycles prior to a recession. The order is usually – **Step 1** – Housing data slows, **Step 2** – New orders and manufacturing activity slows, **Step 3** – Profitability Declines (Expected in 2023), **Step 4** – Employment Worsens (Lagging Indicator).
    - The first 2 Steps started last year, Corporate profitability seems to be in its early stages; and as companies are looking to cut costs, this resulted in job losses. Employment is typically the last indicator to slow down and is referred to a lagging indicator.
    - The recession expected in 2023 is the most forecasted recession on record but is expected to be much less severe than past Canadian recessions, it is expected to have a slow down into a short recession, then a recovery and a new cycle.
    - Both the Equity and Bond markets have started this year very strong.
    - The University's Plan portfolio was up 5.7% for the month of January. All Asset Classes were positive, the Real Estate and Infrastructure continue to make good progress.
    - A question was raised on whether CC&L is positioning the Plan portfolio in case there is not a recession. Although all indicators point to a shallow recession, CC&L is being defensive in its positioning; however, they are being nimble and ready to adjust positioning as required.

4.0 New Business

4.1 July 1, 2023 COLA

- A Kulyk noted that L Ross Onder mentioned a -12% return and $212 million Asset Value. Eckler were provided preliminary fund statements that are out by about $10 million. Eckler has approximately an 8% return and a $222.8 million Asset Value as of December 31, 2022.
- There was detailed discussion on the $10 million discrepancy.
- The discrepancy does not affect the Going Concern Surplus or the 3-year filing cycle.
- Effective July 1, 2022, the COLA would be 2.4%; however, with a -12% return, the COLA would drop to 1.3%.

4.2 Extrapolated funding position and considerations in performing a valuation as at December 31, 2022 (Eckler)

- A Kulyk reviewed the slide presentation noting that he would be speaking to the 2022 Highlights, the 2023 Cost of Living Increase, the 2023 Funding Projection & Estimated Funded Status, Considerations for Preparing & Filing December 31, 2022 Valuation, and the

University's Contribution Flow Chart. The following information is based on the CIBC Mellon numbers, which are different from those of CC&L.

- Since the last Valuation at December 31, 2021, there was a net fund market value return before expenses of -8.13% in 2022. The median return in Canada for balanced funds in 2022 was -8.81%. The market value return net of expenses was -8.59% and actuarial value with the 4-year smoothing basis was 7.71%.
- Inflation was high for the first time in 30 years. 6.3% was the average price for the year.
- Pension plans in Canada are in a healthier position on a solvency basis than they were a year ago.
- The increase in the annuity purchase rate was 210 bps.
- Increase in the commuted value rates are up 1.8% in the short-term and 1.1% in the longer term.
- For the Cost-of-Living Increase, when the average rate of return of the Plan over the last four years exceeds 6.0% per year, there is a cost-of-living increase provided to retirees.
- For 2022, there was a Net Investment Return of -8.59%, 4-year average return is 8.40%, Excess Return was 2.4%, increase in CPI of 6.3%. For 2024, the breakeven rate of return that needs to be achieved in 2023 is 7.69%.
- There are 3 types of Valuations – Going-Concern, Wind-up, and Solvency.
- Going-Concern Valuation Economic Assumptions
  - Eckler proposed an Investment Return in range of 5.5 – 5.7%
  - The increases in CPI or 3.5% p.a. for one year, and 2.0% p.a. thereafter would remain unchanged.
  - Salary increases of 4.5% p.a. for 2023, and 3.0% p.a. thereafter plus merit and promotion (if applicable) would remain unchanged.
  - The YMPE increases, Pensioner indexing, and Asset smoothing would also all remain unchanged.
- Considerations in Setting the Investment Return Assumption
  - Using the same methodology for the investment return assumption of 5.7%, the median investment return outcomes if 6.85% minus Plan expenses of -0.30% and a margin of -0.85% for conservatism for a total of 5.7%.
- Going-Concern Valuation – Demographic Assumptions
  - There is no change in the Mortality, Termination and Retirement rates assumptions.
- Going-Concern – Estimated December 31, 2022 Valuation Results
  - Last year the University had a going-concern surplus of $21.9 million, and the University's estimated contribution was approximately $3.2 million.
  - The Going-Concern Surplus (unfunded liability) at December 31. 2022 with a 5.5% (1.05% margin) would be $26 million; with a 5.55% (1.0% margin) the surplus would be $27 million; and with a 5.7% (0.85% margin) the surplus would be $30.6 million.
  - There is a $13 million unrecognized loss in the assets that is currently not reflected and will be partially reflected next year.
  - Due to large increase in interest rates, there is potentially greater risk of estimation error on solvency and wind-up than for other years.
  - The current service cost is 8.75% of pay, which is more than the formula contribution, so no University contribution is required. The total service cost prior to applying any surplus is $3.5 million. However, now that there is a surplus in the Plan, and the University is fully funded on a solvency basis, the regulations permit the University to reduce current service cost contributions by Available Actuarial Surplus.
  - The Available Actuarial Surplus is a relatively new Manitoba regulation that came into effect around October 2021.
- University Contribution Requirement Flow Chart

- Flowchart was created in the event there is an Available Actuarial Surplus. A Kulyk highlighted the different scenarios shown on what the University's options are the flowchart.
- A Kulyk used the impact of 5.5% discount rate as an example. In this example, if the Plan Formula Contribution (PFC) is not greater than the Current Service Costs (CSC), the University would contribute the greater of the PFC and the CSC.
- In the 5.7% discount rate example, the PFC is greater than the CSC, and the University is permitted to contribute more than the CSC and there is a windup deficit, the University would contribute the formula contribution to the Plan.
- Trustees found the chart helpful to understand payment options.

- Solvency – Estimated Valuation Results
  - Last year there was an 89% Solvency Ratio; and this year there is $12.3 million surplus and a 105% Solvency Ratio.
  - The numbers shown in the Eckler presentation include $10 million more than CC&L, and a -8% return reflected versus CC&L having -12.5%.
  - The Plan is currently over 100% funded on a going-concern basis.
  - At November meeting, the Trustees moved to table the motion to do a Plan Valuation December 31, 2022 until the February 2023 meeting.

Tabled Motion: Moved and Seconded (S Lamont/A Noto)

BE IT RESOLVED THAT THE Brandon University Retirement Plan Pension Trustees take from the table the Motion to complete a Plan Valuation for December 31, 2022.

CARRIED

Motion: Moved and Seconded (S Lamont/D Pickering)

BE IT RESOLVED THAT THE Brandon University Retirement Plan Pension Trustees approve the completion of a Plan Valuation for December 31, 2022 with a Discount Rate be set at 5.50% for 2023.

CARRIED

5.0 Continuing Business

5.1 Plan Valuation as of December 31, 2022

- This item was discussed earlier.

5.2 End of Term Memberships (S. Lamont)

- Scott noted that Brent Cuvelier's term as a trustee ends April 30, 2023 after serving 6 years with the Pension Trustees. He reminded the Trustees' that once the 6-year term has been served, a Trustee must retire for at least a one-year. Brent will be formally relieved of his responsibilities at the next Trustees' meeting.
- Maurice Koschinsky will also need to retire when his term expires in October 2023. An election among the retirees will need to be conducted.

6.0 Correspondence

Motion Moved and Seconded (E Raine/D Pickering)

BE IT RESOLVED THAT THE Brandon University Retirement Plan Pension Trustees approve the payment, after the fact, of the invoices from agenda items 6.1 through 6.3.

CARRIED

7.0 Upcoming Meeting Dates

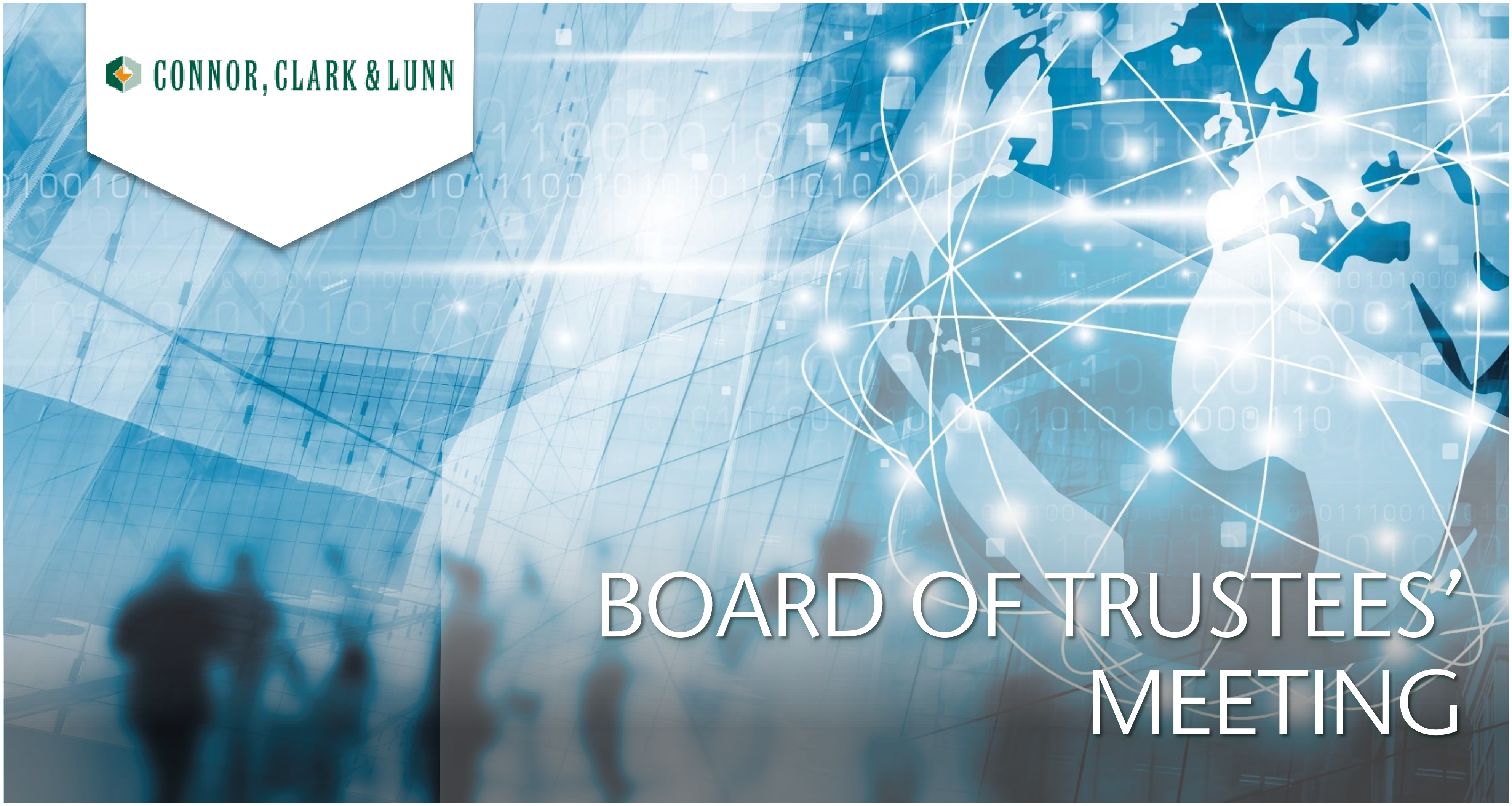
Wednesday, June 14, 2023	1:00 – 4:00 p.m.	Clark Hall Room 104
Wednesday, November 22, 2023	1:00 – 4:00 pm	Clark Hall Room 104

8.0 Adjournment

Motion Moved and Seconded (B Cuvelier/S Lamont)

BE IT RESOLVED THAT THE Brandon University Retirement Plan Pension Trustees approved adjournment of the meeting at 3:05 p.m.

CARRIED



CONNOR, CLARK & LUNN

BOARD OF TRUSTEES' MEETING

LIZANNE ROSS ONDER

June 7th, 2023

BRANDON UNIVERSITY RETIREMENT PLAN

EXECUTIVE SUMMARY

- Mixed global economic data and concerns stemming from the US regional banking sector spilling over into Europe dominated market sentiment over the first quarter 2023
- Despite this, equity markets delivered positive returns, led by the technology sector
- Canadian Long Bonds also posted strong positive returns as yields declined during the quarter
- The Retirement Plan portfolio’s first quarter 2023 return was 5.5%, slightly below its benchmark
- The portfolio’s annualized 4-year return was 6.7%, 1.8% above its benchmark
- Since the meeting in February, there was an additional capital call for real estate

PORTFOLIO VALUATION AND ASSET MIX

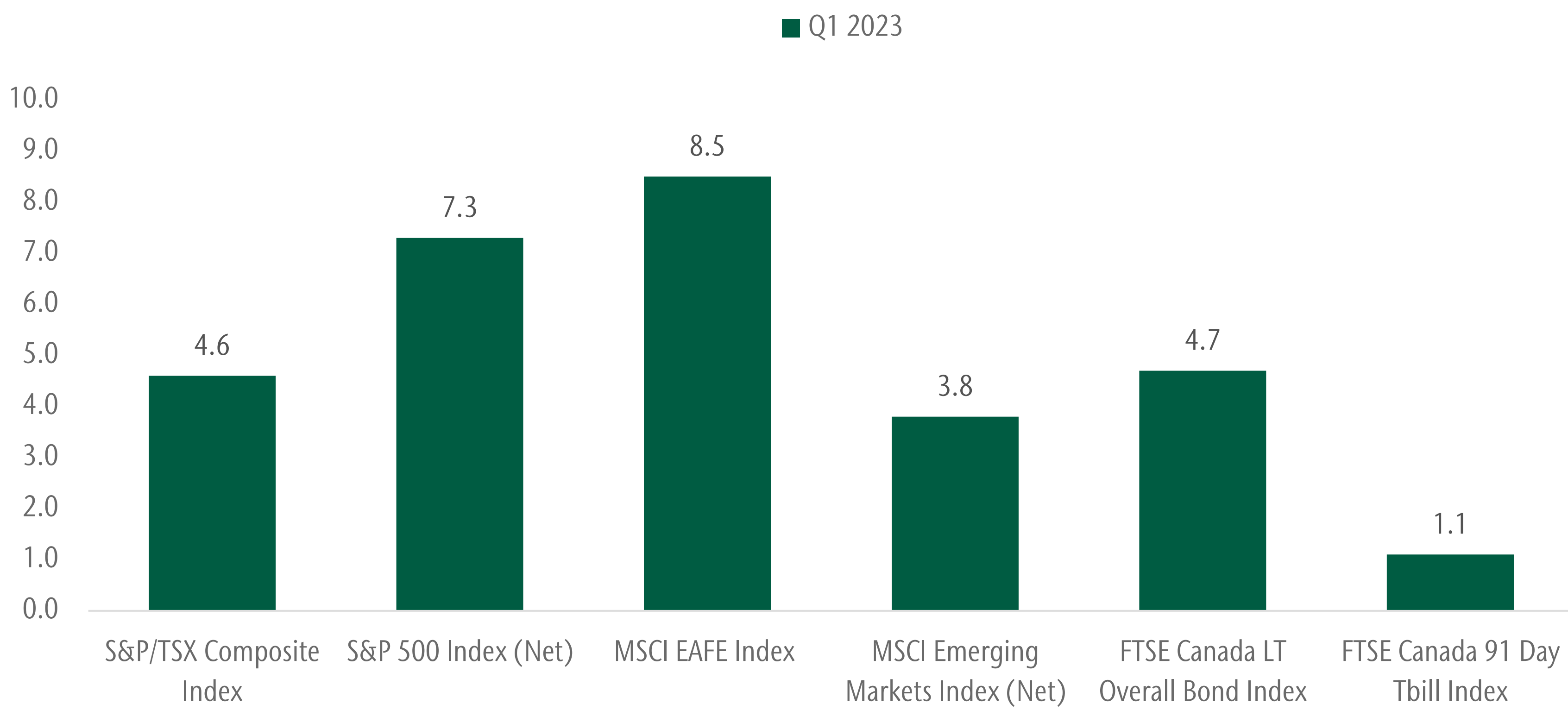
As at March 31, 2023

	BRANDON UNIVERSITY RETIREMENT PLAN
Start of Quarter (January 1, 2023)	**$212,221,870**
Performance	$11,634,606
Contribution/Withdrawal	($534,071)
End of Quarter (March 31, 2023)	**$223,322,405**

ASSET CLASS	FUND/TRUST	CURRENT MIX (%)	INTERIM POLICY MIX (%)	LONG-TERM POLICY MIX (%)
Canadian Equity	CC&L Q Equity Extension I	6.1	6.3	5.0
	SRA Canadian Equity	5.9	6.3	5.0
	PCJ Canadian Equity A	6.0	6.3	5.0
Global Equity	CC&L Q US Equity Extension A	18.8	18.5	18.5
	NS Partners International Equity A	18.6	18.5	18.5
Emerging Market Equity	CC&L Q Emerging Markets Equity	8.0	8.0	8.0
Fixed Income	CC&L Long Bond	29.2	29.5	20.0
Real Estate	Crestpoint Real Estate	6.4	5.8	10.0
Infrastructure	CC&L Institutional Infrastructure	1.0	1.0	10.0
Total		**100.0**	**100.0**	**100.0**

MARKET REVIEW
Q1 2023

- Mixed global economic data and concerns stemming from the US regional banking sector spilling over into Europe dominated market sentiment over the quarter
- As economic data was released, investor views shifted regarding the future path of interest rates
- Despite this backdrop, equity markets delivered positive returns
- Government bond yields declined over the quarter, resulting in positive returns from fixed income



Note: All index returns are in Canadian dollars

INVESTMENT RETURNS
As at March 31, 2023

TOTAL PORTFOLIO	Q1 2023 (%)	4 Years (%)
Brandon University Retirement Plan	**5.5**	**6.7**
Benchmark*	5.7	4.9
Added Value	**-0.2**	**1.8**

* Benchmark is evolving towards the long-term mix. The benchmark as at 03/31/2023 was 18.5% S&P500 Index (Net 15%) (CAD) & 18.8% S&P/TSX Composite Index & 18.5% MSCI EAFE Index Net (CAD) & 8% MSCI Emerging Markets Index Net (CAD) & 29.5% FTSE Canada Long Term Overall Bond Index & 5.8% Inflation +4% (Canada CPI + 4%) & 1% Inflation +5% (Canada CPI + 5%).

ASSET CLASS RETURNS

As at March 31, 2023

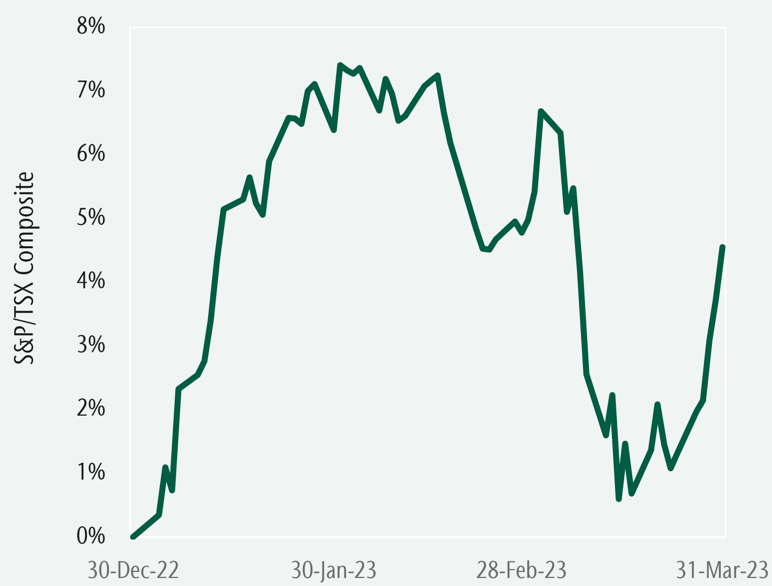
	FUND/TRUST	Q1 2023 (%)	4 Years (%)
Total Canadian Equities		**3.5**	**10.9**
Canadian Equity	CC&L Q Equity Extension I	4.3	11.6
	SRA Canadian Equity	2.0	11.6
	PCJ Canadian Equity A	4.1	9.3
	S&P/TSX Composite Index	4.6	9.0
Total Global and Emerging Market Equities		**7.2**	**10.8**
Global Equity	CC&L Q US Equity Extension A	7.3	13.0
	S&P 500 Index Net (CAD)	7.3	11.7
	NS Partners International Equity A	8.1	10.3
	MSCI EAFE Index (CAD)	8.5	6.3
Emerging Market Equity	CC&L Q Emerging Markets Equity	4.9	5.3
	MSCI Emerging Market Index Net (CAD)	3.8	1.1
Fixed Income	CC&L Long Bond A	5.1	-1.4
	FTSE Canada Long Term Overall Bond Index	4.7	-2.0
Alternatives	Crestpoint Institutional Real Estate*	0.8	-
	CC&L Institutional Infrastructure*	2.1	-

* Due to the valuation lag for real estate and infrastructure, returns presented here are for Q4 2022.

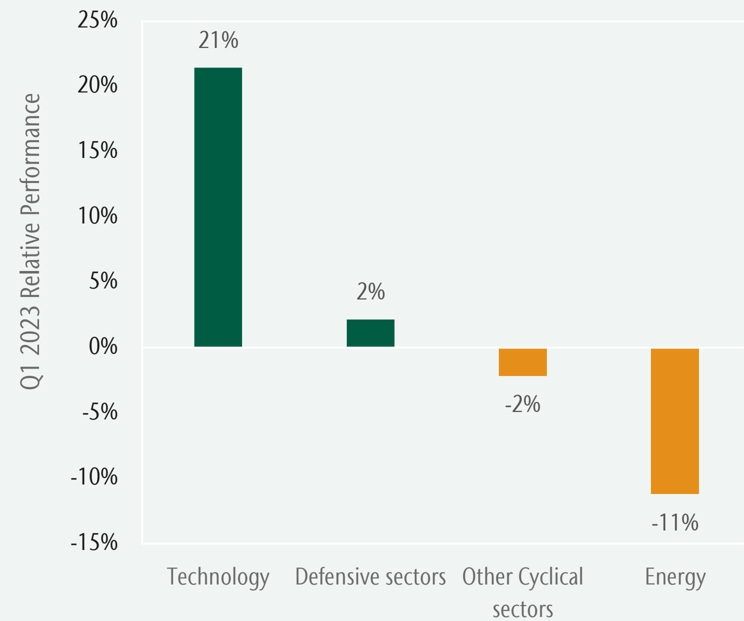
CANADIAN EQUITY

Q1 2023 market review & performance attribution

In volatile quarter, Canadian equities delivered gains



Technology and defensive sectors outperformed



CC&L Q Equity Extension

	Fund	Index	Security Selection	Sector Allocation
Q1 2023	4.3%	4.6%	Small positive	Small negative

SRA Canadian Equity Fund

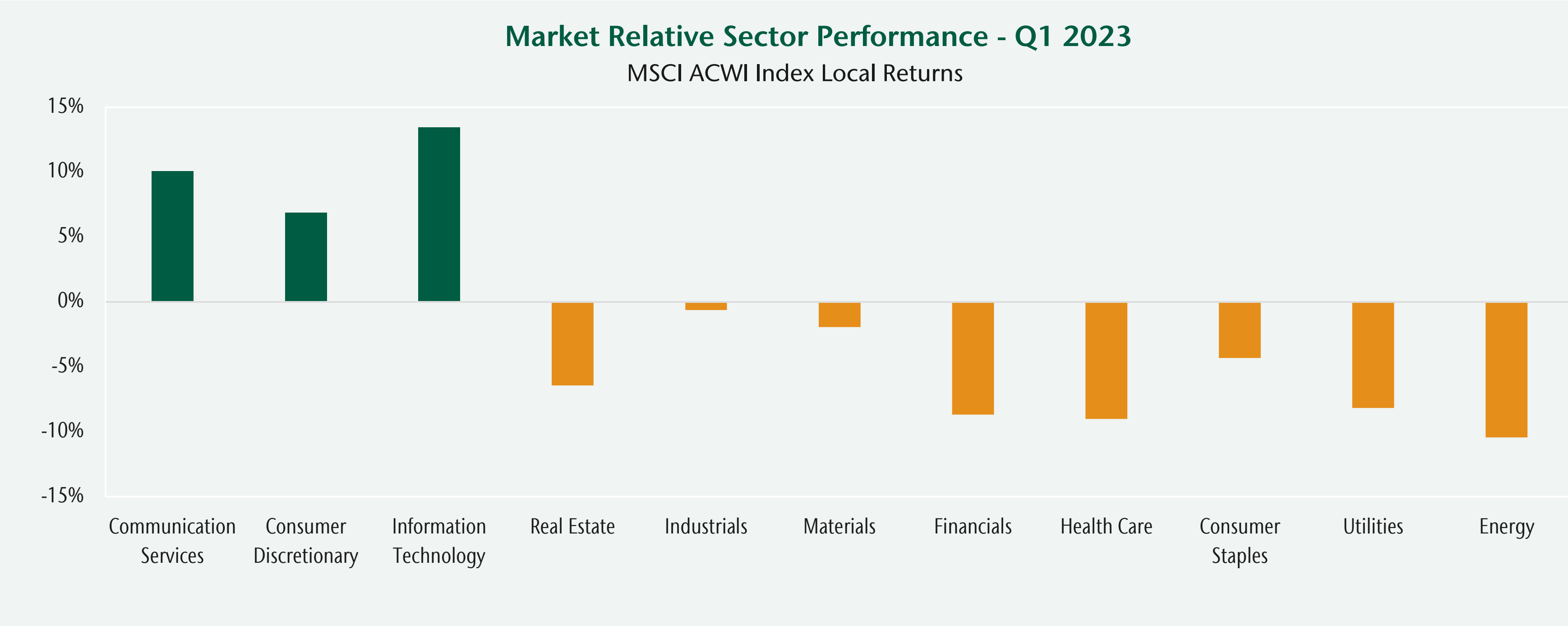
	Fund	Index	Security Selection	Sector Allocation
Q1 2023	2.0%	4.6%	Negative	Negative

PCJ Canadian Equity Fund

	Fund	Index	Security Selection	Sector Allocation
Q1 2023	4.1%	4.6%	Negative	Small negative

FOREIGN EQUITY

Q1 2023 market review & performance attribution



CC&L Q US Equity Extension Fund

	Fund	Index	Security Selection	Sector Allocation
Q1 2023	7.3%	7.3%	Small positive	Small negative

NS Partners International Equity Fund

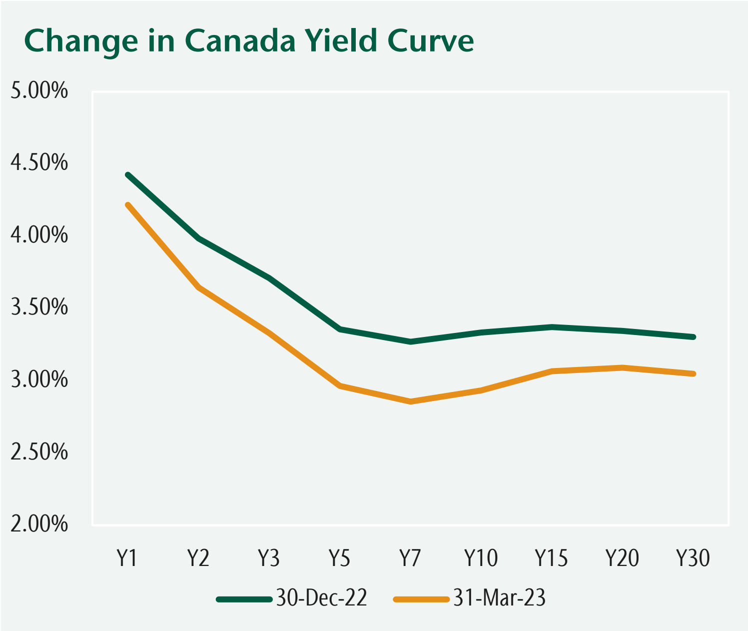
	Fund	Index	Security Selection	Sector Allocation	Region Allocation
Q1 2023	8.1%	8.5%	Neutral	Small negative	Negative

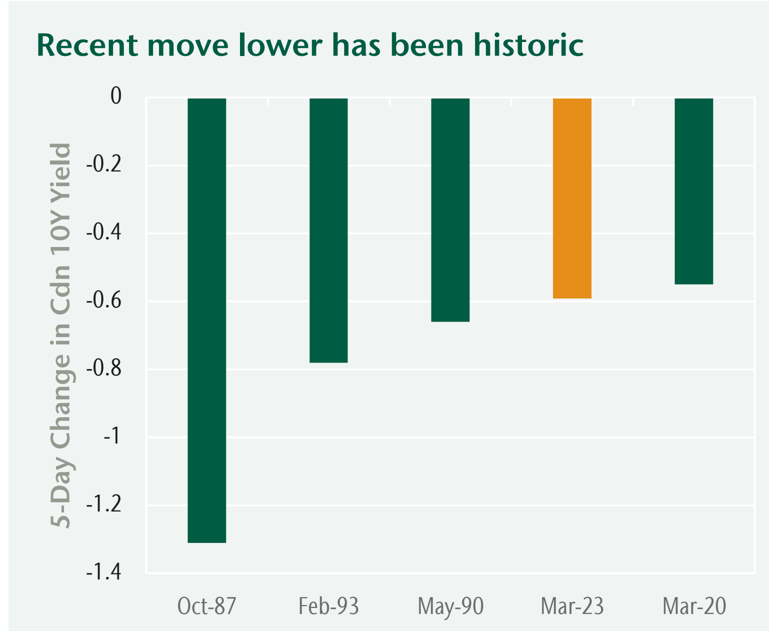
CC&L Q Emerging Markets Equity Fund

	Fund	Index	Security Selection	Sector Allocation	Country Allocation
Q1 2023	4.9%	3.8%	Positive	Small negative	Small negative

FIXED INCOME

Q1 2023 market review & performance attribution





CC&L Long Bond Fund

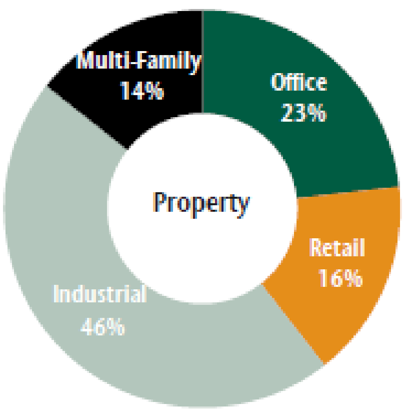
	Fund	Index	Interest Rate Decisions	Credit Decisions
Q1 2023	5.1%	4.7%	Positive	Positive

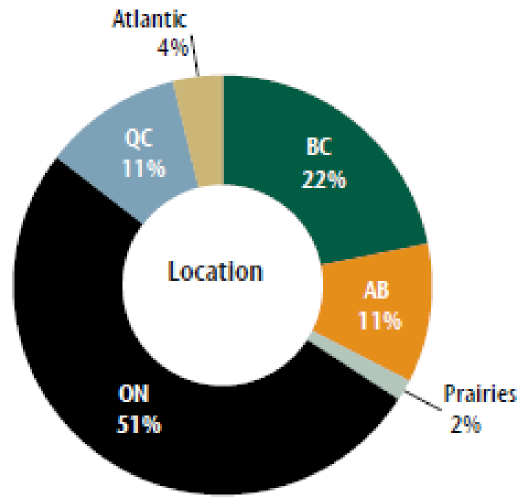
CRESTPOINT REAL ESTATE

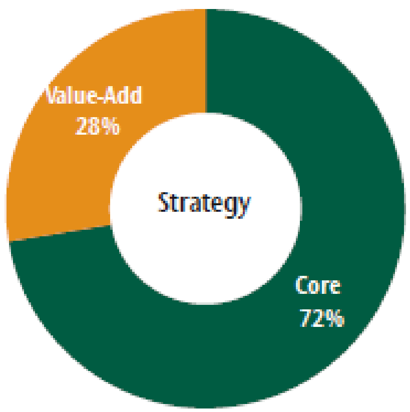
Portfolio characteristics as at December 31, 2022

	Fund	Benchmark	Diversification	Effective Occupancy	Capital Calls
Q4 2022	0.8%	1.3%	308 properties*	95% at end of December 2022	March 2023 acquisitions: 3 industrial 1 multi-family residential
Since Inception**	7.0%	5.8%			

Portfolio Characteristics*







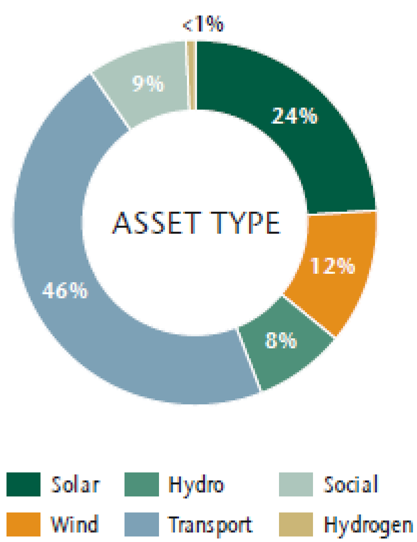
* As of December 31, 2022
** Inception date: April 7, 2022. Due to the valuation lag, returns are presented to the end of December 2022.

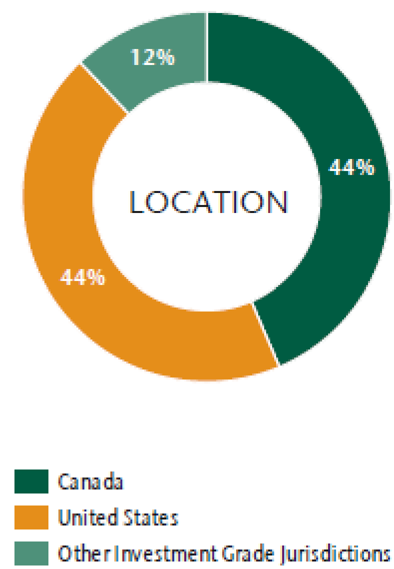
CC&L INFRASTRUCTURE

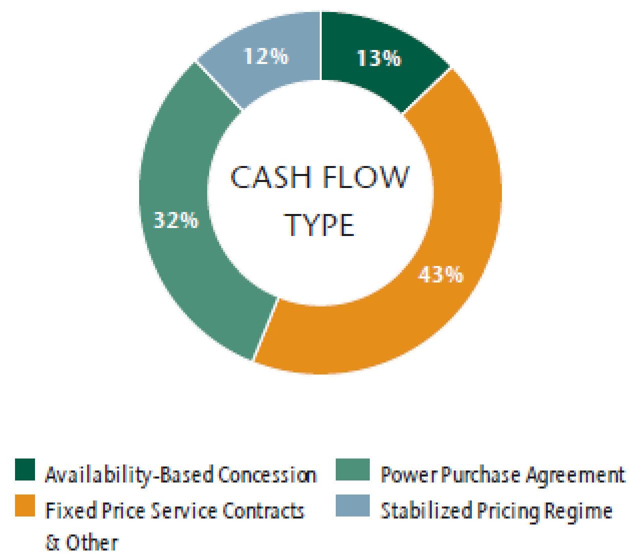
Portfolio characteristics as at December 31, 2022

	Fund	Benchmark	Diversification	Pipeline	Capital Calls
Q4 2022	2.1%	1.5%	90 individual projects 30 investments*	~$1.6 billion of opportunities under review	Expected to fund shortly: interest in concessionaire for Bermuda Airport
Since Inception**	4.6%	5.1%			

Portfolio Characteristics[1]





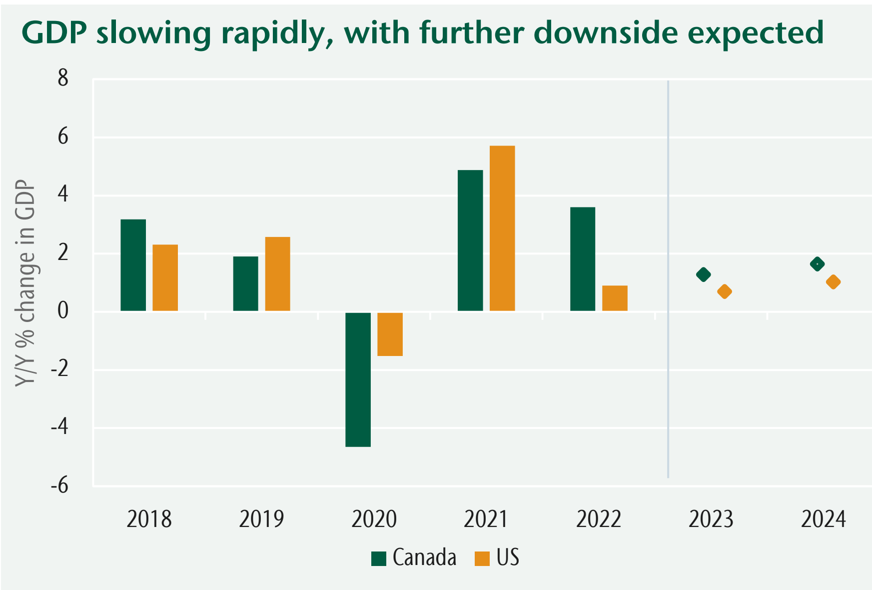


[1] Based on percentage of estimated Fund NAV at December 31, 2022. Totals may not add to 100% due to rounding.
[2] 'Stabilized Pricing Regime' refers to the Distributed Solar Portfolios (12% of NAV), which operate under the Pequeños Medios de Generación Distribuida(PMGD) stabilized pricing regime in Chile. Power is sold to the grid at the stabilized price and purchased by a large pool of buyers consisting of local utilities and generators.
[3] 'Fixed Price Service Contracts & Other' primarily represents CC&L Infrastructure's rail assets (27% of NAV) and Landmark Student Transportation (15% of NAV). Rail services have a mix of contracted and uncontracted revenues and are provided to multiple blue chip corporate counterparties on individually negotiated terms and often include take-or-pay type arrangements. The majority of the CC&L Infrastructure's student transport business is contracted. Services are primarily provided to local school districts across Canada and the United States, which are often backed by government counterparties.

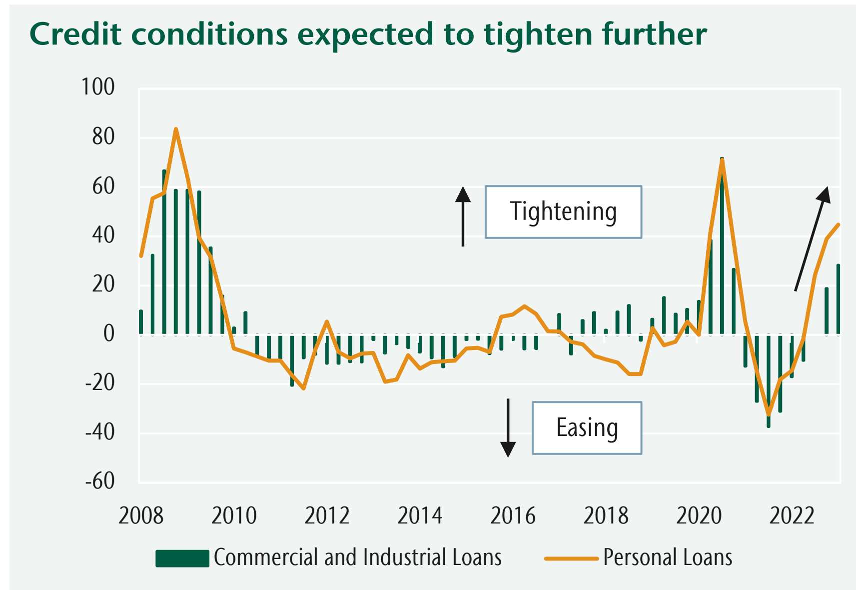
* As of December 31, 2022
** Inception date: May 30, 2022. Due to the valuation lag, returns are presented to the end of December 2022. Fund returns are presented net of fees and expenses.

ECONOMIC PICTURE & OUTLOOK

Recent events have increased the likelihood of a recession



Source: Bank of Canada, Macrobond, Connor, Clark & Lunn
Line indicates forecast



Source: Federal Reserve, Macrobond, Connor, Clark & Lunn
Y-axis represents % of banks reporting changes in loan terms or standards

ASSET CLASS POSITIONING

EQUITIES

- For Canadian equities, favour companies with resilient earnings given challenging macroeconomic backdrop
- For foreign equities, positioning tilted towards more defensive sectors versus cyclicals
- Emerging markets' valuations remain attractive

FIXED INCOME

- Modest short duration exposure, defensive security selection and sector allocation

REAL ESTATE & INFRASTRUCTURE

- Real estate: diversified, with significant weighting to industrial sector and growing multi-family exposure
- Infrastructure: diversified and well-positioned regardless of cyclical challenges, ability to further diversify in select new sectors and geographies

BRANDON UNIVERSITY
RETIREMENT PLAN

ANNUAL REPORT - 2022

Incorporating the Annual Financial Statements

Independent Auditor's Report

To the Board of Trustees of the Brandon University Retirement Plan

Opinion

We have audited the financial statements of Brandon University Retirement Plan (the "Plan"), which comprise the statement of financial position as at December 31, 2022, and the statements of changes in net assets available for benefits and changes in pension obligations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 2022, and the changes in its net assets available for benefits and changes in its pension obligations for the year then ended in accordance with with Canadian accounting standards for pension plans.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Plan's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants
Brandon, Manitoba

June 7, 2023

June 2023

Dear Member:

Enclosed is a detailed report on the operation of the Brandon University Retirement Plan this past year. Its purpose is to provide general information to the membership, particularly with regard to the financial operation and performance of the Plan. Full audited financial statements for the year ended December 31, 2022 are included in this report.

The Plan, under the guidance of Connor, Clark & Lunn Investment Management Ltd., had a rate of return of -12.1% in 2022 (13.5% in 2021). Investment returns contribute to financing the obligations of the Retirement Plan. However, returns are "smoothed" over a four-year period, which minimizes the shock of a single bad (or good) year. The Plan is a defined benefit plan, which means that pensions should not be affected by periodic market fluctuations. Brandon University is also responsible, as the residual funder of the Plan, to cover periodic shortfalls that may arise.

The December 31, 2022 Brandon University Retirement Plan valuation completed by the Plan actuary, Eckler Ltd. determined that the Plan had a solvency excess of Plan assets over calculated Plan obligations (liabilities) of $21,839,000 in 2022 (versus a deficiency of $26,760,000 in 2021). The solvency ratio was 1.103 in 2022 (0.894 in 2021). Under the Solvency funding method, it is assumed the Plan is wound up. In January 2009, Brandon University filed an election to be exempt from the requirement to make solvency deficiency special payments in accordance with the Solvency Exemption for Public Sector Pension Plans Regulation. As a result of the election, the University is not required to make special payments into the Plan related to the solvency deficiency should it exist once again in the future. When the solvency ratio falls below 85%, the Plan is required to be valued annually. Otherwise, valuations are required every three years at minimum, or more often if determined by the Pension Trustees. As the solvency ratio of the plan on December 31, 2022 is greater than 0.85, the Pension Benefits Act of Manitoba requires the next valuation be effective no later than December 31, 2025.

The Going-Concern funding method shows a surplus of $23,723,000 on December 31, 2022 ($21,901,000 surplus in 2021). As the University is currently in a surplus position, an annual special payment was not required for 2022, nor was this special payment required in 2021. A "Going-Concern Valuation" assumes Brandon University will continue to operate, the Retirement Plan will continue to operate, and pension benefit obligations will come due through member retirement, termination of employment, or death.

In 2022, the Pension Trustees adopted a change to the membership application form for the Brandon University Retirement Plan with respect to gender disclosure. Previously because of the nature of the valuation being based on a binary gender basis this was not available. Now an adjustment has been made to that method ensuring a non-binary/gender fluid option is available to members.

The Board of Trustees of the Retirement Plan welcomes any comments or questions from all members.

Sincerely,

Mr. David Taylor	Mr. Scott J.B. Lamont, FCPA, FCGA, MBA
Chair, Board of Trustees	Vice-President (Administration & Finance)
Brandon University Retirement Plan	Brandon University

BRANDON UNIVERSITY RETIREMENT PLAN

Annual Report for the year ended
December 31, 2022

Consultant/Actuary	Eckler Ltd.
Investment Manager	Connor, Clark & Lunn Investment Management Ltd.
Investment Sector Managers	Connor, Clark & Lunn Long Bond Fund Class A Connor, Clark & Lunn Crestpt Ins Real Es 1150 Connor, Clark & Lunn Inst Infr Holding Connor, Clark & Lunn Inst infr Fund Connor, Clark & Lunn Q Equity Extension I PCJ Canadian Equity Fund Scheer Rawlett & Associates Canadian Equity Fund Connor, Clark & Lunn Q US Equity Extension Fund A NS Partners International Equity Fund A Connor, Clark & Lunn Emerging Markets Equity Fund
Custodian	CIBC Mellon Global Securities Services Company
Plan Administrator	Trustees of the Brandon University Retirement Plan

General Information

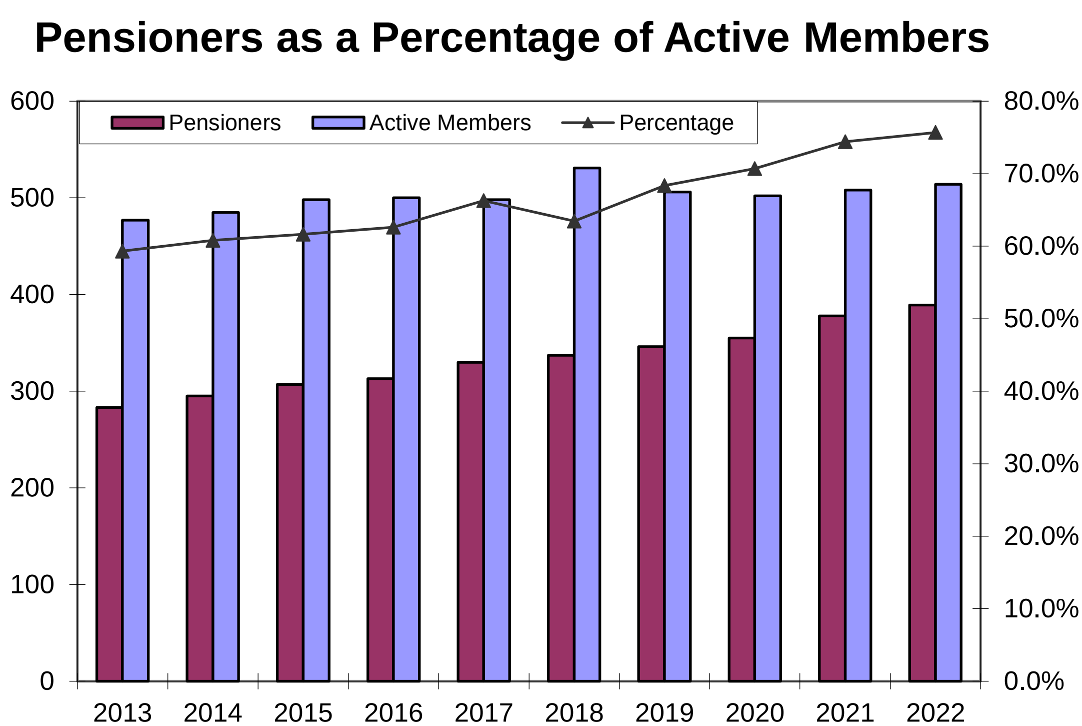
a) The Brandon University Retirement Plan is a final average, defined benefit plan, which provides a benefit to all eligible employees of Brandon University upon retirement, termination, or death. The Plan is administered by the Trustees of the Brandon University Retirement Plan. A full description of the Plan is contained in the official Plan document and is available on the Brandon University website or from the Human Resources Office.

b) The Plan is funded by contributions from Plan members and the University, as well as the income from investments. Net assets in the plan, at market value, at December 31 were:

2022	$212.9 million
2021	$249.9 million
2020	$225.6 million
2019	$203.9 million
2018	$176.3 million

c) Similar to many other maturing pension plans in Canada, the number of pensioners is increasing relative to the number of active contributing members of the Plan. Over the past ten years, the number of pensioners has increased from 59% of the active members to 76% in 2022. Brandon University Retirement Plan membership at December 31:

	2022	**2021**
Active members	514	508
Pensioners	389	378
Deferred, inactive or Pending Election	107	101



An impact of increasing numbers of pensioners relative to active contributing members is the increasing need for investment income of the Plan to fund future income requirements. Pensions paid annually to retirees are 179% of the annual regular contributions from Plan members and the University.

Plan member transactions:	**2022**	**2021**
Member and University regular contributions to the plan	$5,688,785	$5,938,472
Transfers from other plans	268,593	7,365
Pensions paid to retired members	10,202,212	9,580,069
Death benefits and refund settlements due to terminations	1,511,770	1,012,839

d) The Brandon University Retirement Plan is subject to a periodic valuation by an independent actuary to determine whether the current Plan assets, contributions from members and the University, and earnings on Plan investments will adequately fund future benefits. The Pension Benefits Act of Manitoba requires that such a study be done at least every three years as long as the solvency ratio of the Plan is greater than 0.85. The most recent valuation was performed by Eckler Ltd. as at December 31, 2022. Using the solvency valuation method, the Plan had an excess of assets over actuarial (calculated) liabilities of $2,839,000 (versus a deficiency of $26,760,000 in 2021). Using the going-concern or aggregate method, the Plan had a surplus of $23,723,000 in 2022 ($21,901,000 surplus in 2021).

The University is no longer required to make special payments to fund any going concern unfunded liability. There was no annual special payment for 2022 or 2021. No additional special payment is required to be made for the solvency deficiency because the University is exempted under the Solvency Exemption for Public Sector Pension Plans Regulation. However, with the solvency ratio now exceeding .85, the next Plan valuation is not required until December 31, 2025. It will be completed in 2026.

e) If the average net investment return on the Fund during the last four years exceeds 6.0% per annum, each pensioner who was receiving a pension at the end of that year, is entitled to receive an increase in that pension effective from July 1 in the following calendar year. The details of this entitlement are recorded in article 7.3 of the Brandon University Retirement Plan document, as amended April 11, 2013. The result of this calculation over the past 6 years is as follows:

Brandon University
Historical Increases (Article 7.3 - Supplementary Pension)

Brandon University Pension Increases - Post 2013 amendment						
	(1)	(2)	(3)	(4)	(5)	
Year	Net Investment Return (market value)**	Four-year Geometric Average Return	Excess of Average return over 6%	Increase in CPI	Actual COLA given	Effective Date of COLA Increase
2017	11.04%	7.82%	1.82%	1.90%	1.82%	1 July 2017
2018	-2.80%	4.89%	0.00%	2.00%	0.00%	1 July 2018
2019	17.79%	8.23%	2.23%	2.20%	2.20%	1 July 2019
2020	13.51%	9.60%	3.60%	0.70%	0.70%	1 July 2020
2021	12.97%	10.08%	4.08%	4.80%	4.08%	1 July 2021
2022	-12.96%	7.08%	1.08%	6.30%	1.08%	1 July 2022

COLA = lower of columns (3) or (4)

** Net investment return is net of expenses. Therefore, returns are lower than those reported by the investment manager.

Investment Management Objectives

The current investment manager, Connor, Clark & Lunn, Investment Management Ltd. (CC&L), was appointed December 30, 1994. Since that time, the plan investment management has been diversified by making use of several investment sector specialists within the family of companies working with CC&L, under the general management of CC&L.

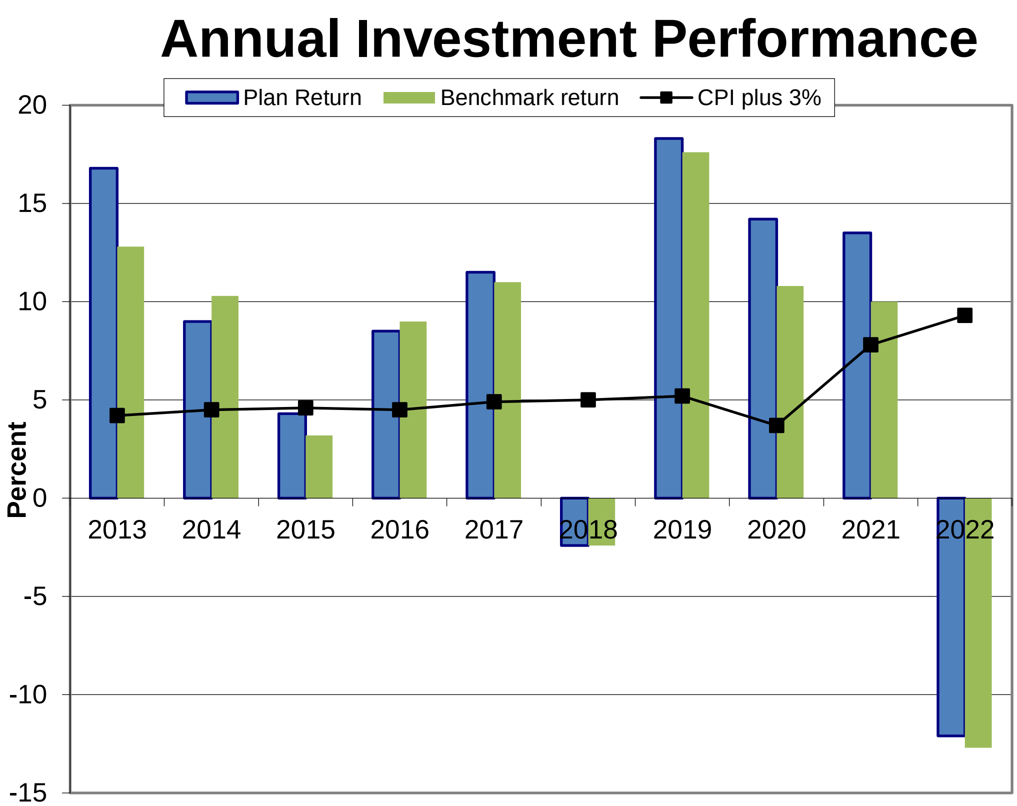
The Investment Manager operates with the general objective to maximize long-term total returns while protecting the capital value of the fund. The Manager seeks to attain an average rate of return of 3% over the CPI increase for the same period. Secondary objectives are to generate returns in excess of the return of the Benchmark Fund over rolling four-year periods and to perform between the 25th and 50th percentile of investment managers as measured by a nationally recognized service. RBC Investor & Treasury Services was used as the measurement service for this report.

The Brandon University Retirement Plan annual investment performance (-12.1%) did not exceed the objective of CPI plus 3% (9.3%) for 2022, and neither did the four year rolling average ending in 2022. (BU Plan was 8.5 % vs. 9.3%). The Plan exceeded the rolling four year average benchmark return (BU Plan 8.5% vs. Benchmark 6.4%). Although the top third of managers is not reported by BIA, the BU Plan annual return (-12.1%) was lower than the median (-8.8%), and also lower than the top 25% (-6.7%) of balanced fund investment managers in 2022. However, the BU Plan four year annualized average return (7.8%) was higher than the median (6.8%) and higher than the top 25% (7.7%) of balanced fund investment managers.

Investment Performance

Period Ending December 31	Total Return	Annual Rate of Increase in CPI
2022	-12.1%	6.3%
2021	13.5%	4.8%
2020	14.2%	0.7%
2019	18.3%	2.2%
2018	-2.4%	2.0%

Benchmark return for 2022	-12.7%
Four year rolling average ending 2022	
Retirement plan performance	8.5%
Benchmark performance	6.4%

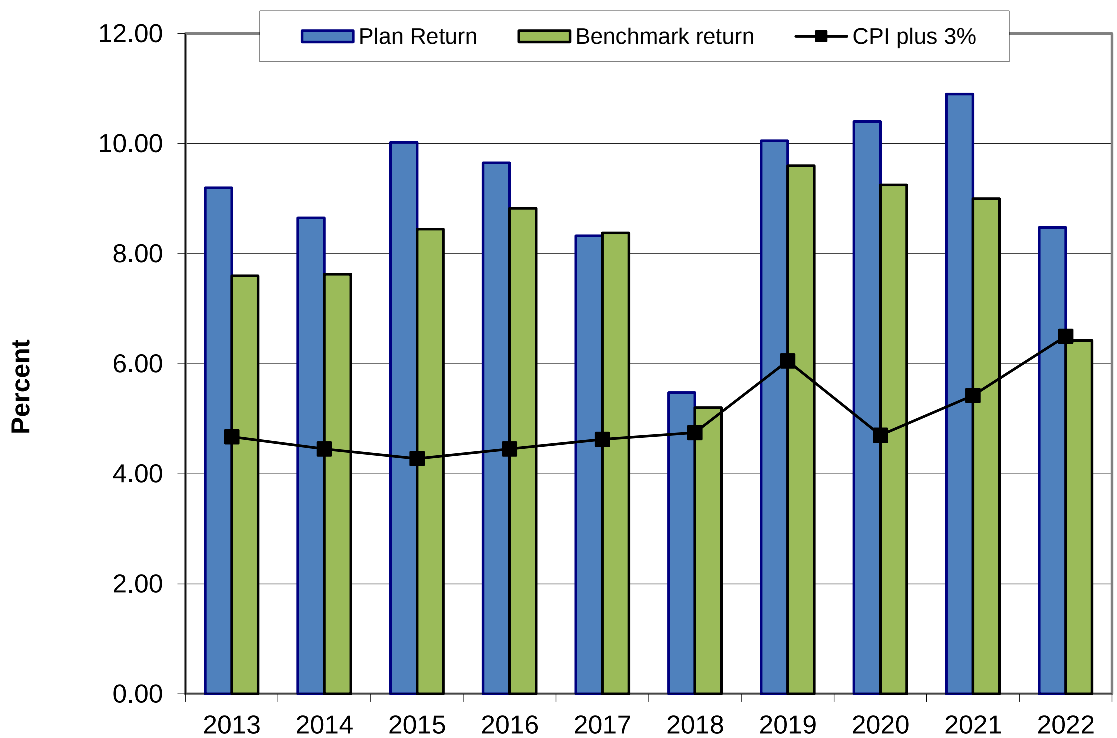


BIA Balanced Fund Performance Summary

For the Period Ending December 31, 2022

BU Retirement Plan (12 months)	-12.1%
Top quartile (12 months)	-6.7%
Median (12 months)	-8.8%
BU Retirement Plan (4 year annualized)	7.8%
Top quartile (4 year annualized)	7.7%
Median (4 year annualized)	6.8%

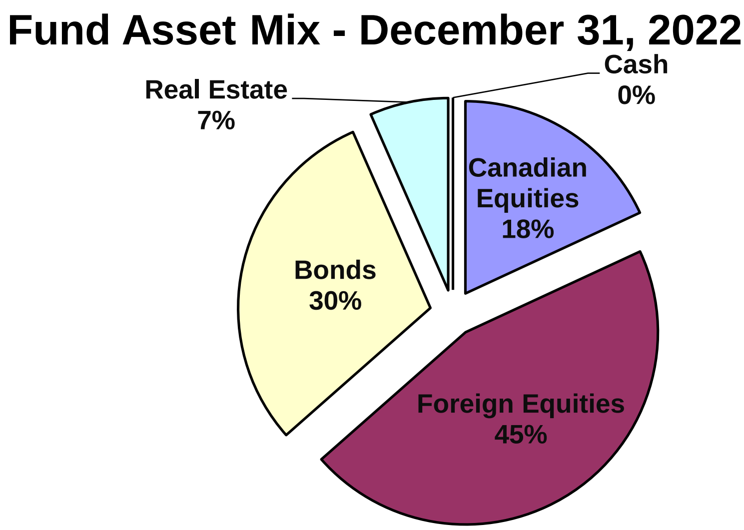
Rolling Four Year Average Investment Returns

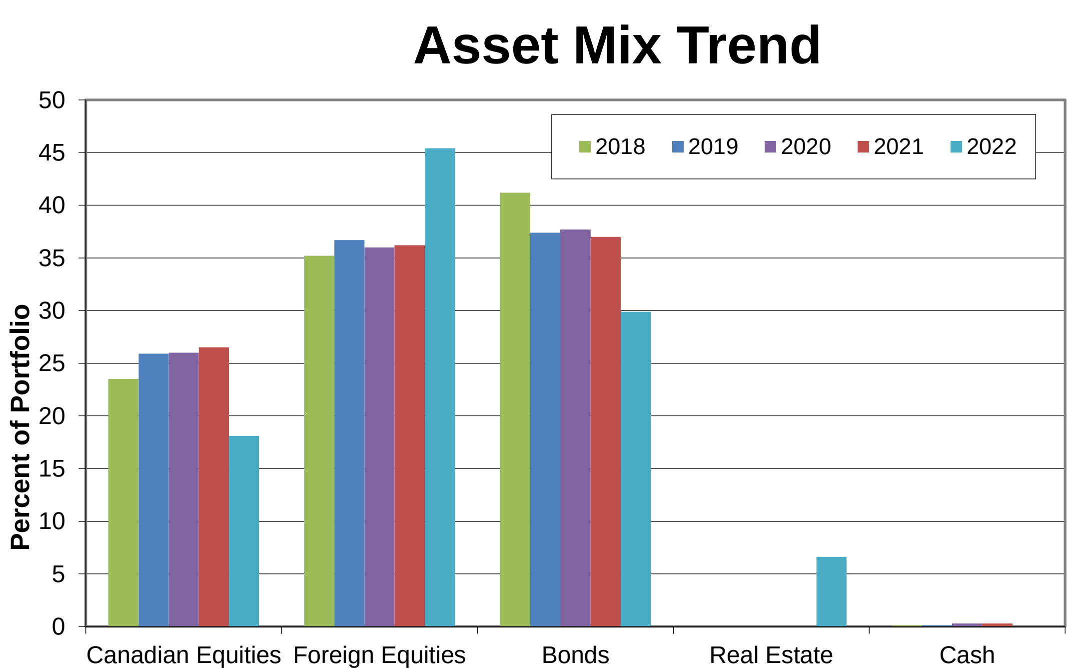


The investment mix of the Brandon University Retirement Plan is established by the Pension Trustees and investment manager. On December 31, 2022 the asset mix and the annual performance in each sector follows:

	% of Portfolio	12 month Portfolio return	12 month Benchmark return
Canadian Equities	18.1%	-2.4%	-5.8%
Foreign Equities	45.4%	-12.2%	-12.0%
Bonds	29.9%	-20.5%	-21.8%
Real Estate and Infrastructure Equities*	6.6%	7.0%	5.8%
Cash	0.0%	1.8%	1.2%
TOTAL FUND	100.0%	-12.1%	-12.7%

*returns less than 12 month period, inception April 2022.





BRANDON UNIVERSITY RETIREMENT PLAN

Statement of Financial Position
as at December 31, 2022

	2022	2021
ASSETS		
Accounts receivable	$ 952,329	$ 624,373
Investments (Note 2 b)		
Cash and short-term investments	788	726,133
Bonds and debentures	63,373,580	92,272,847
Canadian equities	38,378,667	66,283,398
Real estate and infrastructure equities	14,026,118	-
Foreign equities	96,474,858	90,300,881
	212,254,011	249,583,259
Total Assets	213,206,340	250,207,632
LIABILITIES		
Accounts payable	296,436	245,751
Total Liabilities	296,436	245,751
Net assets available for benefits	**212,909,904**	**249,961,881**
Pension obligations	**209,685,000**	**203,065,000**
Plan surplus (going concern basis)	**$ 3,224,904**	**$ 46,896,881**

The accompanying notes are an integral part of the financial statements.

BRANDON UNIVERSITY RETIREMENT PLAN

Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2022

	2022	2021
CONTRIBUTIONS		
Members	$ 2,438,583	$ 2,508,046
University	3,250,201	3,430,426
Transfers from other plans	268,593	7,365
	5,957,377	5,945,837
OTHER INCOME		
Investment income		
Interest	2,995,899	2,764,076
Dividends	5,012,626	3,110,574
	8,008,525	5,874,650
Change in fair value		
Realized	5,558,616	22,825,770
Unrealized	(43,675,993)	1,336,778
	(38,117,377)	24,162,548
Other income	-	37
Total Increase (Decrease) in Net Assets	(24,151,475)	35,983,072
PAYMENTS		
Benefit payments		
Retirements	10,202,212	9,580,069
Refunds	745,593	1,012,839
Deaths	766,177	-
	11,713,982	10,592,908
Administrative expenses		
Actuarial and consulting fees	123,849	128,241
Custodian and plan administration fees	236,176	214,394
Legal and audit fees	9,148	9,141
Investment management fees	832,192	733,600
Trustee expenses	144	201
GST rebate	(14,989)	(13,582)
	1,186,520	1,071,995
Total Decrease in Net Assets	12,900,502	11,664,903
Net Increase (Decrease) in Assets Available for Benefits	**(37,051,977)**	**24,318,169**
Net Assets Available For Benefits, beginning of year	**249,961,881**	**225,643,712**
Net Assets Available For Benefits, end of year	**$ 212,909,904**	**$ 249,961,881**

The accompanying notes are an integral part of the financial statements.

BRANDON UNIVERSITY RETIREMENT PLAN

Statement of Changes in Pension Obligations
for the year ended December 31, 2022

	2022	2021
Interest accrued on benefits	$ 11,013,000	$ 10,194,000
Transfers	269,000	7,000
Benefits accrued	5,799,000	5,687,000
Benefits paid	(11,714,000)	(10,593,000)
Experience (gain)/loss	(64,000)	3,389,000
Changes in actuarial assumptions	1,317,000	(2,241,000)
Net Change in Pension Obligations	**6,620,000**	**6,443,000**
Pension Obligations, beginning of the year	**203,065,000**	**196,622,000**
Pension Obligations, end of year	**$ 209,685,000**	**$ 203,065,000**

The accompanying notes are an integral part of the financial statements.

BRANDON UNIVERSITY RETIREMENT PLAN

Notes to the Financial Statements
for the year ended December 31, 2022

1. Description of the Plan

The following description of the Brandon University Retirement Plan is only a summary. More complete information is contained in the official Plan document.

a) General

The Brandon University Retirement Plan is a final average contributory defined benefit pension plan established April 1, 1974 for the benefit of the employees of Brandon University. The assets of the Plan are held in trust in the name of ten Trustees - eight elected by and from the Plan membership and two appointed by the Board of Governors. The Trustees oversee the administration of the Plan and set forth the investment guidelines. Their obligations and responsibilities are defined in a trust agreement with Brandon University. An asset manager invests the Plan assets based on the approved investment guidelines and according to the terms of the Managed Account Agreement. The Plan is registered with the Pension Commission of Manitoba and meets the requirements of the Pension Benefits Act of Manitoba and the Income Tax Act (Canada) and as such is not subject to income taxes on contributions or investment income received.

b) Membership

Unless otherwise stated, all Brandon University employees are eligible to become members of the Plan on their date of employment. Full-time and certain part-time employees are required to join the Plan. Membership is optional for other part-time and certain specified employees.

c) Funding

The Plan receives its funds from:

i) The contributions of members - Members of the University are each required to contribute at the rate of 8.0% of salary up to the Year's Basic Earnings (YBE), 6.2% between the YBE and the Year's Maximum Pensionable Earnings (YMPE) and 8.0% in excess of the YMPE. Members contribute only on the amount earned up to the Year's Maximum Contributory Earnings.

ii) The required and special contributions of the University - The University is required to contribute at the rate of 8.0% of salary up to the YBE, 6.2% between the YBE and the YMPE and 8.0% in excess of the YMPE with no salary limitations applied, plus any special payments for the unfunded liability required under the Pension Benefits Act of Manitoba.

iii) the income from investments

An actuarial valuation is performed at least once every three years to determine the adequacy of the funding for pension benefits (see note 2g).

d) **Plan Benefits**

The Plan provides for the payment of benefits to a member upon retirement, death, or termination of employment with Brandon University.

At retirement, the member is entitled to an annual pension equal to 2% of final average earnings multiplied by the member's years of credited service less 0.6% of CPP average earnings multiplied by the member's years of service since January 1, 1990. Final average earnings are the average of the best 5 years earnings

in the last 12 years prior to retirement. CPP average earnings are the member's average earnings up to the YMPE in the 5 years prior to retirement. Full benefits are payable (a) upon normal retirement; (b) upon early retirement for members who qualify. Reduced benefits are provided to members who retire early and do not qualify for full benefits.

Pensions are increased automatically on July 1 of each year by the amount the net four-year geometric average investment return on the fund, as determined by the actuary, exceeds 6.0% per annum, subject to a maximum increase of CPI for the previous year.

Death and termination benefits are based on the value of the member's pension as determined by the Plan Administrator at the time of death or termination of employment. The options available to beneficiaries and terminating members are outlined in the official Plan document.

2. Significant Accounting Policies

a) **General**

The Brandon University Retirement Plan prepares its financial statements in accordance with Canadian accounting standards for pension plans. The Plan has adopted Part II (Private Enterprises) accounting standards for all accounting policies that do not relate to the valuation of the investment portfolio or pension obligations.

b) **Financial Instruments**

The financial instruments of the Plan consist of accounts receivable, investments, and accounts payable. The Plan recognizes and derecognizes all financial assets and liabilities in accordance with Financial Instruments, Section 3856, of Part II of the CPA Canada Handbook.

Initially, all financial assets and liabilities are recorded at fair value on the Statement of Financial Position. Subsequent measurement is determined by the classification of each financial asset and liability. Investments assets and liabilities are measured at fair value based on International Financial Reporting Standards (IFRS 13) with the change in fair value recognized in the Statement of Changes in Net Assets Available for Benefits. Financial instruments classified as accounts receivable and accounts payable are measured at amortized cost using the effective interest method.

Investments are recorded at market value on a trade date basis.

Fair values of investments (including the underlying assets of investments held in pooled funds) are determined as follows:

Fixed Income:
Short-term investments are recorded at cost which approximates market value. Bonds and debentures are valued at market by an independent securities valuation company.
Equity:
Publicly traded securities are recorded at year end market prices.

c) Investment Income

Dividend income is recognized on the ex-dividend date and interest income is recognized on the accrual basis as earned.

d) Foreign Currency Translation

The fair value of investments denominated in foreign currencies is translated into Canadian dollars at the exchange rate in effect at year end and the resulting change is included in the change in fair value of investments. Revenue and expense transactions are translated at the exchange rates prevailing on the dates of the transactions and are included in investment income or the change in fair value of investments (realized gains or losses) at the translated amounts.

e) Contributions

Contributions from the members and the University are recorded on an accrual basis. Cash received from members as transfers from other pension plans is recorded when received.

f) Use of Estimates

Preparation of the financial statements requires management to make estimates and assumptions that primarily affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of changes in net assets available during the year. Actual results could differ from these estimates.

g) Pension Obligations

The pension obligations of the Brandon University Retirement Plan are the actuarial present value of accrued pension benefits determined by applying the best estimate assumptions and the projected benefit method prorated on services.

3. Financial Risk Management

Management of investments is governed by the managed account agreement between the Brandon University Retirement Plan and Connor, Clark & Lunn Management Ltd. The investment management objective of the Plan is to maximize the long-term total return while protecting the capital value of the fund from major market fluctuations through prudent management of asset allocation and prudent selection of investments. The investment manager is to attain an average rate of return of 3% over the CPI increase for the same period.

The Plan's investments are publicly traded.

There have been no substantive changes in the Plan's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from the previous period unless otherwise stated in this note.

a) Market Risk

Market risk is the risk the value of an investment will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to an individual investment or volatility in interest rates, foreign currencies or other factors affecting similar securities traded in the market.

The Plan's cash and investments, including investments denominated in foreign currencies, are reported in Canadian dollars as follows:

	(in thousands of dollars)			
	2022		2021	
Canadian cash and short-term investments	$ 1	- %	$ 726	0.3 %
Canadian bonds	63,373	29.9 %	92,273	37.0 %
Canadian equities	38,379	18.1 %	66,283	26.5 %
Real estate and infrastructure	14,026	6.6 %	-	-
	115,779	54.6 %	159,282	63.8 %
US equities	49,268	23.2 %	39,891	16.0 %
Non-North American equities	47,207	22.2 %	50,410	20.2 %
	$ 212,254	100.0 %	$ 249,583	100.0 %

i) Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The value of the Plan's fixed income investments is directly affected by changes in nominal and real interest rates. There are guidelines in the managed account agreement for the fixed income investment portfolio related to permitted investments, diversification, and quality, and duration management which are designed to mitigate the risks of interest rate volatility.

Duration is the most common measure used to quantify the impact of changes in bond prices due to change in interest rates. Using this measure it is estimated that a one percent increase or decrease in interest rates, with all other variables held constant, would result in a change in fair value on Canadian bonds of 14.67% or $9,299,604 (2021 - 14.6% or $13,554,570).

ii) Currency risk is the risk that the value of non-Canadian investments measured in Canadian dollars will fluctuate due to changes in foreign exchange rates primarily related to foreign equity holdings. In some instances, forward foreign exchange contracts are used to manage currency exposure in connection with securities purchased in foreign currency. Forward foreign exchange contracts are contractual agreements that establish an agreed upon exchange rate at a settlement date in the future for the purpose of protecting future cash flows from adverse price movements.

A 10 percent increase or decrease in exchange rates, with all other variables held constant, would result in a change in unrealized gains/(losses) of $9,647,444 (2021 - $9,030,088). Generally when there is a 10% strengthening (weakening) of the Canadian dollar versus the corresponding currency, there would be a 10% decrease (increase) in the value of the corresponding country's portion of the portfolio from this currency movement.

iii) Other price risk is the risk that the fair value or future cash flows from portfolio holdings fluctuate because of changes generally, in market prices, other than those arising from interest rate risk or currency risk or as a result of a deterioration in the outlook for a specific issuer. To manage its price risk arising from investments in equity securities, by policy, the portfolio is well diversified. The managed account agreement sets out the limits of investments in any one security as well as concentration within market sectors.

The Plan's target asset allocation based on fair value is:

Fixed income	35 %
Canadian equity	35 %
Foreign equity	25 %
Cash	5 %

Total exposure to equities is to be no less than 35% of the Pension Fund and no more than 70% of the Pension Fund.

b) Liquidity Risk

Liquidity risk is the risk that the Plan will encounter difficulty in having available sufficient funds to meet its commitments as they come due. It is the Pension Plan's policy to ensure that it will have sufficient cash and short-term investments to allow it to meet its liabilities when they come due.

The term to maturity and the related market values of bonds and debentures are as follows:

	(in thousands of dollars) 2022	2021
Term to Maturity		
Less than one year	$ 511	$ 170
One to five years	4,013	13,121
Over five years	58,850	78,982
Total bonds and debentures	$ 63,374	$ 92,273

c) Credit Risk

Credit risk arises from the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Credit risk is the risk the issuer of the debt security or a counter party to a derivative contract is unable to meet its financial obligation. Credit risk encompasses the risk of a deterioration of credit worthiness and concentration risk. The Plan limits credit risk through a managed account agreement with its investment manager that details the specific quality and concentration constraints.

At December 31, 2022, the Plan's maximum credit risk exposure related to cash and short-term investments and bonds and debentures is $63,374,368 (2021 - $92,998,980), and accounts receivable is $952,329 (2021 - $624,373). The Plan limits credit risk by acquiring high quality securities and following the managed account agreement. The managed account agreement establishes limits for ownership of investments and acceptable credit ratings. In the case of bonds and debentures, all must be rated BBB or higher.

The breakdown of the fixed income investment portfolio by credit rating from various rating agencies are as follows:

(in thousands of dollars)

	2022		2021	
Bonds and debentures investments				
Credit Rating				
AAA	$ 5,072	8.0 %	$ 13,179	14.3 %
AA	23,176	36.6 %	38,090	41.3 %
A	12,600	19.9 %	16,782	18.2 %
BBB	22,525	35.5 %	24,222	26.2 %
	63,373	100.0 %	92,273	100.0 %
Cash and short-term investments	-		-	
	$ 63,373		$ 92,273	

4. Capital Management

The capital of the Brandon University Retirement Plan is comprised of the net assets available for benefits. The combined assets of the Plan are held in the name of the Trustees of the Plan as described in Note 1 a).

The Trustees, as the administrators of the Plan, on behalf of Brandon University, have developed appropriate risk management strategies, as described in Note 3, to preserve the net assets available for benefits. In accordance with the provisions of The Pension Benefits Act of the Province of Manitoba and the provisions of the Income Tax Act (Canada) a Statement of Investment Policies and Procedures (SIPP) has been established. The SIPP states the investment objectives and investment guidelines by class of investment. The objective when managing capital is to maximize the long-term total return through prudent selection of investments in compliance with the investment rules under the respective federal and provincial Pension Benefits Acts.

There have been no significant changes to the University's capital management objectives, policies and processes in the year nor have there been any changes in what the Trustees consider to be the Plan's capital. The Pension Plan has complied with externally imposed capital requirements during the year.

5. Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurements are based on the assumptions that market participants would use when pricing the item being measured under current market conditions, including assumptions about risk.

The Plan uses a fair value hierarchy under which the inputs to valuations techniques used to measure fair value are categorized into three levels. They are as follows:

Level 1: Inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities the Plan can access at the measurement date.
Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (prices) or indirectly (derived from prices).

Level 3: Inputs are unobservable inputs for the asset or liability.

(in thousands of dollars)

	2022			2021		
	Level 2	Level 3	Total	Level 2	Level 3	Total
Cash	$ 1	-	$ 1	$ 202	-	$ 202
Short-term investments	-	-	-	524	-	524
Bonds and debentures	63,373	-	63,373	92,273	-	92,273
Real Estate and infrastructure equities	-	14,026	14,026	-	-	-
Canadian equities	38,379	-	38,379	66,283	-	66,283
Foreign equities	57,462	39,013	96,475	50,410	39,891	90,301
	$ 159,215	$53,039	$ 212,254	$ 209,692	$39,891	$ 249,583

6. Investments

Section 3.29 of the Pension Benefits Act Regulations requires disclosure of each investment that has a fair value greater than 1% of the fair value of all investments. The investments, including pooled funds, are as follows:

		2022
Bonds and debentures:		
Connor, Clark & Lunn Long Bond Fund Class A	$	63,373,581
Canadian equities:		
Connor, Clark & Lunn Crestpt Ins Real Es 1150	$	12,357,989
Connor, Clark & Lunn Inst Infr Fund	$	674,557
Connor, Clark & Lunn Inst Infr Holding	$	993,572
Connor, Clark & Lunn Q Equity Extension I	$	12,787,859
PCJ Canadian Equity Fund	$	12,705,093
Scheer Rowlett & Associates Canadian Equity Fund	$	12,885,715
US equities:		
Connor, Clark & Lunn Q US Equity Extention Fund A	$	39,012,737
Non-North American equities:		
NS Partners Int'l Equity Fund A	$	40,499,170
Connor, Clark & Lunn Emerging Markets Equity	$	16,962,951

7. Actuarial Valuation

The actuarial present value of accrued pension benefits was determined using the accrued benefit method prorated on service and using assumptions recommended by the actuary and approved by the Trustees. An actuarial valuation was prepared as at December 31, 2021 by Eckler Ltd., a firm of consulting actuaries. Those results provide the present value of accrued pension benefits as at December 31, 2021 and accruing cost in 2022. A second actuarial valuation was prepared by Eckler Ltd. as at December 31, 2022 to determine the present value of accrued pension benefits as at December 31, 2022. The valuation as at December 31, 2022 has not yet been filed with Manitoba's Office of the Superintendent - Pension Commission.

The assumptions used in determining the actuarial value of accrued pension benefits were developed by reference to expected long-term market conditions. Significant actuarial assumptions used in the valuations were:

	2022	2021
Rate of return on investments	5.50 %	5.50 %
Rate of general wage increase	4.50 %	4.50 %
Average rate of salary increase	4.50 % for increases in general wage growth plus a merit and promotion component *, if applicable	4.50 % for increases in general wage growth plus a merit and promotion component*, if applicable
Post retirement cost of living increase	1.00 %	1.00 %

Mortality rate	RPP 2014 Public Sector with Mortality Table (CPM-RPP2014Publ) with full generational improvements in mortality using CPM improvement Scale B (CPM-B)	RPP 2014 Public Sector with Mortality Table (CPM-RPP2014Publ) with full generational improvements in mortality using CPM improvement Scale B (CPM-B)

*Salaries are assumed to increase in accordance with general wage increases in Canada at the rate of 4.5% per year for 2023, and 3.0% per year thereafter for all members. Salaries for Division #1 plan members are assumed to increase by an additional merit and promotion component in accordance with the following table:

Age	Average Annual Increase over next 5 years	Average Annual Increase to age 65
30	3.3%	2.3%
35	2.8%	2.2%
40	2.5%	2.0%
45	2.2%	1.9%
50	2.0%	1.8%
55	1.8%	1.7%
60	1.7%	1.7%

Schedule rate increases according to collective bargaining agreements have been reflected in the valuation in place of assumed wage inflation, where applicable.

The actuarial value of net assets available for pension benefits has been determined reflecting long-term market trends (consistent with the assumptions underlying the valuation of accrued pension benefits). The valuation is based on a four year moving average market method with the market value being the underlying basis. The market value is adjusted by amortizing over a four year period the differences in each year between the fund's actual return and the long term expected return applicable for that year. The long term expected returns on plan assets for the smoothing period was 5.55% in 2019, 5.30% in 2020, 5.25% in 2021, and 5.5% in 2022. However, the excess of the actuarial value over the market value, positive or negative, is limited to 10%.

The actuarial value of net assets as at December 31 were:

	2022	2021
Market value of net assets available for pension benefits	$ 212,189,000	$ 249,962,000
Market value of changes not reflected in the actuarial value of net assets	21,457,000	(26,527,000)
Actuarial value of net assets available for pension benefits **before** limit	$ 233,646,000	$ 223,435,000
Actuarial value as a percentage of market value	110.1 %	89.4 %
Actuarial value of net assets available for pension benefits **after** limit	233,408,000	224,966,000
Actuarial value as a percentage of market value	110.0 %	90.0 %

The next required valuation of the Plan will be as at December 31, 2022 and will be completed in 2023.

8. Election for Exemption from Special Payments

The Brandon University Retirement Plan is subject to the Manitoba Pension Benefits Act and Regulations. The University Pension Plans Exemption Regulation 141/2007 allowed the University to make an election to be exempt from solvency and transfer deficiency payments. "2(1) An employer in relation to a university plan may, by filing a written election with the plan administrator, elect to be exempt from the solvency and transfer deficiency provisions."

On January 19, 2009 the University filed such an election. With the exemption, the Plan will continue to be subject to the going-concern funding provisions of the Act.

9. Going-Concern Deficit Funding

An actuarial valuation performed by the Plan's actuary, Eckler Ltd., to determine the Plan's funding status as required by the Pension Benefits Act of Manitoba, was prepared as at December 31, 2021 and was filed with the Manitoba's Office of the Superintendent - Pension Commission in 2022.

The actuarial valuation indicates an actuarial surplus of $21,901,000 as at December 31, 2021 using the accrued benefit method. The valuation is based on actuarial assumptions with regard to demographics, rate of return on investments and salary increases to compare the Plan's actuarial assets with its actuarial liabilities.

The University is required to fund the matching contributions, as well as the actuarial cost of the defined benefits in excess of the matching costs. A funding deficit is required to be funded over a maximum period of 10 years. There were no annual special payments required in 2022 (2021 - $0). The next actuarial valuation of the Plan is required as at December 31, 2022 and will be completed during 2023.

10. Contributed Services

Brandon University provides staff and miscellaneous administrative services at no charge to the Plan. The cost of these services is not reflected in the Financial Statements.

11. Comparative Figures

Comparative figures for the year ended December 31, 2021 have been reclassified where necessary to conform with the presentation adopted for the year ended December 31, 2022.

ECKLER

Actuarial Report on

The Brandon University Retirement Plan

Actuarial Valuation as at
December 31, 2022

CRA Reg. No. 0206078

Eckler Ltd.
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Winnipeg, Manitoba R3B 0X3
204-988-1586

June 7, 2022

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ECKLER

Report on the Actuarial Valuation of the Brandon University Retirement Plan as at December 31, 2022

SUMMARY OF RESULTS

	12.31.2022	12.31.2021
Going Concern Financial Position		
Going concern assets	$233,408,000	$224,966,000
Going concern liabilities	$209,685,000	$203,065,000
Going concern surplus/(unfunded liability)	$23,723,000	$21,901,000
Going concern funded ratio	1.113	1.108
Windup Financial Position		
Market value of assets net of provision for wind-up expenses	$211,739,000	$249,642,000
Windup liability	$211,119,000	$251,406,000
Windup excess/(deficiency)	$620,000	($1,764,000)
Solvency Financial Position		
Solvency assets net of provision for wind-up expenses	$232,958,000	$224,646,000
Solvency liabilities	$211,119,000	$251,406,000
Solvency excess/(deficiency)	$21,839,000	($26,760,000)
Solvency ratio	1.103	0.894
Minimum Contributions in Year Following Valuation		
Estimated employer's current service cost	$3,407,000	$3,337,000
Portion of Available Actuarial Surplus that can be used to reduce employer's current service cost	($20,000)	$0
Minimum special payments	$0	$0
Total minimum required contributions	$3,387,000	$3,337,000

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SECTION 1. EXECUTIVE SUMMARY

We are pleased to present this report which was prepared at the request of the Pension Trustees of the Brandon University Retirement Plan ("Pension Trustees") for the following purposes:

PURPOSE

1. To report on the financial position of the Brandon University Retirement Plan ("Plan") as at December 31, 2022 on a going concern basis;
2. To determine the actuarial cost of benefits expected to accrue under the Plan for service of the employees for the period following the valuation date and up to the date of the next actuarial valuation. The effective date of the next valuation must be no later than December 31, 2025;
3. To determine the financial position of the Plan as at December 31, 2022 on solvency and hypothetical wind-up bases;
4. To establish the minimum and maximum contributions required for the period from December 31, 2022 until the date of the next actuarial valuation for compliance with the applicable pension legislation and the terms of the Plan;
5. To provide the actuarial certifications required under the Pension Benefits Act of Manitoba and the Income Tax Act of Canada.

The intended users of this report are the Pension Trustees, Brandon University, the Office of the Superintendent - Pension Commission (Manitoba), and Canada Revenue Agency. This report is not intended or necessarily suitable for purposes other than those listed above. Any party reviewing this report for other purposes should have their own actuary or other qualified professional assist in their review to ensure that the party understands the assumptions, results and uncertainties inherent in our estimates. This report and any opinions within may not be modified or otherwise provided, in whole or in part, to any other person or entity without the express written permission of Eckler Ltd (unless required by applicable legislation). Eckler takes no responsibility for the consequences of any other use of this report .

TERMS OF ENGAGEMENT

For the purposes of this actuarial valuation report, the significant terms of engagement with the Company are:

- For the going concern and solvency valuations we have been directed to use the actuarial value of the assets over a four-year period. The actuarial value of assets may be no less than 90% and no greater than 110% of the market value.
- A margin for adverse deviations has been included in the economic assumptions, as requested by the Company,
- The terms of our engagement are in accordance with applicable pension regulations and accepted actuarial practice in Canada.

A summary of the key valuation results is provided below.

1. Using the projected unit credit accrued benefit funding method the Plan has a going concern surplus equal to $23,723,000 at December 31, 2022. There are no special payments required.

2. There is a solvency excess of $21,839,000. The solvency ratio is 1.103.

   This Plan is subject to the funding requirements of the Pension Benefits Act of Manitoba. As such, a solvency valuation must be prepared and normally any solvency deficiency would require funding over a five-year period. However, the University is eligible and has made an election to be exempt from certain solvency funding and other requirements in accordance with the *Solvency Exemption for Public Sector Pension Plans Regulation*. As a result of the election, the University is exempt from making special payments for solvency deficiencies. The election was filed with the Office of the Superintendent – Pension Commission (Manitoba) on January 19, 2009.

3. If the Plan was wound-up on the valuation date the assets would exceed liabilities by $620,000.

4. Available Actuarial Surplus under the Pension Benefits Regulations is calculated to be $13,239,000 as at December 31, 2022.

5. The University current service cost exceeds the University contribution required by the Plan. The University may apply the Available Actuarial Surplus to fund the difference between the University current service cost and the minimum University contribution required to be made in accordance with the provisions of the Plan.

6. Based on the projected unit credit accrued benefit funding method, the University's current service cost is 8.80% of pensionable earnings for the period from January 1, 2023 to the date of the next valuation.

   The table below summarizes the University's estimated current service contribution for the three years commencing January 1, 2023, after applying the Available Actuarial Surplus, and assuming the 2023 estimated pensionable earnings of $38,720,000 increase by 3.0% for 2024 and 2025.The actual dollar amount of the current service contribution may be higher or lower than the amount indicated below if the actual pensionable earnings are different than estimated.

			Estimated University Service Cost			
Year	**Amount as a percent of pensionable payroll**	**Estimated Members' Pensionable Earnings**	**Prior to Applying Available Actuarial Surplus**	**Use of Available Actuarial Surplus**	**After Applying Available Actuarial Surplus**	**Adjusted Amount as a percent of pensionable payroll**
2023	8.80%	$38,720,000	$3,407,000	$20,000	$3,387,000	8.75%
2024	8.80%	$39,882,000	$3,510,000	$20,000	$3,490,000	8.75%
2025	8.80%	$41,078,000	$3,615,000	$21,000	$3,594,000	8.75%

   University contributions recommended in this report are eligible contributions under the Income Tax Act.

7. Since the solvency ratio of the Plan is greater than 0.85, the Pension Benefits Regulations of Manitoba requires that the next valuation be performed no later than December 31, 2025.

8. Based on the Plan's investment experience from 2019 to 2022, retired and deferred members are eligible for a supplementary pension increase effective July 1, 2023. The amount of the increase, capped by the increase in the Consumer Price Index, is 1.08%. This has been reflected in the going concern valuation results at December 31, 2022.
9. This report should be filed with the Office of the Superintendent – Pension Commission (Manitoba), to meet the filing requirements of the Pension Benefits Regulations of Manitoba, and with Canada Revenue Agency, in order to ensure that contributions recommended in the report will qualify as eligible contributions for purposes of the Income Tax Act. The next actuarial valuation of the Plan should be performed no later than December 31, 2025.

This report has been prepared and our opinions given in accordance with accepted actuarial practice.

Respectfully submitted,

ECKLER Ltd.

Andrew Kulyk Fellow of the Canadian Institute of Actuaries	Shannon Tesluck Fellow of the Canadian Institute of Actuaries

SECTION 2. INTRODUCTION

The Brandon University Retirement Plan (hereinafter referred to as the "Plan") was amended and restated January 1, 1992. There have been no amendments to Plan since the date of the previous valuation that would have a material effect on the results of our valuation.

Based on the Plan's investment experience from 2019 to 2022, retired and deferred members are eligible for a supplementary pension increase in 2023 effective July 1 equal to 1.08%. The amount of any increase is capped by the increase in the Consumer Price Index. This increase has been reflected in our going concern valuation.

CHANGES SINCE THE PREVIOUS VALUATION

The last valuation of the Plan was prepared as at December 31, 2021. The Plan has been amended since the date of the valuation to provide Members with the option to cease required contributions to the Plan and thereby stop accruing additional benefits after reaching Normal Pension Commencement Date. The amendment did not have a material effect on the results of our valuation.

The going concern actuarial assumptions at December 31, 2022 are the same as those used at the previous valuation date with the exception of the mortality assumption which was updated to use the Club Vita Canada 2021 VitaCurves with improvement scale CPM-B.

See Appendix B for details of the assumptions used in this valuation and the rationale employed in setting these assumptions. See Section 4 for the impact of the changes in assumptions on the valuation results.

The solvency economic and demographic assumptions were changed to reflect market conditions as at the valuation date, and the CIA's Educational Note on Assumptions for Hypothetical Wind-up and Solvency Valuations. These assumptions are summarized in Appendix B.

SUBSEQUENT EVENTS

We are not aware of any events that occurred between the valuation date and the date this report was completed that would have a material impact on the results of this valuation.

VALUATIONS INCLUDED IN THIS REPORT

In this report, we describe the results of three different valuations of the Plan:

- A "going concern valuation" which is used to estimate the funded position of the Plan, assuming the Plan is continued indefinitely, and to estimate the contributions currently required to be made to the Plan's fund, both to fund the cost of any benefits being earned by members for current service and, in the event there is a funding deficiency, to liquidate the amount of the funding deficiency.

- A "wind-up valuation", which is intended to reflect the status of the Plan as if it had been wound up on the valuation date and the Plan members had been provided with the benefits specified by the Plan and the Pension Benefits Act of Manitoba. The purpose of this valuation is to show the degree of benefit security provided for all of the Plan members' accrued benefit by the current assets of the pension fund. The wind-up valuation is not used to determine the required contributions to the Plan. It is, however, used to determine the maximum contributions permitted by the Canada Revenue Agency.

- A "solvency valuation", which is required by the Regulations under the Pension Benefits Act of Manitoba. This valuation is similar to a wind-up valuation, except that certain adjustments may be made to the assets. The solvency valuation is required to be performed but does not affect the required contributions to the Plan as the University has made an election under the *Solvency Exemption for Public Sector Pension Plans Regulation*.

The difference between the wind-up and solvency valuations for this Plan relates to the value of assets that are included in the valuation. For the wind-up valuation, the only assets taken into account are the invested assets of the Plan, which are taken at their market values net of provision for wind-up expenses plus in-transit accrued amounts. For the solvency valuation, Plan assets also take into account the present value of special payments that are scheduled to be made for the next five years from the valuation date and an adjustment to smooth the market value over a period which cannot exceed five years. For purposes of the solvency valuation the assets have been smoothed over four years. Please note that due to the going concern surplus position of the Plan as at December 31, 2022, special payments are not required and therefore no present value of special payments is included in the solvency assets.

FILING REQUIREMENTS

The last filed actuarial report was effective December 31, 2021. This report outlines the movements of the Plan's financial position since the previous valuation and is to be filed with the Office of the Superintendent – Pension Commission (Manitoba) and Canada Revenue Agency. It is to be used by the University to determine its funding requirements for the period following the valuation date. The next actuarial valuation of the Plan should be performed no later than December 31, 2025.

SECTION 3. DATA

The valuation was based on data as of the valuation date, December 31, 2022, supplied to us by Brandon University. This data is summarized in Appendix C.

We subjected the data to a number of tests of reasonableness and consistency, including the following:

- a member's (and partner's as applicable) age is within a reasonable range;
- all dates remained unchanged from the data used in the previous actuarial valuation of the Plan;
- accrued pensions changed by a reasonable amount;
- the form of pension payment did not change (other than resulting from the death of a retired member); and
- we examined the additions to, and deletions from, each of the data files (i.e., the files for active employees, pensioners and terminated members entitled to a deferred vested pension) since the previous valuation to determine whether all Plan members were accounted for in this valuation, to check for duplicate records and to confirm pension amounts.

Data was corrected as appropriate. The results of our tests were satisfactory.

Assets of the Plan are held in trust with CIBC Mellon. The funds are invested in a number of pooled funds operated by Connor, Clark & Lunn Investment Management Limited. We have relied on the financial statements for the fund prepared by Brandon University for the December 31, 2022 year-end.

SECTION 5. GOING CONCERN VALUATION

VALUATION BALANCE SHEET

The following is the going concern valuation balance sheet as at December 31, 2022 based on:

- the Plan provisions (summarized in Appendix A);
- the going concern valuation assumptions (described in Appendix B);
- the membership data (summarized in Appendix C);
- the actuarial value of assets (summarized in Appendix D), and

Going Concern Valuation	12.31.2022	12.31.2021
Going Concern Assets		
Actuarial value of Plan assets	$233,408,000	$224,966,000
Going Concern Liabilities		
Retired members and survivors	$125,714,000	$120,253,000
Terminated vested members	$6,676,000	$4,825,000
Active members – Academic and non-union members	$64,461,000	$63,648,000
Active members – Non-Academic union members	$12,345,000	$13,529,000
Other benefits outstanding	$361,000	$670,000
Additional voluntary contributions	$128,000	$140,000
Total going concern liabilities	$209,685,000	$203,065,000
Surplus / (unfunded liability)	$23,723,000	$21,901,000
Funded Ratio	1.113	1.108

The liability as at December 31, 2022 for other benefits outstanding includes:

- $180,000 for sessional employees with no pensionable earnings in 2022;
- $181,000 for benefit payouts to terminated members that are pending settlements.

There is a going concern surplus of $23,723,000 as at December 31, 2022, therefore no unfunded liability special payments are required for 2023.

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EXPERIENCE GAIN AND LOSS

The Plan has a going concern surplus of $23,723,000 at December 31, 2022. Our previous valuation of the Plan showed the Plan had a going concern surplus of $21,901,000. The approximate derivation of the going concern surplus at December 31, 2022 is as follows:

Going concern surplus (unfunded liability) at Dec. 31, 2021		$21,901,000
Interest on surplus (unfunded liability), special payments and transfers in for 2022 at 5.50%		$1,205,000
Expected surplus (unfunded liability) at Dec. 31, 2022		$23,106,000
Plus actuarial gains(losses) due to experience differing from the actuarial assumptions in 2022:		
▪ Gain/(loss) on terminations other than assumed	($24,000)	
▪ Gain/(loss) on active and deferred member retirements other than assumed	($374,000)	
▪ Gain/(loss) on mortality other than assumed	($232,000)	
▪ Gain/(loss) on salaries and the YMPE increasing at different rates than assumed	$39,000	
▪ Gain/(loss) attributable to net investment experience	$1,976,000	
▪ Gain/(loss) attributable to service accrued different than expected	$161,000	
Net actuarial experience gain/(loss)		$1,546,000
Gain/ (loss) due to data corrections		$232,000
Gain/ (loss) due to change in mortality assumption		($1,317,000)
Other experience resulted in a net gain/(loss) of approximately		$156,000
Going concern surplus (unfunded liability) at Dec. 31, 2022		**$23,723,000**

The following summarizes the largest sources of gains and losses to the Plan since the previous valuation:

- The actual net investment return earned by the Plan in 2022, based on smoothed asset values, was 6.39% compared to an expected return of 5.50% per year resulting in a gain of $1,976,000.
- Actual pension increases were greater than assumed, resulting in a loss of $107,000. The mortality assumption was revised to use Club Vita Canada, resulting in a loss of $1,317,000.

INTEREST RATE SENSITIVITY OF THE GOING CONCERN LIABILITY

The effect of decreasing the interest rate used to determine the going concern liability by 1% from 5.50% to 4.50% is an increase in the total going concern liability of $25,114,000.

CURRENT SERVICE COST

Employees are required to contribute 8.0% of pensionable earnings less 1.8% of pensionable earnings for which Canada Pension Plan (CPP) contributions are required. Pensionable earnings for this purpose are subject to an annual limit related to the maximum benefit accrual in a year. For 2023, the Yearly Maximum Contributory Earnings (YMCE) is $118,730.

Based on the assumptions and membership data described herein, we estimate that the University's current service cost from December 31, 2022, until the effective date of the next valuation, is 8.80% of pensionable earnings. Unlike member contributions, pensionable earnings for this purpose are not limited to the YMCE. The current service cost determined as at December 31, 2021 was 8.75% of pensionable earnings.

In accordance with the Plan provisions, the University shall pay additional contributions equal to the normal actuarial cost of the benefit improvements effective November 10, 2008 and April 1, 2009.

2023	Dollar	% of Earnings
Estimated 2023 pensionable earnings	$38,720,000	
Current service cost		
Total current service cost	$5,847,000	15.10%
Estimated employee contributions	($2,440,000)	(6.30%)
Employer current service cost (A)	$3,407,000	8.80%
Total special payments (B)	$0	0.00%
Total minimum contribution required by the Act and Regulations	**$3,407,000**	**8.80%**
Plan Provision Contribution		
Employer formula contribution	$2,670,000	6.90%
Additional current service cost	$717,000	1.85%
Total minimum contribution required by the Plan provisions (C)	**$3,387,000**	**8.75%**
Employer current service cost (A)	$3,407,000	8.80%
Total special payments (B)	$0	0.00%
Employer additional contribution (C - A – B, min $0)	$0	0.00%
Total Employer required contribution	**$3,407,000**	**8.80%**

The table below summarizes the University's estimated current service contribution for the three years commencing January 1, 2023, assuming 2023 estimated pensionable earnings of $38,720,000 increase by 3.0% for 2024 and 2025. The actual dollar amount of the current service contribution may be higher or lower than the amount indicated below if the actual pensionable earnings are different than estimated. These amounts are presented before adjustment for use of Available Actuarial Surplus to reduce the contribution requirements. The adjusted contribution requirements are summarized in Section 9. Eligible Contributions.

		Estimated University Service Cost	
Year	Amount as a percent of pensionable payroll	Estimated Members' Pensionable Earnings	Estimated University Current Service Cost
2023	8.80%	$38,720,000	$3,407,000
2024	8.80%	$39,882,000	$3,510,000
2025	8.80%	$41,078,000	$3,615,000

INTEREST RATE SENSITIVITY OF THE CURRENT SERVICE COST

The effect of decreasing the interest rate used to determine the regular current service cost by 1% from 5.50% to 4.50% increases the total current service cost from $5,847,000 to $6,912,000, an increase of $1,065,000. This represents an increase in the 2023 employer current service cost as a percent of pensionable earnings from 8.80% to 11.55%.

SECTION 6. HYPOTHETICAL WIND-UP VALUATION

The purpose of the hypothetical wind-up valuation is to determine the financial position of the Plan if it were wound up on the valuation date. The circumstances in which the plan wind-up occurs is that both Brandon University and the Plan wind-up, giving rise to termination benefits to members not eligible for retirement on the wind-up date and retirement benefits to all other members. There are no benefits on plan wind-up that were excluded from our valuation. The liability for all active members with 15 years or more of service on the valuation date includes the value of the early retirement subsidy as provided by the Plan.

Accordingly, the following approach was used:

1. The Plan assets were valued at market value.

2. The benefits valued are those which members would be entitled to under applicable legislation if the Plan were wound up on the valuation date. All Plan members become fully vested on Plan wind-up, regardless of age or service.

3. In the hypothetical wind-up valuation, we assumed immediate pension commencement for members eligible to retire. For members assumed to elect the lump sum option, it was assumed with a probability of 50% that the pension would start at the earliest age at which the member will be entitled to an unreduced lifetime pension and with a probability of 50% the pension would start at the age which produced the highest present value of the pension.

4. The actuarial assumptions are developed in accordance with the Canadian Institute of Actuaries' (CIA's) Standard of Practice for determining Pension Commuted Values and the CIA Educational Note – *Assumptions for Hypothetical Wind-up and Solvency Valuations with Effective Dates on or after December 31, 2022 and no later than June 29, 2024* dated March 2023. These assumptions are described in detail in Appendix B.

5. In accordance with the CIA Educational Note, the spread above the unadjusted CANSIM series V39062 was determined to be 160 basis points based on a duration of 9.1 for the portion of the liability assumed to be settled through the purchase of annuities. Accordingly, the discount rate assumed for the purchase of non-indexed annuities is 4.91%.

Based on the Plan provisions in effect on December 31, 2022, the wind-up valuation assumptions and the membership data supplied by the University, the following is the wind-up position of the Plan as at December 31, 2022:

Hypothetical Wind-up Valuation	12.31.2022	12.31.2021
Wind-up Assets		
Market value of Plan assets	$212,189,000	$249,962,000
Allowance for wind-up expenses	($450,000)	($320,000)
Total wind-up assets	$211,739,000	$249,642,000
Wind-up Liabilities		
Retired members and survivors	$120,667,000	$136,360,000
Terminated vested members	$6,566,000	$6,111,000
Active members – Academic and non-union members	$70,651,000	$90,089,000
Active members – Non-Academic union members	$12,746,000	$18,036,000
Other benefits outstanding	$361,000	$670,000
Additional voluntary contributions	$128,000	$140,000
Total wind-up liabilities	$211,119,000	$251,406,000
Wind-up excess/ (shortfall)	$620,000	($1,764,000)

As shown above, if the Plan had been wound-up as at December 31, 2022, the wind-up assets would have exceeded the wind-up liabilities by $620,000.

SECTION 7. SOLVENCY VALUATION

The table below shows the solvency position of the Plan as at December 31, 2022. The circumstances in which the plan wind-up occurs is that both Brandon University and the Plan wind-up giving rise to termination benefits to members not eligible for retirement on the wind-up date and retirement benefits to all other members. There are no benefits on Plan wind-up that were excluded from our valuation. The liability for all active members with 15 years or more of service on the valuation date includes the value of the early retirement subsidy as provided by the Plan.

The calculations are based on the Plan provisions in effect on the valuation date, the solvency valuation assumptions described in Appendix B, and the membership data supplied by the University.

Solvency Valuation	12.31.2022	12.31.2021
Solvency Assets		
Actuarial value of Plan assets (A)	$233,408,000	$224,966,000
Allowance for wind-up expenses (B)	($450,000)	($320,000)
Total solvency assets	$232,958,000	$224,646,000
Solvency Liabilities		
Retired members and survivors	$120,667,000	$136,360,000
Terminated vested members	$6,566,000	$6,111,000
Active members – Academic and non-union members	$70,651,000	$90,089,000
Active members – Non-Academic union members	$12,746,000	$18,036,000
Other benefits outstanding	$361,000	$670,000
Additional voluntary contributions	$128,000	$140,000
Total solvency liabilities (C)	$211,119,000	$251,406,000
Solvency excess/ (shortfall)	$21,839,000	($26,760,000)
Solvency ratio [(A + B) ÷ C]	1.103	0.894

INTEREST RATE SENSITIVITY OF THE SOLVENCY LIABILITY

The effect of decreasing the interest rates used to determine the solvency liability by 1%, i.e. reducing the annuity purchase rate from 4.91% p.a. to 3.91% and a corresponding decrease in the commuted value rates, is an increase in the liability of approximately $24,509,000.

SOLVENCY INCREMENTAL COST

The incremental cost represents the present value on the valuation date of the expected aggregate change in the solvency liability between valuations, adjusted upward for expected benefit payments between the valuation dates.

The total estimated incremental cost between the valuation date, December 31, 2022 and the date of the next valuation, December 31, 2025, is $20,132,000.

SPECIAL PAYMENTS

This plan is subject to the funding requirements of the Pension Benefits Act of Manitoba. As such, it is required that a solvency valuation is prepared and any solvency deficiency is required to be funded over a five-year period. However, the University is eligible and has made an election to be exempt from certain solvency funding and other requirements in accordance with the *Solvency Exemption for Public Sector Pension Plans Regulation* ("Solvency Exemption"). As a result of the election, the University is exempt from making special payments for solvency deficiencies. The election was filed with the Office of the Superintendent – Pension Commission (Manitoba) on January 19, 2009.

The Plan has a solvency excess of $21,839,000 as at December 31, 2022. In the absence of the Solvency Exemption, no solvency special payments would be required.

SECTION 8. CONTRIBUTION ADEQUACY

The following is table provides the valuation results as at December 31, 2022 based on the aggregate actuarial cost method. The aggregate method considers future benefits and contributions and should be considered to ensure that the contributions recommended in this report are sufficient to pay for future expected benefits.

Aggregate Valuation	12.31.2022
Assets	
Accrued actuarial value of Plan assets	$233,408,000
Present value of future employee contributions – Academic and non-union members	$14,417,000
Present value of future employee contributions – Non-Academic union members	$3,866,000
Present value of future University contributions – Academic and non-union members	$19,272,000
Present value of future University contributions – Non-Academic union members	$3,922,000
Total aggregate assets	$274,885,000
Liabilities	
Accrued liabilities	$209,685,000
Present value of future service – Academic and non-union active members	$38,085,000
Present value future service – Non-Academic union active members	$9,575,000
Total aggregate liabilities	$257,345,000
Aggregate surplus / (deficit)	$17,540,000

On an aggregate basis, there is a surplus of $17,540,000 as at December 31, 2022. This means that the actuarial value of assets plus the value of future contributions exceeds the value of benefits accrued to date plus the value of benefits to be earned in the future. Therefore, the contributions recommended in Section 9 of this report are appropriate and adequate to cover the cost of benefits.

SECTION 9. ELIGIBLE CONTRIBUTIONS

AVAILABLE ACTUARIAL SURPLUS - SOLVENCY EXEMPT PLAN

Available Actuarial Surplus, if any, may be used to increase benefits; applied to reduce employer contributions, unless expressly prohibited by the terms of the plan; applied to reduce member contributions, if expressly permitted by the terms of the plan; or with the consent of the commission on application by the employer, paid to the employer. Due to the Solvency Exemption, the calculation of the available actuarial surplus is as follows:

Available Actuarial Surplus (AAS)	
Going Concern	
Going Concern Assets (A)	$233,408,000
Going Concern Liabilities	$209,685,000
Going Concern liabilities x 105% (B)	$220,169,000
Going Concern AAS (greater of zero and A minus B)	$13,239,000
Solvency	
Solvency Assets (C)	$232,985,000
Solvency Liabilities (D)	$211,119,000
Solvency AAS (greater of zero and C minus D)	$21,839,000
AAS (lesser of solvency AAS and going concern AAS)	$13,239,000

Since the Plan has Available Actuarial Surplus under the Pension Benefits Regulations, the Available Actuarial Surplus may be applied to reduce the University contribution for current service cost.

MINIMUM CONTRIBUTIONS

Members and the University are each required to contribute at the rate of 8.0% of salary up to the Year's Basic Earnings (YBE) under the Canada Pension Plan, 6.2% between the YBE and the Year's Maximum Pensionable Earnings (YMPE) and 8.0% in excess of the YMPE ("Plan Formula Contributions"). Members contribute only on the amount earned up to the Year's Maximum Contributory Earnings (YMCE).

Notwithstanding, the University may be required to make additional contributions in excess of the Plan Formula Contributions in order to satisfy the negotiated funding of certain benefit improvements or requirements of the Pension Benefits Act of Manitoba and Regulations.

For the period following this valuation, the University contribution for current service cost, equal to 8.80% of pensionable earnings for the period from January 1, 2023 to the effective date of the next valuation, may be reduced by applying the Available Actuarial Surplus to an amount that is not less than the Plan Formula Contributions.

The minimum required University contributions are therefore 8.75% of pensionable earnings.

The table below summarizes the University's estimated current service contribution for the three years commencing January 1, 2023, after applying the Available Actuarial Surplus. The actual dollar amount of the current service contribution may be higher or lower than the amount indicated below if the actual pensionable earnings are different than estimated.

			Estimated University Service Cost			
Year	**Amount as a percent of pensionable payroll**	**Estimated Members' Pensionable Earnings**	**Prior to Applying Available Actuarial Surplus**	**Use of Available Actuarial Surplus**	**After Applying Available Actuarial Surplus**	**Adjusted Amount as a percent of pensionable payroll**
2023	8.80%	$38,720,000	$3,407,000	$20,000	$3,387,000	8.75%
2024	8.80%	$39,882,000	$3,510,000	$20,000	$3,490,000	8.75%
2025	8.80%	$41,078,000	$3,615,000	$21,000	$3,594,000	8.75%

MAXIMUM CONTRIBUTIONS

Since the Plan is in going concern surplus and wind-up excess positions, the maximum permitted contribution the University could make is equal to the University's current service cost of 8.80% of pensionable earnings.

In accordance with the Pension Benefits Act of Manitoba, all contributions due to the Plan must be remitted monthly. Employee and Employer contributions are due within 30 days following the end of the month to which they apply.

SECTION 10. ACTUARIAL OPINION

With respect to the Brandon University Retirement Plan forming part of the actuarial report on a valuation of the Plan at December 31, 2022:

The recommendations for funding are in accordance with an agreement regarding the University's funding obligations by the signatories to the collective agreement between the University and BUFA that provides for the funding of certain benefit improvements.

We hereby certify that,

a. The purpose of this report is to provide actuarial estimates of the funding payments required to be made by Brandon University for the period from December 31, 2022 to the date of the next valuation. The effective date of the next valuation must be no later than December 31, 2025 in order to comply with applicable legislation.

b. Based on the projected unit credit accrued benefit funding method the Plan has a going concern surplus of $23,723,000.

c. There are no special payments to be made.

d. Available Actuarial Surplus calculated in accordance with the Regulations is $13,239,000.

e. The University current service cost exceeds the University contribution required by the Plan. The University may apply the Available Actuarial Surplus to fund the difference between the University current service cost and the minimum University contribution required to be made in accordance with the provisions of the Plan.

f. Based on the projected unit credit accrued benefit funding method, the University's current service cost is 8.80% of pensionable earnings for the period from January 1, 2023 to the date of the next valuation.

The table below summarizes the University's estimated current service contribution for the three years commencing January 1, 2023, after applying the Available Actuarial Surplus, and assuming the 2023 estimated pensionable earnings of $38,720,000 increase by 3.0% for 2024 and 2025.The actual dollar amount of the current service contribution may be higher or lower than the amount indicated below if the actual pensionable earnings are different than estimated.

			Estimated University Service Cost			
Year	**Amount as a percent of pensionable payroll**	**Estimated Members' Pensionable Earnings**	**Prior to Applying Available Actuarial Surplus**	**Use of Available Actuarial Surplus**	**After Applying Available Actuarial Surplus**	**Adjusted Amount as a percent of pensionable payroll**
2023	8.80%	$38,720,000	$3,407,000	$20,000	$3,387,000	8.75%
2024	8.80%	$39,882,000	$3,510,000	$20,000	$3,490,000	8.75%
2025	8.80%	$41,078,000	$3,615,000	$21,000	$3,594,000	8.75%

University contributions recommended in this report are eligible contributions under the Income Tax Act.

g. In our opinion, the value of the Plan assets would be more than the actuarial liabilities if the Plan were to be wound up as at December 31, 2022. The estimated excess would be approximately $620,000.

h. The Plan has a solvency surplus at December 31, 2022 of $22,025,000 and the solvency ratio is 1.103.

Notwithstanding the foregoing opinion, emerging experience differing from the assumptions will result in gains or losses which will be revealed in future valuations.

In our opinion,

a. the membership data on which the valuation is based are sufficient and reliable, for the purposes of the valuation,

b. the assumptions used are appropriate for the purposes of the valuation, and

c. the methods employed in the valuation are appropriate for the purposes of the valuation.

This report has been prepared and this opinion given in accordance with accepted actuarial practice in Canada.

Andrew Kulyk Fellow of the Canadian Institute of Actuaries	Shannon Tesluck Fellow of the Canadian Institute of Actuaries
June 7, 2023 Date	June 7, 2023 Date

Appendix A. SUMMARY OF PLAN PROVISIONS

The Plan has been amended since the date of the valuation to provide Members with the option to cease required contributions to the Plan and thereby stop accruing additional benefits after reaching their normal retirement date. The amendment did not have a material effect on the results of our valuation.

ELIGIBILITY
New staff must join the Plan when employed.

MEMBER CONTRIBUTIONS
Members are required to contribute at the rate of 8.0% of salary up to the YBE, 6.2% between the YBE and the YMPE, and 8% in excess of the YMPE. Members contribute only on the amount earned up to the YMCE.

The YMCE is the sum of $86,111 prior to April 1, 2009 or $98,750 thereafter, and 30% of the YMPE for the year.

Members who reach their normal retirement date may elect to stop making required contributions to the Plan, thereby stopping the accrual of additional benefits.

UNIVERSITY CONTRIBUTIONS
Basic Contributions
The University is required to contribute at the rate of 8.0% up to the YBE, 6.2% between the YBE and the YMPE and 8.0% in excess of the YMPE with no salary limitation applied, plus any special payments required under the Pension Benefits Act of Manitoba.

Additional Contributions
As a result of amendments to improve benefits effective November 10, 2008 and April 1, 2009 and the collective bargaining agreement between the University and BUFA, the provision for University contributions was amended for additional contributions. The University shall pay additional contributions equal to the normal actuarial cost of the benefit improvements made effective on the above dates but excluding the effect of the increase in the member contribution rate effective April 1, 2009.

Further, additional University contributions of 1.15% of salary effective November 10, 2008, increasing to 2.25% of salary effective April 1, 2009, are required for members who joined the Plan prior to January 1, 2008 with an Initial Amount, as defined in amendment 10/01, having a present value as at December 31, 2007 of $5,107,000. Additional contributions under this provision shall cease when the outstanding balance on the Initial Amount is reduced to zero by any University contributions that are in excess of the University's portion of the normal actuarial cost of current service. The requirement under this provision had been fully satisfied previous to the date of this valuation.

Contributions Required to Satisfy Requirements of the Pension Benefits Act
The University is required to contribute the amounts required to satisfy the Pension Benefits Act of Manitoba and Regulations ("Act and Regulations"). If the University contributions required to satisfy

the Act and Regulations exceed those amounts above (Basic and Additional), the University is required to make additional contributions to satisfy those requirements.

NORMAL RETIREMENT

The normal retirement date of all members is the first of the month following their 65th birthday.

EARLY RETIREMENT

A member may retire on the first day of any month within the ten-year period prior to his normal retirement date. If the member is age 60 or over and his age plus years of service equals 85 or more, there is no reduction on early pension commencement, otherwise the reduction is 1/3% for each month by which his early retirement date precedes the first date that he would have satisfied the “rule of 85, minimum age 60”, had employment continued, but not later than age 65.

LATE RETIREMENT

A member who continues in employment after his normal retirement date continues to make contributions to the Plan and his pension does not commence until his actual retirement date or the end of the year in which the member attains age 71, if earlier.

PENSION

At retirement, the member is entitled to an annual pension equal to 2% of his final average earnings multiplied by the member’s years of credited service less 0.6% of his CPP average earnings multiplied by the member’s years of service since January 1, 1990. Final average earnings are the average of the best 5 years earnings in the last 12 prior to retirement. CPP average earnings are the member’s average earnings up to the YMPE in the 5 years prior to retirement. For members who retired prior to April 1, 2009, the maximum annual pension was $1,722.22 per year of credited service. Effective April 1, 2009, the maximum was increased to $1,975.00 per year of credited service for members who retired on or after April 1, 2009.

FORMS OF PENSION

For members who retired prior to November 10, 2008, the normal form of pension at retirement was payable for life with a guarantee of 5 years’ payments. Effective November 10, 2008, members retiring with a spouse at retirement receive a pension in the form of joint and survivor with 2/3 continuing to the surviving spouse. Other options are available on an actuarially equivalent basis.

PENSION INCREASES

For increases provided prior to December 31, 2013, pensions in payment and deferred pensions are increased automatically on July 1 by the same percentage as the investment return on the fund in the previous year, based on actuarial values, exceeds 6%, subject to a maximum increase of the CPI in that year. If the increase in any year is limited by the CPI increase and there was a previous year, or years, when the increase was less than the CPI, the University, on the advice of the Plan trustees, may provide a higher increase so that some or the entire shortfall may be made up.

The Plan was amended for increases provided after December 31, 2013 to revise the method of calculating supplemental pension increases. The amendment changes the calculation of the excess fund return to be the excess over 6% of the previous four-year geometric average rather than the excess over 6% of the actuarial return of smoothed assets in the previous year.

DEATH BENEFITS PRIOR TO RETIREMENT

The death benefit is the commuted value of the pension earned to the date of death.

BENEFITS ON TERMINATION OF EMPLOYMENT

A member who terminates employment is entitled to a deferred pension payable from normal retirement date.

50% of the deferred pension in respect of service after January 1, 1985 must be paid for by University contributions.

Members not eligible to commence an immediate pension upon termination of employment may transfer the commuted value of their accrued pension to a locked-in retirement account.

GREAT-WEST LIFE PENSIONERS

Those members who retired prior to May 1989 had their pensions provided by an annuity purchased from Great-West Life. Each year additional amounts of annuities had been purchased to provide pension increases but beginning in 1999 any additional pensions for these members are paid from the fund.

Appendix B. ACTUARIAL ASSUMPTIONS AND METHODS

Going Concern Valuation

These assumptions are the same as those used at the previous valuation, except where noted.

Interest:

In order to determine the expected investment return on the investments of the Plan our model determined expected long-term capital market returns, standard deviations and correlations for each major asset class noted in Appendix E (universe bonds, Canadian equities, global equities, etc.) by using historic returns, current yields and forecasts. We then stochastically generated projected asset class returns for 5,000 paths over 30 years to create expected returns for each asset class. The simulated going concern discount rate was the return at the median of each asset class weighted by the asset mix percentages of the benchmark fund in the Managed Account Agreement between Connor, Clark and Lunn and the Pension Trustees.

We have assumed that there will be no added-value returns from the active management strategy employed in excess of the associated additional investment management fees.

Based on the methodology described above, the going concern discount rate assumption was developed as follows:

	Expected Return
Simulated gross investment return before margin and expenses	6.85%
Assumed active management value added	0.20%
Provision for investment management and administration expenses	(0.50%)
Provision for adverse deviations	(1.05%)
Going concern discount rate	5.50%

Expenses:

The interest rate assumption includes an implicit provision for investment and administration expenses paid from the Plan based on recent experience in the Plan.

Inflation:

We have assumed increases in the Consumer Price Index for Canada (“CPI”) equal to 3.5% for 2023, 2.0% per year thereafter. We have based our assumed inflation on our estimate of future inflation considering anticipated high levels of inflation increases in the short term, as well Bank of Canada’s long-term inflation target of 1% to 3% per annum. Our chosen rate is consistent with the implied market rate based on long term Government of Canada nominal bonds and long-term Government of Canada real return bonds.

Salary Increases:
Salaries are assumed to increase from 2022 levels as follows:

i. General – 4.5% per year for one year, 3.0% per year thereafter. This rate is based on an allowance for market implied inflation at December 31, 2022 of 3.5% per year for one year, 2.0% per year thereafter plus real salary increases of 1.0% per year which is consistent with historical increases in the Canadian economy.

ii. Promotional & Merit - Academic and non-union members – we have used a promotional and merit scale, extracts of which are shown below:

Age	Average Annual Increase over next 5 years	Average Annual Increase to age 65
30	3.3%	2.3%
35	2.8%	2.2%
40	2.5%	2.0%
45	2.2%	1.9%
50	2.0%	1.8%
55	1.8%	1.7%
60	1.7%	1.7%

Scheduled rate increases according to collective bargaining agreements are reflected in our valuation. A summary of the annual increases are as follows:

Year	Academic and non-union members	Non-Academic union members
2019	0.00%	3.50%
2020	0.00%	1.00%
2021	0.75%	1.00%
2022	1.00%	1.75%
2023	*	2.00%

** increase rates as per our assumption above*

Mortality
We assumed that baseline mortality will be in accordance with Club Vita Canada's 2021 VitaCurves, which vary by plan member, with generational projection using the CPM-B improvement scale. Improvements in mortality from 2018 to the calendar year of determination are projected based on each member's year of birth.

VitaCurves are baseline mortality rates that vary by member based on their individual longevity characteristics and have been developed using a generalized linear modelling framework. (More details on the methodology can be found in the Canadian Institute of Actuaries member's paper: Key Factors for Explaining Differences in Canadian Pensioner Baseline Mortality.) The CV21 VitaCurves have been calibrated based on Club Vita Canada's longevity dataset for the years 2017-2019. Club Vita Canada's longevity dataset is composed of a subset of Canadian registered pension plans across Canada, and includes plans covering a range of industries in both the private and public sector. Club Vita Canada's CV21 VitaCurves have been developed based on longevity experience consisting of 2.4 million exposure years and 62 thousand deaths over 2017-2019, and vary by the following longevity factors:

- Gender;
- Pensioner type – pensioner or surviving spouse;
- Disability status at retirement for pensioners – disabled or non-disabled pensioner;
- Postal code-based lifestyle/longevity group – five groups for each of males and females;
- Affluence as measured by pension amount or earnings – there are four pension bands for males, three earnings bands for females and four earnings bands for males and females;
- Occupation type – currently or formerly employed in a manual or non-manual occupation; and
- Pension form at retirement for pensioners – single life or joint life.

Given that the availability of longevity factors varies by plan, and also by members within a plan, the CV21 VitaCurves are calibrated based on different combinations of the factors outlined above, resulting in over 500 baseline mortality tables. The best VitaCurve is assigned to each individual Plan member based on the longevity factors available for that member.

Specifically for this Plan, all longevity factors as described above, with the exception of disability status at retirement for pensioners, were used to assign VitaCurves to individual Plan members.

For the purpose of determining commuted values for those assumed to elect a lump sum at retirement, the CPM Combined Table with improvement scale CPM-B was used.

In the previous valuation, CV20 VitaCurves were used.

Termination:
Considering the size of the Plan, there is not adequate termination experience data appropriate for developing a table of termination probabilities. We have continued to assume termination probabilities in accordance with three times the probabilities from the Ontario Light Table, with zero probability for ages greater than or equal to 55. Sample rates are as follows:

Age	Probability of Termination
30	16.8%
35	9.6%
40	6.6%
45	5.1%
50	3.6%
55	0%

We have assumed that 75% of members terminating prior to becoming eligible for retirement will elect to receive their pension as a lump sum commuted value. The commuted values are calculated using an assumed rate of 4.0% per year. The remaining terminating members are assumed to receive a deferred pension from the Plan.

Retirement:
The retirement age of members has a financial impact on the Plan. A retirement study was performed in April 2021 and the results of that study were used to develop the following table based on 10 years of retirement experience in the Plan from 2011 to 2020. This table will be re-evaluated as more experience is revealed and updated as appropriate when future valuations are performed.

Age	Probability of Retirement
55 - 56	3.0%
57 - 58	4.0%
59 - 64	10.0%
65	30.0%
66 - 69	15.0%
70+	100.0%

Deferred plan members are assumed to retire at age 55.

Year's Maximum Pensionable Earnings:
We have assumed that the CPP Year's Maximum Pensionable Earnings (YMPE) will increase annually based on average general increases in wages in Canada. For this valuation we have assumed that the YMPE will increase from its 2023 level of $66,600 by 4.5% per year for one year, 3.0% per year thereafter. This is consistent with the general salary increase assumption.

For the previous valuation it was assumed that the YMPE would increase from its 2022 level of $64,900 by 4.5% per year for two years, 3.0% per year thereafter.

Future Pension Increases:
Pensions in pay and deferred pensions are increased annually by an amount equal to the excess of the four-year average investment return of the fund over a base rate of 6.0%, limited by the increase in the Consumer Price Index for Canada. Despite assuming that the fund will earn 5.25% per year on average over the long term, based on the asset mix of the fund we expect that there will be years where the fund return will exceed 6.0% and increases in pensions will be granted. We have assumed that pensions will increase by 1.00% per year on average.[1]

[1] We have reflected the actual pension increase effective July 1, 2023 equal to 1.08% in our going concern valuation.

Future increases in respect of pensions paid by Great-West Life:
We have assumed pensions will increase by 1.00% per year on average. We have included in our valuation a provision for the full amount of pension increases to be paid out of the Plan with respect to pensions paid by Great-West Life.[2]

Actuarial value of assets:
For this valuation, we have continued to use an actuarial value of assets that smooths excess investment returns over a four-year period relative to the assumed investment return. The assumed investment return is the rate applicable from the prior actuarial valuation for each year during the smoothing period. The applicable assumed investment returns are shown below:

Year	Assumed Investment Return
2019	5.55%
2020	5.30%
2021	5.25%
2022	5.50%

We further restrict the actuarial value of assets to be within 10% of the market value of assets, if required.

Family composition:
Because members who are married at the time of retirement receive a joint and survivor pension with 2/3rds of the pension continuing to the spouse and single members receive a lifetime pension guaranteed for five years, the marital status at retirement can have a financial impact on the Plan. Reliable data on family composition at retirement is unavailable for this Plan. We have assumed that 85% of male members and 70% of female members have a spouse at retirement and the male spouse is three years older than the female spouse which is typical for pension plans in general.

GOING-CONCERN VALUATION METHOD
We have used a projected unit credit actuarial cost method. This values the benefits for accrued service to the valuation date by projecting salaries to retirement, determining the pension at retirement and discounting the value back to the valuation date. We compare the value of the liabilities in respect of service after 1984 to the contributions plus interest in respect of the same period to determine if the 50% test is applicable. If it is, we make the appropriate adjustment to the liability. Ancillary benefits on death or termination of employment are valued in a similar manner.

The liability for sessional employees who had no pensionable earnings in 2022 is determined to be two times their accumulated contributions with interest as at December 31, 2022.

The University's current service cost under this method is the excess of the cost of benefits which will arise in the year following the valuation over the member's contributions in that year.

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[2] We have reflected the actual pension increase effective July 1, 2023 equal to 1.08% in our going concern valuation.

Solvency and Wind-up Valuation

The following summarizes the actuarial assumptions used for the Solvency and Wind-up Valuations:

Actuarial value of assets:	Solvency: Smoothed value based on four-year smoothing relative to an expected return of: • 2019: 5.55% • 2020: 5.30% • 2021: 5.25% • 2022: 5.50% Wind-up: Market value
Interest:	4.91% per year for annuity purchase[3] 4.10% per year for 10 years and 4.50% per year thereafter for lump sum transfer.
Future increases in Pensionable Earnings:	None
Mortality:	CPM2014 (Combined) Mortality Table with mortality improvement projected generationally in accordance with Scale CPM-B.
Marital Status	85% of male members are married, 70% of female members are married, with male spouse 3 years older than female spouse.
Proportion electing annuity purchase	100% of retirees and 100% of active and deferred members age 55 & older. All others elect a lump sum transfer of the commuted value.
Allowance for wind-up expenses:	$450,000 (approximately $50,000 plus $400 per member). Excludes costs related to surplus/deficit distribution issues on plan wind-up. Assumes all expenses will be paid from the Plan in the event of wind-up.
Pension Increase	We have made no allowance for any assumed future pension increases.

[3] In accordance with the CIA Educational Note, the spread above the unadjusted CANSIM series V39062 was determined to be 160 basis points based on a duration of 9.1 for the portion of the liability assumed to be settled through the purchase of annuities. Accordingly, the discount rate assumed for the purchase of non-indexed annuities is 4.91%.

The liability for sessional employees who had no pensionable earnings in 2022 is determined to be two times their accumulated contributions with interest as at December 31, 2022.

Incremental Cost

The incremental cost is the present value, at the valuation date, of the expected aggregate change in the hypothetical wind-up or solvency liability between the valuation date and the next valuation date. It also reflects expected benefit payments between the valuation date and the calculation date.

In our report we have determined the incremental cost under the solvency basis. The incremental cost was determined as the sum of (a) and (b) minus (c)

(a) the projected solvency liability at the next valuation date for those members at the current valuation date, allowing for expected decrements and change in membership status, service accrual and increase in earnings between the current valuation date and the next valuation date. An adjustment was made for new entrants between the two valuation dates. The demographics and earnings of the new entrants are consistent with the new entrants hired over the past year. An adjustment was also made for the cost of living increase to be granted to retired and deferred members prior to the end of the year, if any. The resulting projected solvency liability was then discounted with interest to the current valuation date;

(b) the present value of the benefit payments expected to be paid between current valuation date and the next valuation date, discounted with interest to the current valuation date;

(c) the solvency liability as at the current valuation date.

For purposes of calculating the solvency incremental cost, the expected decrements, as well as the expected benefit payments between the current valuation date and the next, were determined using the going concern demographic assumptions. The projected solvency liability at the next valuation date was determined using the same method and assumptions as disclosed in this Appendix. In particular, we have assumed that the discount rates will remain the same throughout the projection period and the Standards of Practice for determining commuted value rates in effect at the valuation date will remain unchanged, as will the current educational guidance on the estimation of annuity purchase costs.

Appendix C. MEMBERSHIP DATA

This section provides a summary of membership data used in the valuation. Eckler provides membership record keeping and administration services for the Plan, updated based on an annual report provided by the University. The data was compiled from our records as at December 31, 2022. We have reconciled the data with that used in the previous valuation and are satisfied that the data are sufficient and reliable for the purposes of the valuation.

Active Members[4]	**12.31.2022**	**12.31.2021**
Number of Members	468	465
Average Pensionable Earnings[3]	$80,695	$79,790
Average Credited Service	9.9	10.1
Average Age	48.9	48.9
Total Required Contributions with Interest	$25,530,612	$24,999,211
Total Additional Voluntary Contributions with Interest	$127,881	$139,610
Deferred Pensioners	**12.31.2022**	**12.31.2021**
Number of Members	68	64
Average Age	55.5	54.6
Average Annual Deferred Pension Payable at 65	$8,593	$6,817
Pensioners and Survivors	**12.31.2022**	**12.31.2021**
Number of Lifetime Pensions	387	374
Average Age (Lifetime Pensions)	75.3	74.8
Average Annual Lifetime Pension	$27,636	$26,441
Number of Certain Only Pensions	0	1
Average Annual Certain Only Pension	0	*
Number of Great-West Life Pensions	4	4
Average Age (Great-West Life Pensions)	95.0	94.0
Average Annual Great-West Life Pension	$13,204	$13,204

[4] Active Members includes sessional employees with earnings in the calendar year prior to the valuation date.

[3] Earnings shown represent the actual earnings in the year prior to the valuation date. Earnings for new entrants have been annualized.

Sessional Employees[4]	12.31.2022	12.31.2021
Number of Members	45	42
Total Required Contributions with Interest	$89,821	$82,510

Distribution of Active Membership

The following tables summarize the distribution of active membership by age and credited service. We have included the count of members in each group and shown their average pensionable earnings for 2022.

Academic and Non-Union Members

Age Group	Credited Service 0 - 4	5 - 9	10 - 14	15 – 19	20 – 24	25 - 29	30 - 34	35+	Total
25 - 29	2 *								2 *
30 - 34	18 42,824	3 67,081							21 46,289
35 - 39	24 50,959	15 99,354	2 *						41 72,113
40 - 44	29 61,215	20 100,884	3 86,535	4 101,491					56 79,616
45 - 49	14 66,932	22 101,890	4 116,856	4 99,122	1 *				45 92,122
50 - 54	15 38,535	10 101,055	5 102,567	12 122,969	9 124,238				51 92,062
55 - 59	11 41,518	7 93,108	9 124,600	10 135,846	8 124,989	4 120,824			49 103,501
60 - 64	13 63,312	4 115,883	1 *	9 120,810	11 137,434	3 162,890	2 *		43 113,287
65 - 69	4 21,908	2 *	3 127,113	6 137,626	7 137,674	4 159,354	1 *	2 *	29 123,909
70 - 74	1 *								1 *
Total	**131** **51,622**	**83** **100,608**	**27** **115,001**	**45** **123,324**	**36** **130,458**	**11** **146,308**	**3** **178,854**	**2** *****	**338** **91,346**

**Earnings in cells with fewer than three members have been suppressed.*

[4] Sessional Members includes sessional employees that did not have any pensionable earnings in the calendar year prior to the valuation date.

Non-Academic Union Members

Age Group	Credited Service 0 - 4	5 - 9	10 – 14	15 - 19	20 - 24	25 - 29	30 - 34	35+	Total
20 - 24	1								1
	*								*
25 - 29	3								3
	33,670								33,670
30 - 34	3	2	1						6
	22,866	*	*						41,854
35 - 39	10	12	3	1					26
	48,953	61,083	91,765	*					59,576
40 - 44	9	7	6		2				24
	36,245	53,251	64,393		*				51,163
45 - 49	11	4	5	4	1				25
	35,548	50,096	56,660	62,442	*				47,386
50 - 54	4	1	2	2	4	1			14
	50,171	*	*	*	56,472	*			59,000
55 - 59	2	4	2	1		3	1		13
	*	54,392	*	*		54,448	*		54,568
60 - 64	2	1	2	2	4	1	1	2	15
	*	*	*	*	50,062	*	*	*	55,272
65 - 69				1		1	1		3
				*		*	*		61,591
Total	**45**	**31**	**21**	**11**	**11**	**6**	**3**	**2**	**130**
	39,589	**56,271**	**65,251**	**62,328**	**57,173**	**59,950**	**61,483**	*	**53,001**

**Earnings in cells with fewer than three members have been suppressed.*

The following table summarizes the distribution of inactive members by age.

Pensioner and Survivor Lifetime Pensions			Deferred Pensioners		
Age	Count	Average Annual Lifetime Pension	Age	Count	Average Annual Deferred Pension Payable at 65
45 - 49	1	*	35 - 39	4	$7,091
50 - 54	-	-	40 - 44	5	4,956
55 - 59	9	13,042	45 - 49	11	7,061
60 - 64	26	21,420	50 - 54	12	11,391
65 - 69	68	24,331	55 - 59	8	7,041
70 - 74	89	30,054	60 - 64	15	5,619
75 - 79	71	36,729	65 - 69	8	6,069
80 - 84	64	25,892	70+	5	25,530
85 - 89	35	26,963			
90 - 94	15	18,965			
95+	9	16,639			
Total	**387**	**$27,636**	**Total**	**68**	**$8,593**

The following table summarizes the changes in membership since the previous valuation.

Reconciliation of Membership

	Active[5]					
	Academic and non-union members	**Non-Academic union members**	**Pensioner**	**Deferred**	**Sessional[6]**	**Total**
At December 31, 2021	340	125	375	64	42	946
Data adjustments	1			1		2
New entrants	38	18				56
Sessional to active	1				(1)	-
Active to sessional	(13)				13	-
Terminations						
- Deferred	(4)			4		-
- Paid out	(13)	(5)			(3)	(21)
- Small Benefit	(4)	(1)			(5)	(10)
Retirements						
- Pension	(7)	(8)	16	(1)		-
Death			(4)		(1)	(5)
At December 31, 2022	339	129	387	68	45	968

[5] Includes sessional employees with earnings in the year prior to the valuation date.

[6] Sessional employees with no earnings in the year prior to the valuation date.

Appendix D. PLAN ASSETS

Assets of the Plan are held in trust with CIBC Mellon. The funds are invested in a number of pooled funds operated by Connor, Clark, & Lunn. We have relied on the draft financial statements for the fund prepared by Brandon University for the December 31, 2022 year-end, as well as information provided by CIBC Mellon to determine the assets of the Plan.

The Board of Trustees invests the assets in accordance with the Statement of Investment Policies & Procedures.

The following summarizes the asset mix policy of the Plan as outlined in the Statement of Investment Policies & Procedures adopted February 24, 2022.

Asset Mix Policy

	Benchmark
Canadian Equity	15.0%
U.S. Equity	18.5%
International Equity	18.5%
Emerging Markets Equity	8.0%
Long Bond Fund	20.0%
Infrastructure	10.0%
Real Estate	10.0%
Cash and Equivalents	0%
Total	100.0%

FINANCIAL STATEMENTS

A summary of the change in assets since January 1, 2020, provided by the University, is summarized below:

	2020	2021	2022
Balance at January 1	203,861,060	225,643,712	249,961,883
Member Contributions	2,349,475	2,508,046	2,438,583
University Contributions	3,356,543	3,430,427	3,250,202
Transfers	167,299	7,365	268,593
Investment Income	6,000,786	5,874,650	8,008,525
Realized Gains + Losses	16,309,964	22,825,770	5,558,616
Change in Market Values	5,840,528	1,336,778	(44,397,217)
Other income	43	37	0
Pensions Paid	(9,194,105)	(9,580,069)	(10,202,213)
Termination Payments	(1,409,139)	(1,012,839)	(745,593)
Death Payments	(657,677)	0	(766,177)
Expenses	(981,065)	(1,071,994)	(1,186,520)
Balance at December 31	225,643,712	249,961,883	212,188,682

The market value of assets as at December 31, 2022 shown above is equal to the invested assets of $211,532,789 plus contributions receivable equal to $952,329 minus payables equal to $296,436.

ACTUARIAL VALUE OF ASSETS

To place a value on the assets for actuarial valuation purposes, we have used an approach which smooths out the volatility of the market valuation by amortizing excess investment earnings net of expenses over the assumed investment earnings for the same period based on the actuarial valuation in effect at the time. Specifically, net investment earnings in excess of the following assumed rates are amortized over a four-year period. We further restrict the actuarial value of assets to be within 10% of the market value, if required.

Year	Assumed Investment Return		Actual Net Investment Return	Excess Net Investment Return
2019	5.55%	9,686,892	31,057,506	21,370,614
2020	5.30%	10,661,865	27,170,213	16,508,348
2021	5.25%	11,724,309	28,965,205	17,240,895
2022	5.50%	13,589,597	(32,016,596)	(45,606,193)

In practical terms, the actuarial asset value includes 100% of the excess investment earnings from 2019, 75% from 2020, 50% from 2021 and 25% from 2022.

The actuarial asset value is derived as follows:

Market value at Dec. 31, 2022				212,188,682
- 75% of 2022 excess investment earnings	0.75 x	(45,606,193)	=	34,204,645
- 50% of 2021 excess investment earnings	0.50 x	17,240,895	=	(8,620,447)
- 25% of 2020 excess investment earnings	0.25 x	16,508,348	=	(4,127,087)
- 0% of 2019 excess investment earnings	0.00 x	21,370,614	=	0
Actuarial value at Dec. 31, 2022				233,645,793
Actuarial value as a percent of market value				110.11%

The actuarial value of assets must be within 10% of the market value of assets. As shown above, the actuarial value before limit is more than 110% of the market value. Therefore, the actuarial value of assets at December 31, 2022 is restricted to $233,408,000, resulting in an actuarial value as a percent of market value of 110.00%.

INVESTMENT RETURN

Assuming that all cash flows occurred in the middle of the year, the pension fund earned a rate net of return of expenses of -12.96% based on the market value of assets and 6.39% based on the actuarial value of assets in 2022.

Appendix E. PLAUSIBLE ADVERSE SCENARIOS

A plausible adverse scenario is considered to be one that will occur in the short term (immediately to one year) with a likelihood of occurring between 1 in 10 and 1 in 20 based on the opinion of the actuary. The purpose of the following scenarios is to illustrate the impact on the Plan's financial position of the following adverse but plausible assumptions relative to the best estimate assumptions selected for the Plan's going concern valuation. The purpose of disclosing these results is to demonstrate the sensitivity of the funded status and annual current service cost between the current and the next valuation date to certain key risk factors affecting the Plan. The results of the scenarios selected are shown in the table below, with a description of each scenario following.

	Going Concern Results at 12.31.2022	Plausible Adverse Scenario Results at 12.31.2022		
		Interest Rate Risk	Deterioration of Asset Values	Longevity Risk
Total going concern assets	$233,408,000	$234,946,000	$198,420,000	$233,408,000
Total going concern liabilities	$209,685,000	$215,787,000	$209,685,000	$214,143,000
Going concern excess (unfunded liability)	$23,723,000	$19,159,000	($11,265,000)	$19,265,000
Employer current service cost	$3,408,000	$3,660,000	$3,408,000	$3,524,000
Employer current service cost as % of earnings*	8.80%	9.45%	8.80%	9.10%
Discount rate	5.50%	5.24%	5.50%	5.50%
Adjusted market value of assets	$212,189,000	$217,388,000	$180,382,000	$212,189,000

** this is based on estimated earnings of $38,720,000*

INTEREST RATE RISK

This scenario illustrates the sensitivity of the funded status of the Plan and current service cost to an immediate change in the market interest rates underlying fixed income investments.

In order to assess the impact of a decrease in interest rates of a magnitude consistent with a 1 in 10 likelihood of occurring, we have used the same stochastic model that is used to determine the going concern discount rate (see Appendix B). The stochastic model is based on 5,000 simulations of projected financial variables, including long term yields on fixed income investments and asset class returns. Our long-term best estimates for these variables, and the going concern discount rate are based on the median values over these 5,000 simulations.

To determine the sensitivity to interest rate risk, and the resulting impact on Plan assets and liabilities, we have:

- considered the hypothetical going concern discount rate over the 500 trials where fixed income yields are lowest at the one-year horizon,

- determined the decrease in median long-term fixed income yields over the 500 trials where fixed income yields are the lowest at the one-year horizon.

As such, under the interest rate risk scenario, the going concern discount rate is decreased by 26 basis points as of December 31, 2022.

With respect to the impact on fixed income assets, the scenario results in a decrease in long term yields on fixed income investments of 0.78%.

Based on the estimated duration of the Plan assets, liabilities and the current service cost, we have then determined the estimated change to the Plan's funded status under the interest rate risk scenario.

DETERIORATION OF ASSET VALUES

This scenario illustrates the sensitivity of the funded status of the Plan to short-term shock which causes a reduction in the market value of assets, with no change to the liabilities of the Plan. This scenario is assumed not to impact the current expectation of the long-term rate of return, and consequently, the going concern discount rate.

In order to assess the impact of a decrease in asset values of a magnitude consistent with a 1 in 10 likelihood of occurring, we have used the same stochastic model that is used to determine the going concern discount rate (see Appendix B). The stochastic model is based on 5,000 simulations of projected financial variables, including long term yields on fixed income investments and asset class returns.

To determine the sensitivity to a deterioration in asset values, based on the Plan's target asset mix, we have determined the decrease in median investment returns over the 500 trials where investment returns are the lowest at the one-year horizon.

As such, under the deterioration of asset values scenario, the market value of assets is decreased by 14.99% as of December 31, 2022.

LONGEVITY RISK

This scenario illustrates the sensitivity of the funded status of the Plan to pension plan members living longer than expected. The impact of this scenario was determined using more conservative mortality assumption than currently employed, resulting in a one-year increase to the average life expectancy of the Plan as of December 31, 2022.

Appendix F. CERTIFICATE OF TRUSTEES

With regards to the December 31, 2022 actuarial report for the Brandon University Retirement Plan, we hereby certify that, to the best of our knowledge and belief:

- A copy of the official Plan document and all amendments made to December 31, 2022 were provided to the actuary;
- The membership data provided to the actuary includes a complete and accurate description of every person who is entitled to benefits under the terms of the Plan for service up to December 31, 2022; and
- All events subsequent to December 31, 2022 that may have an impact on the valuation have been communicated to the actuary.
- The valuation reflects the terms of the engagement with the actuary, in particular the use of a 5.50% valuation interest rate.

Signature	Signature
Title	Title
Date	Date

ECKLER

Brandon University

Actuarial Valuation as at December 31, 2022

June 7, 2023

Agenda

- Valuation Overview
- 2022 year in review
- Going-concern valuation
  - Financial position
  - Current service cost
  - Gain and loss analysis
  - Contribution adequacy
- Solvency and Wind-up valuations
- Available Actuarial Surplus & Contribution Requirements
- Next Steps

Valuation Results

- Going-concern Valuation
  - Long term, projections
  - Minimum University contributions
- Wind-up Valuation
  - Assets measured on market value basis
  - Maximum University contributions
- Solvency Valuation
  - Assets measured on smoothed actuarial basis
  - Solvency funding exemption
  - Solvency ratio <85% means annual filing frequency
  - Solvency ratio <90% means restriction on benefit improvements

2022 Year in Review

2022 Year in Review

- Net fund return in 2022:
  - Market value return net of expenses: -12.96%
  - Actuarial value (smoothed) return: 6.39%
- Change in CPI in Canada of 6.30%
- Bond yields fluctuated throughout 2022
  - Increased during first half of year, dipped, then increased at end of year
  - Yields at December 2022 higher than those at December 2021

2022 Year in Review

- Valuation interest rate – remains unchanged at 5.50%
  - Margin increased to maintain discount rate at 5.50%
- Solvency annuity purchase rate increased by approximately 2.10%
- Increase in Commuted Value rates:
  - Select CV rate (first 10 years) increased 1.8%
  - Ultimate CV rate (after 10 years) increased 1.10%

Going-concern Valuation

Going-concern Valuation

Going-concern Valuation	12.31.2022	12.31.2021
Going-concern Assets		
Actuarial value of Plan assets	$233,408,000	$224,966,000
Going-concern Liabilities		
Retired members and survivors	$125,714,000	$120,253,000
Terminated vested members	$6,676,000	$4,825,000
Active members – Academic and non-union members	$64,461,000	$63,648,000
Active members – Non-Academic union members	$12,345,000	$13,529,000
Other benefits outstanding	$361,000	$670,000
Additional voluntary contributions	$128,000	$140,000
Total going-concern liabilities	$209,685,000	$203,065,000
Surplus / (unfunded liability)	$23,723,000	$21,901,000
Funded Ratio	1.113	1.108

Going-concern Valuation Plan experience 2022

Going concern surplus (unfunded liabilities) at Dec. 31, 2021		$21,901,000
Interest on surplus (unfunded liabilities), special payments & transfers in for 2022 at 5.50%		$1,205,000
Expected surplus (unfunded liabilities) at Dec. 31, 2022		$23,106,000
Plus actuarial gains (losses) due to experience differing from the actuarial assumptions in 2022		
• Net investment experience	$1,976,000	
• Terminations	($24,000)	
• Active & deferred member retirements	($374,000)	
• Mortality	($232,000)	
• Salaries & YMPE increasing at different rates	$39,000	
• Service accrued	$161,000	
		$1,546,000
Gain/(loss) due to change in mortality assumption		($1,317,000)
Gain/(loss) due to data corrections		$232,000
Other experience resulted in a net gain/(loss) of approximately		$156,000
Going concern surplus (unfunded liability) at Dec. 31, 2022		**$23,723,000**

Going-concern Valuation

Contribution Requirements – Prior to Use of Actuarial Surplus

2023	Dollar	% of Earnings
Estimated 2023 pensionable earnings	$38,720,000	
Current service cost		
Total current service cost	$5,847,000	15.10%
Estimated employee contributions	($2,440,000)	(6.30%)
Employer current service cost (A)	$3,407,000	8.80%
Total special payments (B)	$0	0.00%
Total minimum contribution required by the Act and Regulations	**$3,407,000**	**8.80%**
Plan Provision Contribution		
Employer formula contribution	$2,670,000	6.90%
Additional current service cost	$717,000	1.85%
Total minimum contribution required by the Plan provisions (C)	**$3,387,000**	**8.75%**
Employer current service cost (A)	$3,407,000	8.80%
Total special payments (B)	$0	0.00%
Employer additional contribution, Max[$0, (C - A - B)]	$0	0.00%
Total Employer required contribution	**$3,407,000**	**8.80%**

Contribution Adequacy

Aggregate Valuation	12.31.2022
Assets	
Accrued actuarial value of Plan assets	$233,408,000
Present value of future employee contributions – Academic & non-union members	$14,417,000
Present value of future employee contributions – Non-Academic union members	$3,866,000
Present value of future employee contributions – Academic & non-union members	$19,272,000
Present value of future employee contributions – Non-Academic union members	$3,922,000
Total aggregate assets	$274,885,000
Liabilities	
Accrued liabilities	$209,685,000
Present value of future service – Academic & non-union active members	$38,085,000
Present value of future service – Non-Academic union active members	$9,575,000
Total aggregate liabilities	$257,345,000
Aggregate surplus / (deficit)	$17,540,000

- The actuarial value of assets plus the value of future contributions exceeds the value of benefits accrued to date plus the value of benefits to be earned in the future.
  - Therefore, the recommended contributions are appropriate and adequate to cover the cost of the benefits.

Solvency and Wind-up Valuations

Solvency Valuation

Solvency Valuation	12.31.2022	12.31.2021
Solvency Assets		
Actuarial value of Plan assets (A)	$233,408,000	$224,966,000
Allowance for wind-up expenses (B)	($450,000)	($320,000)
Total solvency assets	$232,958,000	$224,646,000
Solvency Liabilities		
Retired members and survivors	$120,667,000	$136,360,000
Terminated vested members	$6,566,000	$6,111,000
Active members – Academic and non-union members	$70,651,000	$90,089,000
Active members – Non-Academic union members	$12,746,000	$18,036,000
Other benefits outstanding	$361,000	$670,000
Additional voluntary contributions	$128,000	$140,000
Total solvency liabilities (C)	$211,119,000	$251,406,000
Solvency excess/ (shortfall)	$21,839,000	($26,760,000)
Solvency ratio [(A + B) ÷ C]	1.103	0.894

Solvency Valuation

- Solvency ratio at December 31, 2022 is 110.3%
  - No solvency special payment is required as the Plan is fully funded as at the valuation date
  - Next valuation report due to be filed as at December 31, 2025
- Amended regulations require annual valuation reports to be filed if the solvency ratio of the Plan is below 85%
- Solvency ratio must be greater than 90% before benefits can be improved

Wind-up Valuation

Wind-up Valuation	12.31.2022	12.31.2021
Wind-up Assets		
Market value of Plan assets	$212,189,000	$249,962,000
Allowance for wind-up expenses	($450,000)	($320,000)
Total wind-up assets	$211,739,000	$249,642,000
Wind-up Liabilities		
Retired members and survivors	$120,667,000	$136,360,000
Terminated vested members	$6,566,000	$6,111,000
Active members – Academic and non-union members	$70,651,000	$90,089,000
Active members – Non-Academic union members	$12,746,000	$18,036,000
Other benefits outstanding	$361,000	$670,000
Additional voluntary contributions	$128,000	$140,000
Total wind-up liabilities	$211,119,000	$251,406,000
Wind-up excess/ (shortfall)	$620,000	($1,764,000)

Wind-up Valuation

- The wind-up liabilities are the same as the solvency liabilities
- Unlike the solvency assets, the wind-up assets are valued on a market value basis, and do not include the present value of special payments (if any).
  - This is the “true” wind-up position of the Plan.

Available Actuarial Surplus

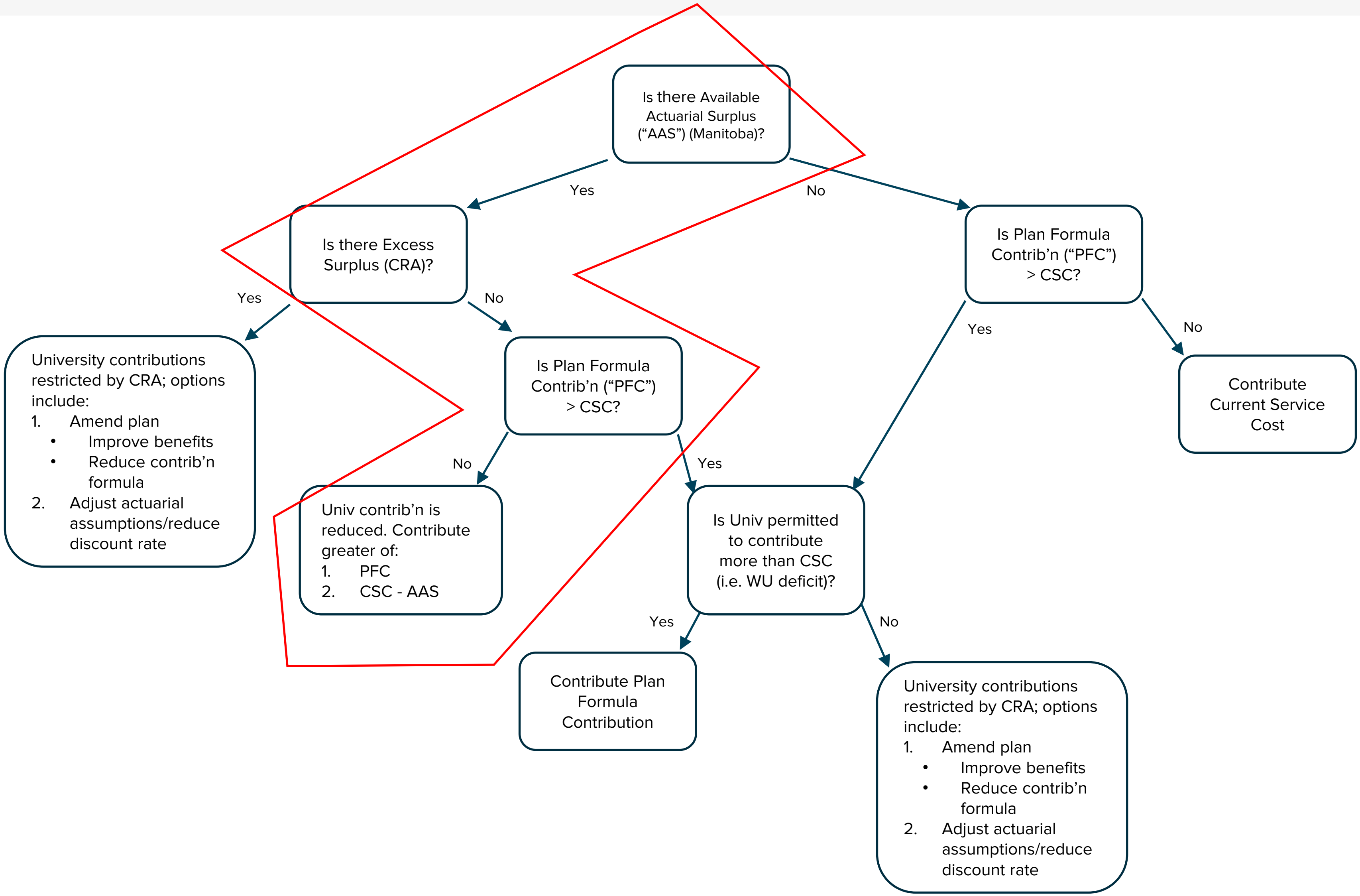
- Available Actuarial Surplus, if any, may be used to:
  - Increase benefits;
  - Applied to reduce employer contributions, unless expressly prohibited by the terms of the plan;
  - Applied to reduce member contributions, if expressly permitted by the terms of the plan; or
  - With the consent of the commission on application by the employer, paid to the employer

Available Actuarial Surplus

Available Actuarial Surplus (AAS)	
Going Concern	
Going Concern Assets (A)	$232,408,000
Going Concern Liabilities	$209,685,000
Going Concern Liabilities x 105% (B)	$220,169,000
Going Concern AAS, Max[$0, (A - B)]	$13,239,000
Solvency	
Solvency Assets (C)	$232,985,000
Solvency Liabilities (D)	$211,119,000
Solvency AAS, Max[$0, (C - D)]	$21,839,000
AAS, Min[Solvency AAS, Going Concern AAS]	$13,239,000

- Since the Plan has AAS under the PBA, the AAS may be applied to fund the difference between the University contributions for current service cost (i.e. $3,407,000 for 2023) and the University contribution required to be made in accordance with the provisions of the Plan (i.e. $3,387,000 for 2023).

University Contribution Requirement Flow chart



Contribution requirements – After Use of Available Actuarial Surplus

2023	Dollar
Estimated 2023 pensionable earnings	$38,720,000
Estimated University service cost	$3,407,000
Total special payments	$0
University additional contribution	$0
Estimated University Service Cost Prior to Applying Available Actuarial Surplus (A)	**$3,407,000**
University service cost as a percentage of earnings	8.80%
Use of Available Actuarial Surplus (B)*	$20,000
Estimated University Service Cost after Applying Available Actuarial Surplus (A – B)	**$3,387,000**
University service cost as a percentage of earnings after applying available actuarial surplus	8.75%

* The difference between the University contributions for current service cost (i.e. $3,407,000 for 2023) and the minimum University contribution required to be made in accordance with the provisions of the Plan (i.e. $3,387,000 for 2023).

Next Steps

- Approval of Report
  - Filing with MB Superintendent and CRA
  - University implementation of contribution requirements
  - Determination of any retroactive contribution adjustment based on 2023 funding requirements

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PLANNING TO RETIRE LATER THAN AGE 65?
FIND OUT WHAT THIS LEGISLATIVE CHANGE COULD MEAN FOR YOU

For members of the Brandon University Retirement Plan

In 2021, updates were made to Manitoba pension legislation that affects **pension plan members who continue to work after reaching their normal retirement age of 65.** On the recommendation of the Pension Board of Trustees, the Board of Governors has adopted a change to the Brandon University Retirement Plan ("the Plan")pursuant to these updates**.**

This document sets out the legislative and plan changes that could affect your pension. Please review this notice to learn more and be sure to reach out to Human Resources and your financial advisor if you have any questions.

WHAT HAS CHANGED?

If you retire later than age 65 – which is considered the "normal retirement age" for our pension plan – you now have a choice. You can:

- **Continue** making contributions to the pension plan and earn additional pension; or
- **Stop** making contributions at any time on or after you turn 65 and therefore also stop accruing additional pension benefits from the date you cease making contributions.

In either case, your pension will be actuarially increased at the time of your retirement from what it would have been if you retired on your 65th birthday. For each employee reaching the age of 65, a calculation will be made to help you understand the financial impact of the two options. You will find more details below to help you better understand the history behind this change, along with the considerations to help you decide which option might be right for you.

SOME BACKGROUND ON THE PENSION PLAN

Our Plan is a defined benefit (DB) pension plan. This means that your pension is determined by a formula using *your years of pensionable service* multiplied by *your final average earnings*. The pension benefits you earn are funded by your contributions, the University's contributions and investment income.

Good to know: You can estimate your pension any time by using the online pension estimator – it will calculate your pension at different ages for you. The pension trustees are currently exploring enhancements to the estimator to incorporate these plan changes which will help with making an informed decision.

https://brandonu.pension-estimate.com/

SOME HISTORICAL CONTEXT – CHANGES INTRODUCED IN 2010

To understand the recent change, it's helpful to go back to 2010, when legislation related to retiring beyond your normal retirement age was put in place.

- Before 2010, Plan members could work beyond age 65 (but not beyond age 71) and continue to earn a pension for each year they worked.
- However, some members were "losing value" – in other words, the amount of additional pension they were earning based on the Plan's pension formula after age 65 wasn't making up for the value they lost by not starting their pension at age 65.

In 2010, Manitoba introduced legislation for those who retire after age 65 stating each individual *must receive at least the actuarial equivalent to what their pension would have been if the pension started at age 65*.

Actuarial equivalent is a term used to describe the equivalent value of two different retirement benefits that have different payment streams. In simple terms, starting a pension at 65 has a higher actuarial value overall than delaying the pension start date to a later age, because it's expected to be paid longer if you start it earlier. Therefore, an *actuarial equivalent* increase is applied to the delayed pension so that the values are the same. For example, life expectancy is independent of retirement date. If the average life expectancy of an employee is 85 years, a pension that starts at age 65 is expected to be paid for approximately 20 years. If the employee's pension starts at age 68, it is expected to be paid for only approximately 17 years. Therefore, the pension that starts later has to be increased so that the expected value of the payments, determined on an actuarial basis, are equal to the expected value of the pension that would have started at age 65.

When a member retires after the age of 65, a test is performed, and the member <u>automatically</u> receives the more valuable of:

The pension they have earned up to the date they retire, calculated using the pension plan formula	**OR**	The actuarial equivalent of what they would have received if they started their pension at age 65

For members with long service in a pension plan, the actuarial equivalent of an age 65 pension tends to produce the higher value.

To further help explain, here is an example of how this test works.

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Example 1

Let's consider a long service member of the pension plan who has reached age 65. This member has a final average earnings of $50,000 and has 25 years of pensionable service at age 65.

The member is considering two options for receiving their benefit:

Option 1: Retire now at age 65 and receive a pension of $1,460 per month for life based on the pension plan formula using the member's *years of pensionable service* multiplied by their *final average earnings.*

Option 2: Continue working and retire at age 67:

Based on the plan formula, and assuming the member's final average earnings increases to $52,000 per year and will have earned 27 years of service at age 67, the member's accrued pension based on the pension plan formula increases to $1,640 per month. The actuarial equivalent pension, with payments starting at age 67, of what the member would have received had they started their pension at age 65, is determined to be $1,650 per month for life.

Additionally, the member contributes about $3,300 in each of the two years from age 65 to 67 towards the cost of their pension.

In this example, the actuarial equivalent pension to starting at age 65, with payments starting at age 67 is greater than the additional pension the member earned from age 65 to age 67 based on the pension plan formula. The member will therefore receive the higher pension of $1,650 per month if they choose to retire at age 67.

CHANGES TO THE PLAN INTRODUCED IN 2023

The plan changes build on the legislation that was introduced in 2010 by adding a **choice**. Now, if you continue to work beyond age 65, you can choose to:

- **Continue** making contributions to the pension plan and accruing pensionable service

  If you choose this option, the same test as described above will be performed when you retire, this ensures you will receive the higher value of the two pensions.

- **Stop** making contributions to the pension plan anytime on or after age 65 and therefore stop accruing pensionable service from the date you stop making contributions.

  If you choose this option, you will automatically receive the actuarial equivalent of the frozen pension earned to the date you stopped making contributions. The same test of the age 65 pension will also continue to apply in case it could provide a higher benefit.

You might ask, *why contribute towards the formula pension plan benefit when it's not providing a higher pension than the actuarial equivalent at age 65 with no additional accruals or contribution costs?*

To further help explain this change, here is an example.

Example 2

Let's consider the member from Example 1 again. Upon reaching age 65, they continue to work but choose to stop contributing to the plan. They decide to retire at age 67.

> The member stopped contributing to the plan at age 65, so they have not earned any additional pension based on the pension plan formula since age 65. The member's pension at age 67 will be determined as the actuarial equivalent pension, payable at age 67, of what the member would have received had they started their pension at age 65. The actuarially increased pension at age 67 is $1,650 per month for life.

In this example, the member will receive a pension of $1,650 per month starting at age 67, the same as Example 1. In this example, there would have been no increase in pension benefits for having continued to contribute to the Plan and accrue service for the two additional years to age 67, and the member stopped contributing to the plan at age 65 so they have saved $3,300 per year from age 65 to age 67.

WHAT'S THE CATCH?

You might be asking yourself, *why would I not stop contributions at age 65*?

The pension formula is based on total credited service and final average earnings, and an increase in your final average earnings impacts the benefit for ***all*** your years of service. It's difficult to predict what future earnings and interest will be, and when you will choose to retire. This all factors in when determining the monthly pension amount, and its value. Stopping your contributions will freeze both your credited service and your final average earnings, which could result in a lower overall monthly income from the plan in certain circumstances in comparison to the income you would receive if you continued to contribute.

Ultimately, this change gives you, the plan member, the opportunity to choose which option is right for you.

If you are a short service employee when you reach age 65, you would likely find that contributing and earning the additional year(s) of pensionable service beyond age 65 is worth more than the actuarial equivalent to starting at age 65. If on the other hand, you are a very long service employee when you reach age 65, you are more likely to find the actuarial equivalent pension provides the greater value, hence no additional benefit from the contributions you make after age 65.

As a rough rule of thumb, the actuarial equivalent increase after age 65 is about 5%-8% per year with compounding (the exact percentage varies depending on your age, your spouse's age if you have one, and the interest rates used in the calculation). You can compare that to the incremental growth in your pension to determine which one might provide a higher expected amount. For example:

- If you have 10 years of service, adding another year of service adds 10% to your pension (11/10 = 110%), plus your final average earnings might go up by another 2% for a total increase of a

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12% increase in your pension in one year. This would likely provide a bigger retirement benefit than the actuarial equivalent increase (5%-8%).

- If you have 40 years of service, adding another year of service adds 2.5% to your pension (41/40 = 102.5%), plus your final average earnings might go up by another 2% for a total net increase of 4.5%. This additional year would likely provide no additional pension compared to the actuarial equivalent increase (5%-8%), and you saved yourself the annual pension plan contribution.

- The advantage of either option is less clear in the middle. Other factors, such as larger pay increases (e.g. from a promotion or higher wage inflation), can result in a bigger than usual increase in your accrued pension.

WHAT IF I CHANGE MY MIND ABOUT STOPPING CONTRIBUTIONS?

Once a decision is made to stop contributions (which also freezes your accrued pension), you may not elect to resume contributions later. This applies regardless of whether you make the decision to stop contributions at age 65 or at whatever point beyond 65. However, once it has been determined that the greatest value is in stopping contributions to the Plan, that situation is highly unlikely to change in the future.

OTHER CONSIDERATIONS

An added advantage of stopping contributions and freezing accruals is that it will generate more RRSP room for savings, because you won't receive a Pension Adjustment, or "PA", on your T4. The PA is the amount your RRSP room is reduced each year on account of earning a pension benefit.

QUESTIONS

It's always a good idea to seek professional advice when it comes to your finances. Your financial advisor may be able to help you better understand the advantages and disadvantages of stopping your pension contributions.

If you have additional questions – about this legislative change or about your pension – please contact Human Resources.

Human Resources

Room 337, Clark Hall	Phone: (204) 727-9782
270 - 18th Street	Fax: (204) 726-1957
Brandon, Manitoba	Email: hr@brandonu.ca
R7A 6A9	

RECEIVED MAR 2 1 2023

March 13, 2023

Plan Number
0206078

ECKLER LTD.
C/O SUSAN MANGOTICH
SUITE 2475
ONE LOMBARD PLACE
WINNIPEG MB R3B 0X3

NICOLAS STE-MARIE
Tel. 514-715-6145
Fax. 613-952-0199

DEAR SUSAN MANGOTICH:

Re: Brandon University Retirement Plan (the "Plan")

We have completed a cyclical review of the Plan, including the most recent plan text and all amendments to it, for compliance with the Income Tax Act and the Income Tax Regulations.

The following amendments are required to the Plan:

1. Article 4.1 of the Plan provides the University contribution rates. As per subsection 147.2(2) of the Act, employer contributions made in respect of a defined benefit provision must be based on the recommendation of an actuary. Please amend the Plan to ensure that the employer contributions will not exceed the actuary's recommendation.

2. Article 7.4 uses the terms "pensionable service" and "remuneration" in the calculation of the maximum pension. These terms are not defined. Please define these terms. Alternatively, they can be replaced with "Credited Service" and "Final Average Earnings" respectively.

3. Article 7.5 of the Plan provides that after the re-commencement of the pension after a period of re-employment, the pension in respect of service prior to the suspension will be recalculated to be the actuarial equivalent of the pension payable immediately prior to the suspension. Where lifetime retirement benefits accrue after retirement benefits commence, the benefits must be suspended and any redetermination of benefits must be in accordance with subsection 8503(9) of the Regulations. Subparagraph 8503(9)(b)(iv) allows the retirement benefits to be adjusted to reflect the forgone benefits only in respect of benefits payable after age 65. Please ensure pension re-commencement calculation is compliant with 8503(9)(b).

4. Article 9.1 of the Plan provide pre-retirement death benefits. As per 8503(2)(f) of the Regulations, the Plan must state that the death benefit will be payable by the later of one year after the day the member died and the end of the year the spouse or common-law partner or former spouse or former common-law partner turns 71.

5. Article 12.4 of the plan text does not comply with 8503(3)(l). Benefits assigned to a spouse on marriage breakdown cannot be reinstated after 1991.

The effective date of the amendments must be January 1, 2019.

Please send the requested items within 60 days of the date of this letter.

If you need more time, please send your request within 60 days. Please explain the reason you require an extension.

Once we receive the required amendments, we will continue our review.

...2

For more information on our policy for cyclical review of pension plans, please see Newsletter 15-1, Comprehensive Risk-Based Cyclical Review of Registered Pension Plans.

It is the responsibility of the administrator to ensure that, at all times, the Plan complies with and is administered in accordance with the requirements of the Act and the Regulations.

If you have any questions or concerns, please contact us.

Sincerely,

Katherine McKinley
Registration Division

c.c.: SCOTT J.B. LAMONT, BRANDON UNIVERSITY

BRANDON UNIVERSITY
BOARD RESOLUTION

RE: AMENDMENT NO. 23/02 TO THE BRANDON UNIVERSITY RETIREMENT PLAN (hereinafter referred to as the "Plan")

WHEREAS Brandon University (hereinafter referred to as the "University") has established the Plan effective April 1, 1974,

AND WHEREAS Canada Revenue Agency has requested certain plan updates for compliance with the Income Tax Act of Canada following a cyclical review of the plan documents, and

AND WHEREAS Paragraph 14.1 permits the University to amend the Plan.

Therefore, the Plan document is amended effective January 1, 2019 as follows:

1. Paragraph 4.1(a) is hereby deleted in its entirety and replaced with the following;

   (a) Except as provided in sub-paragraph (c), (d), (e), (f), and (g) of this Paragraph 4.1, the University shall make contributions to the Fund on behalf of each full-time Member, concurrent with the contributions made by the Member pursuant to Paragraph 3.1, of an amount equal to the sum in accordance with the following, which shall be made pursuant to a recommendation of an Actuary in accordance with subsection 147.2(2) of the Income Tax Act:

Effective	% of Basic Salary up to the Year's Basic Exemption	% of Basic Salary between the Year's Basic Exemption and the Year's Maximum Pensionable Earnings	% of Basic Salary, if any, in excess of the Year's Maximum Pensionable Earnings
April 1, 1996	6.5%	4.7%	6.5%
April 1, 2002	7.0%	5.2%	7.0%
April 1, 2003	7.5%	5.7%	7.5%
April 1, 2012	8.0%	6.2%	8.0%

2. Paragraph 7.4(i) is hereby amended by replacing "pensionable service" with "Credited Service".

3. Paragraph 7.4(ii) is hereby amended by replacing "pensionable service" with "Credited Service" and replacing "remuneration" with "Basic Salary".

4. Section 7.5 is hereby deleted in its entirety and replaced with the following:

"7.5 Suspension of Pension on Re-employment

Where a Member elects to suspend pension payments in accordance with Paragraph 2.8, on the re-commencement of the pension, the Member will receive two separate pensions in accordance with paragraphs (a) and (b)

(a) the recalculated pension applicable to the period of employment that preceded the initial pension commencement date (the "initial employment period"), shall be calculated as follows:

(i) If the retired Member's initial pension commencement date occurred before the Normal Pension Commencement Date and before meeting the criteria for an unreduced early retirement pension provided by Paragraph 6.2, the amount of pension to which the retired Member would have been entitled, under the terms of the Plan as it read on the initial pension commencement date, had the retired member retired

A. At the Assumed Age and

B. After having worked the initial employment period

The Assumed Age for the purpose of this paragraph (a)(i) is the age of the retired member at the subsequent pension commencement date less the period of time the member was in receipt of a pension for a prior period of plan membership following the initial pension commencement ("subsequent employment period");

(ii) If the retired member's initial pension commencement date occurred before the Normal Pension Commencement Date and at or after meeting the criteria for an unreduced early retirement pension provided by Paragraph 6.2, the amount of pension that was payable at the initial pension commencement date;

(iii) If the retired member's initial pension commencement date occurred at or after the Normal Pension Commencement Date, the amount of pension that was payable at the initial pension commencement date;

(iv) If the date of re-commencement of the pension is after the Normal Pension Commencement Date, the pensions under (a)(i) and (a)(ii) are increased to be the actuarial equivalent of the pension as if it would have been payable at the Normal Pension Commencement Date, and the pension under (a)(iii) is increased to be the actuarial equivalent of the pension as if it would have been payable at the date the pension was suspended. For greater clarity, an actuarial increase is applied to any period during which the pension is suspended after the Normal Pension Commencement Date.

(v) Any remaining guarantee period at the time of re-employment is paused during the Subsequent Employment Period so that the total number of guaranteed payments is preserved.

(b) the pension for the subsequent employment period is determined according to the plan terms for the period of employment without regard to the initial employment period."

5. Section 9.1 is hereby amended by adding the following:

   "The pension payable to the Eligible Spouse must commence to be paid no later than December 1 of the calendar year in which the Spouse attains age 71 or such other age as may be permitted under the Income Tax Act (or within one year after the Member's death, if later)."

6. Section 12.4 Reinstatement of benefits is hereby deleted, and subsequent paragraphs are renumbered accordingly.

CERTIFIED to be a true copy of a resolution passed by the Board of Governors of the University on the

_______________day of __________________________, __________

____

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Amendment 23-02 – Recalculation of Early Retirement Reduction Upon Re-employment

Brandon University Retirement Plan – Amendment 23-02

June 7, 2023

eckler.ca

Background

- A retired member may return to work
  - eligible to enroll in the pension plan, but must agree to suspend pension
- The Plan currently provides an actuarial increase to the suspended pension to account for benefits foregone during suspension period
- CRA's cyclical review identified that an actuarial equivalent increase before age 65 is not allowed under the ITA
  - ITA does allow recalculation of the early retirement reduction factor
- Draft amendment provides for:
  - Before age 65: recalculation of early retirement reduction factor, if any, by adjusting the original retirement age with extra years worked.
  - After age 65: actuarial increase to account for any benefits foregone
  - Any guarantee period is "paused" during the suspension period so that total number of guaranteed payments is preserved

Retire age 55 & 25 years

55&25; Pension reduced 20% (URD = 60)

Pension suspended

Pension resumes, early reduction recalculated

Normal Retirement Age

Retire at age 55

Return to work age 57

Re-retire at age 60

Age 65

$800 pension (reduced from $1000)

No payment

$920 pension (reduced from $1000)

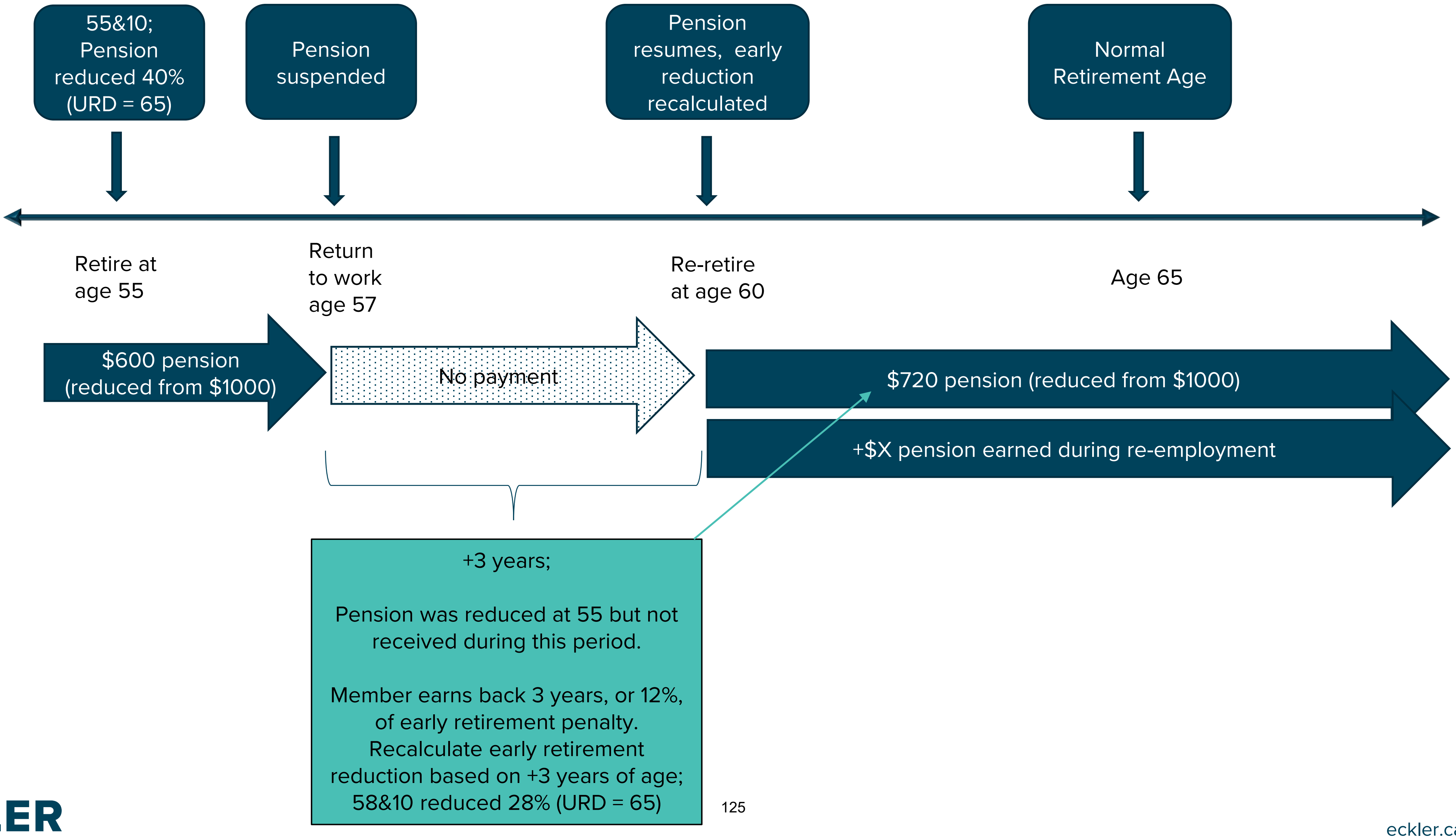
+$X pension earned during re-employment

+3 years;

Pension was reduced at 55 but not received during this period.

Member earns back 3 years, or 12% of early retirement penalty. Recalculate early retirement reduction based on +3 years of age; 58&25 reduced 8% (URD = 60)

Retire age 55 & 10 years



Brandon University
Supplementary Pensions

Brandon University Pension Increases

	Net Investment Return (Market Value)	Four-Year Geometric Average Return	Excess of Average Return over 6%	Dec. CPI	Increase in CPI	Actual COLA	COLA Enhancements for prior years' capped increases	Effective Date of COLA Increase	Calculated Excess above CPI
2012	9.38%	8.45%	2.45%	121.2	0.8%	1.39%	0.59%	01-Jul-2013	1.65%
2013	16.22%	8.45%	2.45%	122.7	1.2%	1.70%	0.50%	01-Jul-2014	1.25%
2014	8.53%	7.93%	1.93%	124.5	1.5%	1.50%	0.00%	01-Jul-2015	0.43%
2015	3.93%	9.43%	3.43%	126.5	1.6%	1.60%	0.00%	01-Jul-2016	1.83%
2016	7.92%	9.06%	3.06%	128.4	1.5%	1.50%	0.00%	01-Jul-2017	1.56%
2017	11.04%	7.82%	1.82%	130.8	1.9%	1.82%	0.00%	01-Jul-2018	0.00%
2018	-2.80%	4.89%	0.00%	133.4	2.0%	0.00%	0.00%	01-Jul-2019	0.00%
2019	17.79%	8.23%	2.23%	136.4	2.2%	2.20%	0.00%	01-Jul-2020	0.03%
2020	13.51%	9.60%	3.60%	137.4	0.7%	0.70%	0.00%	01-Jul-2021	2.90%
2021	12.97%	10.08%	4.08%	144.0	4.8%	4.08%	0.00%	01-Jul-2022	0.00%
2022	-12.96%	7.08%	1.08%	153.1	6.3%	1.08%	0.00%	01-Jul-2023	0.00%
2023 breakeven	*13.10%*	*6.00%*	*0.00%*					*01-Jul-2024*	

* Note: pension increases are also applied to pensions in pay and deferred pensions

Motion:

BE IT RESOLVED THAT the Brandon University Retirement Plan Pension Trustees release Brent Cuvelier from her responsibilities as a Pension Trustee effective immediately.

Moved by: Seconded:

Schedule "B"

Acceptance of Trust

The undersigned hereby accepts the appointment to act as a Pension Trustee of The Brandon University Pension Fund (the "**Fund**") and the duties and obligations imposed on the Pension Trustees under the Amended and Restated Trust Agreement made the _____day of________________,_________(the "Trust Agreement"). The undersigned acknowledges having read the Trust Agreement and understanding its nature and effect, and agrees to hold the Fund and administer the Brandon University Retirement Plan in accordance with its terms and the provisions of the Trust Agreement.

DATED the_____day of_______________,________.

____
Name:
Address: