



**Brandon University Retirement Plan  
Board of Trustees  
Wednesday, April 23, 2025 @ 1:00 p.m.  
Clark Hall Room 104 & via Teams**

**AGENDA**

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**1.0 Call to Order**

**2.0 Approval of Agenda and Minutes**

- 2.1 Approval of Minutes of February 12, 2025
- 2.2 Approval of Agenda of April 23, 2025

**3.0 New Business**

- 3.1 Change in Pension Trustee Membership
  - 3.1.1 Member Release Motion (Eric Raine)
  - 3.1.2 New Member – MGEU Representative, Becky Lane
  - 3.1.3 Schedule B for signature (Becky Lane)

**4.0 Continuing Business**

- 4.1 Funded Status Presentation – April 2025
- 4.2 Historical COLA Increases 2025

**5.0 Upcoming Meeting Dates**

- |                              |                  |                     |
|------------------------------|------------------|---------------------|
| Wednesday, June 4, 2025      | 1:00 – 4:00 p.m. | Clark Hall Room 104 |
| Wednesday, November 20, 2025 | 1:00 – 4:00 p.m. | Clark Hall Room 104 |



**Brandon University Retirement Plan  
Pension Trustees  
Wednesday, February 14, 2025  
MEETING MINUTES**

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Present: Allison Noto (Exempt)  
Brian Parley (IUOE-A)  
David Taylor (BUFA)  
Doug Pickering (BUFA)  
Eric Raine (MGEU)  
Greg Misener (MGEU) (via Teams)  
Peter Hickey (Board of Governors) (via Teams)  
Quintin Pearce (Board of Governors) (via Teams)

Guests: Andrew Kulyk, Eckler Ltd.  
Lizanne Ross Onder, CC&L (via Teams)  
Nicky Kreshewshi, HR (via Teams)  
Peter Muldowney CC&L (via Teams)

Regrets: Fred Swan (IUOE-D)  
Jan Chaboyer (Retiree)

Recording Secretary: Donna Neufeld

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**1.0 CALL TO ORDER**

The meeting was called to order at 1:07 p.m. The Chair acknowledged the traditional lands on which the Brandon University campuses are located.

**2.0 APPROVAL OF AGENDA AND MINUTES**

2.1 Approval of minutes of November 20, 2024

Motion: Moved and Seconded (E Raine/B Parley)

BE IT RESOLVED THAT THE minutes from the November 20, 2024 meeting of the Brandon University Retirement Plan Pension Trustees be approved as presented.

CARRIED

2.2 Approval of agenda for February 12, 2025. The following items were added to the agenda.

2.3 BDO Audit Plan

Motion: Moved and Seconded (E Raine/G Misener)

BE IT RESOLVED THAT THE agenda for the February 12, 2025 meeting of the Brandon University Retirement Plan Pension Trustees be approved as amended.

**3.0 BDO Presentation**

(J. Maccas, BDO)

- J Maccas gave a brief presentation on the audit BDO performed on the Brandon University Retirement Plan.
- Financial Statements are due to be completed by late June 2025. Meetings will be arranged to review the draft financial statements in May 2025.
- The Auditor's responsibilities were reviewed including Financial Statements & Fraud, there were no instances of fraud that came to BDO's attention for the BURP.
- The significant risk of management's override of control will be reviewed to ensure the controls are in place and working as designed.
- The determined preliminary materiality is \$4,400,000 based on 2% of net assets. This is used to determine if there is a significant error in the financial statements. If there are any changes to the final numbers in the financial statements it will be reported to the Trustees.
- BDO will rely on the University's actuary, Andrew Kulyk of Eckler Ltd., for the defined obligation presented on the financial statements. The assumptions and the data that went into the calculations to ensure they are appropriate for the presentation of the financial statements.
- The rest of the presentation goes into more details on the audit process as well as the Engagement Letter.

**3.0 CC&L (Connor, Clark & Lunn Investment Management Ltd)**

(L. Ross Onder &amp; P. Muldowney)

**3.1 Investment Performance Review**

- The Plan's assets at the end of the fourth quarter of 2024 were over \$261 million, reflecting a growth of over \$5 million in the fourth quarter. The average Canadian pension plan in the fourth quarter of last year was up 1.6%. The Plan's performance was up 1.9%, slightly ahead of the benchmark or 1.7%. Year-to-date (YTD) ending December 31, 2024, the Plan was up 15.6%, 0.6% over the benchmark. The median return for the average Canadian pension plan last year was 11.3%.
- Effective Q4 2024, CC&L (Canada) changed its name to CC&L One Ltd.

**2024 Year in Review**

- There was strong growth in the US economy that outpaced other countries.
- Inflation came down and central banks cut interest rates which led to a rally in the stock markets and a belief that the U.S. could see growth slow down without triggering a recession.
- There were rate cuts in the U.S. and major shifts in political leadership. As the fourth quarter was dominated by the US presidential elections. There were higher interest rates in the US compared to other countries which led to a higher US dollar.

- There were geopolitical concerns that helped raise the price of gold higher.
- China tried to stimulate their economy with policy responses which worked on a short-term basis; however, were unable to reignite their economy long-term.

### Market Review as of December 31, 2024

- The Bank of Canada cut interest rates by half a percent in both October and December, while the US Federal Reserves met twice but only cut their rate by half a percent.
- There was a pullback in stocks towards year-end; but with the rate cuts and the US election results, stock markets did finish higher in the fourth quarter. In 2024, for the year, the TSX was up 21.7% that ranks as one of the top returns in the TSX in the last 25 years.
- Canadian equities were also beneficiaries, driven by cyclical sectors, as investors shrugged off the prospect of looming tariffs and focused instead on the potential benefits of business-friendly policies.
- Despite rate cuts, bond yields moved higher as investors lowered their expectations surrounding future cuts in both Canada and the US. The performance impact was largely offset by a considerable tightening of credit spreads.

### Investment Returns as at December 31, 2024

- The Plan Performance for the annualized 4-year period was 6.7%, which was 1.0% over the benchmark.

### Canadian Equity – Market Review

- Despite the uncertainty in the stock markets, it was a very strong year for equity markets.
- Both in the fourth quarter and for the calendar year, the stocks that were able to demonstrate improving earnings per share revisions outperformed those that missed their expectations.
- The 3 Canadian Equity Managers combined portfolio returned 3.9% for the fourth quarter and for the calendar year it returned 23.1% which was 1.4% above the benchmark.

### Canadian Equity – Performance Attribution

- CC&L Q Canadian Equity Extension Fund: Q4 return was 5.4%, which was 1.6% over the benchmark; YTD return was 26.7%, 5.0% above the benchmark.
- SRA Canadian Equity Fund: Q4 return was 1.4%, 2.4% below the benchmark; YTD return was 17.6%, 4.1% below the benchmark.
- PCJ Canadian Equity Fund: Q4 return was 5.0%, 1.2% above the benchmark; YTD return was 25.2%, 3.5% above the benchmark.

### Global Equity – Market Review

- The global equity market overall had a very strong year.

### Global Equity – Performance Attribution

- NS Partners International Equity Fund: Q4 return was -4.0% below the benchmark of approximately -2.0%; YTD return was 8.3%, below the benchmark of 13.8%.
- CC&L Q US Equity Extension Fund: Q4 return was 10.6% above the benchmark of 9.0%; YTD return was 40.2%, above the benchmark of 36.1%.
- CC&L Q Emerging Markets Equity Fund: Q4 return was 1.0% below the benchmark of -2.1%; YTD return was 25.1%, above the benchmark of 17.3%.

### Fixed Income – Performance Attribution

- CC&L Long Bond Fund: Bond yields increased broadly in the fourth quarter. The yield on the Canadian 10-year bond started 2024 at 3.1% and ended the year at 3.2%. The Long Bond Fund added value for both the quarter and the calendar year. The added value was more than double the CC&L's team's target in terms of added value.
- Q4 return was -0.7%, almost equal to the benchmark of -0.8%; YTD return was 2.4%, above the benchmark of 1.3%.

### Real Estate – Q3 2024

- The Canadian Commercial Real Estate market remained stable in the third quarter.
- For the third quarter, the fund was up 1.0%, which was slightly above the benchmark. YTD, the fund finished 2.5% below the performance benchmark or 4.8%. The fund includes over 321 properties with over 91% occupancy.
- The Plan participated in a Capital Call in November, purchasing (a) a multi-family residential property built in 2023 in downtown Montreal with 248 units; (b) two shopping centres; one in Saskatoon over 98% leased and the other in Guelph, Ontario which is 100% leased.

### Infrastructure – Q3 2024

- The Fund was up 0.7% in the second quarter, below the benchmark of 1.1%; YTD, the Fund is up 5.3% below the benchmark or 5.5%.
- As of the 9 months ending September 30, 2024, the fund would have returned 7.7%, net fees and expenses.
- The Plan participated in two capital calls in December, two wind projects were acquired in Ontario that produces approx. 330 megawatts of power.

### Economic Picture & Outlook

- In 2025, barring widespread tariffs, the expectation is for economic growth both in Canada and the US to remain positive.

- The Bank of Canada's policy rates are 2% lower than were at the beginning of 2024. Due to the Bank of Canada's early and aggressive reduction of interest rates, this will hopefully support the economy for the remainder of 2025.
- The key risks to the outlook are the tariffs on Canadian exports to the US and US inflation potentially reaccelerating. 75% of Canadian products that are exported go to the US, a 25% blanket tariff would be detrimental to the Canadian economy. This could lead to a 1% to 4% hit to the GDP which could lead to higher inflation.

### Asset Class Positioning

- **Fixed Income:** Opportunistic duration management, modest yield curve steepening bias following tariff threat, underweight pipelines and telecommunications.
- **Systematic Canadian, US and Emerging Markets Equity:** Investment opportunity and risks remains close to its long-term average level.
- **Fundamental Equities:**
  - Value: Continue to focus on attractively valued companies with attractive risk-adjusted upside potential.
  - Growth: Balanced cyclical exposure remains given the dynamic nature of the current environment.
- **Real Estate & Infrastructure:**
  - Real Estate: Selectively finding attractive opportunities in strong assets with stable cash flows, active management of the portfolio that looks to deliver stable income returns and preserve long-term capital returns.
  - Infrastructure: Continued focus on portfolio diversification by sector, counterparty, contract type and geography.

Andrew from Eckler raised a question in regards to the pension fund being on a tri-annual valuation cycle and the next evaluation is due at December 31, 2025. If the tariffs do take effect, how quickly would it impact the stock markets and especially the pension fund. Would it be instantaneous or a couple of weeks or a couple of months or 6 months or longer for the economy to slow down?

Lizanne from CC&L noted that this was a very difficult question to answer at this moment. The current situation is very evolving and fluid with a lot of uncertainty.

## 4.0 NEW BUSINESS

### 4.1 Funded Status Update as at December 31, 2024 & Estimated COLA FOR 2025

- A funded status update is usually presented at this time in anticipation of a funding valuation and for the purpose of cost-of-living increases.

- This presentation will cover the Market Update, the 2025 Cost of Living Increase and the December 31<sup>st</sup>, 2024 Projected Funded Status.

### Market Update

- This information is preliminary as it is based off the CIBC custodial statements as the draft audit statements are not yet available.
  - The rate of return before expenses is 15.4%
  - The rate of return net of expenses is 14.7%
  - On a smoothed basis on the actuarial value return is 6.0%
- The change in inflation for the year is 1.8%.
- Bond yields fluctuated throughout 2024. The yield curve remains fairly flat.

### Historical Bond Yields

- Bond yield rates have been somewhat stable for the last couple of years up to December 2024.
- Annuity purchase rates are up 13-basis points which is good as solvency liabilities will be lower. Since December 31, 2022's actuarial valuation, the annuity purchase rate has been down 19 basis points.
- There has not been much of a change in ultimate commuted value rates after 10 years; but the short-end rates have decreased since the beginning of 2024 by 60 basis points. From 2022 to 2024, the rates have decreased 20 basis points.
- The Annuity Purchase Rate two years ago was 4.91%, since December 2022, it has dipped to 4.59% and currently it is at 4.72%.
- Andrew noted the Actuarial Valuation does not need to be filed until December 25, 2025. He posed the question if the Pension Trustees would like to the Actuarial Valuation a year early at December 24, 2024 due to unknown impact of tariffs on the stock markets and the probable volatility for the remainder of 2025. If the Trustees decide to do an Actuarial Valuation in December 2024, the next Actuarial Valuation will not need to be completed until December 2027.
- Eckler would need to know in advance as they would be tasked with completing an extrapolation. Eckler is paid for computations for the Financial Statements so if the Trustees decide that they would like to have an Actuarial Valuation at a later date, there would be a separate cost for the completion of the extrapolation.
- The Pension Trustees discussed this topic in great detail and decided to make a decision after the 2025 Cost of Living numbers were reviewed.

### 2025 Cost of Living Increase

- The numbers in this presentation were also based on a custodial statement; the funded rate of return is not 100% final.

- The four-year Average Rate of Return is 6.03%. The Excess of Average Return is 0.03%. The average COLA is \$0.70 per month on a \$2,300 monthly pension.

**Action: Final COLA numbers to be confirmed at the April 23<sup>rd</sup> Trustees meeting.**

- Once the current statements have been received, the updates will be sent out most likely before the April Trustees' meeting.
- The Estimated December 31, 2024, Funded Status in the package is using the new extrapolation using the amended valuation report which takes into account the Plan Amendment. The December 2023 information shown was not available at this time last year as the Plan Amendment was not yet in effect. The condition is met and the increase for 2025 to the maximum pension is in effect.
- The Funded Status slide showed the impact of leaving the interest rate at 5.50% or lowering it to 5.40%. Andrew discussed both scenarios and noted that if a valuation was to be completed, the Trustees would need to discuss which interest rate would be better.
- The Plan Amendment provides that the maximum pension is 63% of the Income Tax Act Defined Benefit Dollar Limit. For 2025, the DB Dollar Limit is \$3,756.67. The funded ratio is above 105% so the maximum pension for anyone retiring in 2025 is \$2,370 per year of service.

The Chair asked the Pension Trustees if anyone wished to make a motion that the Trustees recommend that Eckler does an actuarial valuation for December 31, 2025. The Trustees agreed to defer the decision of the December 31, 2025 Actuarial Valuation until the April 23, 2025 meeting.

**Action: Donna to add the next December 31, 2025 Actuarial Valuation agenda for discussion.**

## **5.0 CONTINUING BUSINESS**

### **5.1 Eckler Pension Presentation – BU Staff & Faculty (Update)**

- Allison noted that everyone that attended appreciated the sessions. People appreciated the option of the evening sessions although they were not well attended.
- Nicky also noted that there were approximately 50 people in attendance for all 3 sessions. A recording and a hard copy of the presentation is available on the HR website. There were questions following the information sessions that will be available on the HR website shortly under FAQs.
- It was suggested that these sessions be run annually in late Fall.

## **6.0 CORRESPONDENCE**

### **6.1 CIBC Mellon Custodial Fees – Invoices**

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 6.4.

CARRIED

**7.0 UPCOMING MEETING DATES**

Wednesday, April 23, 2025	1:00 – 4:00 p.m.	Clark Hall Room 104
Wednesday, June 4, 2025	1:00 – 4:00 p.m.	Clark Hall Room 104
Wednesday, November 20, 2025	1:00 – 4:00 p.m.	Clark Hall Room 103

**8.0 ADJOURNMENT**

Motion: Moved and Seconded (A Noto/D Pickering)

BE IT RESOLVED THAT THE Brandon University Retirement Plan Pension Trustees approved adjournment of the meeting at 3:01 p.m.

CARRIED

**Brandon University Retirement Plan  
Board of Trustees**

Change in Pension Trustee Membership – Member Release Motion

Motion: Moved and Seconded (\_\_\_\_\_/\_\_\_\_\_)

BE IT RESOLVED THAT THE Brandon University Retirement Plan Pension Trustees remove Eric Raine as one of the four signing officers. The three remaining signatories will be David Taylor, Peter Hickey and Allison Noto.

**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:



**ECKLER**

# Brandon University

December 31, 2024 Funded Status Update

April 2025

# Agenda

1. Market update
2. 2025 Cost of Living Increase \*UPDATED\*
3. Dec. 31, 2024 Projected Funded Status

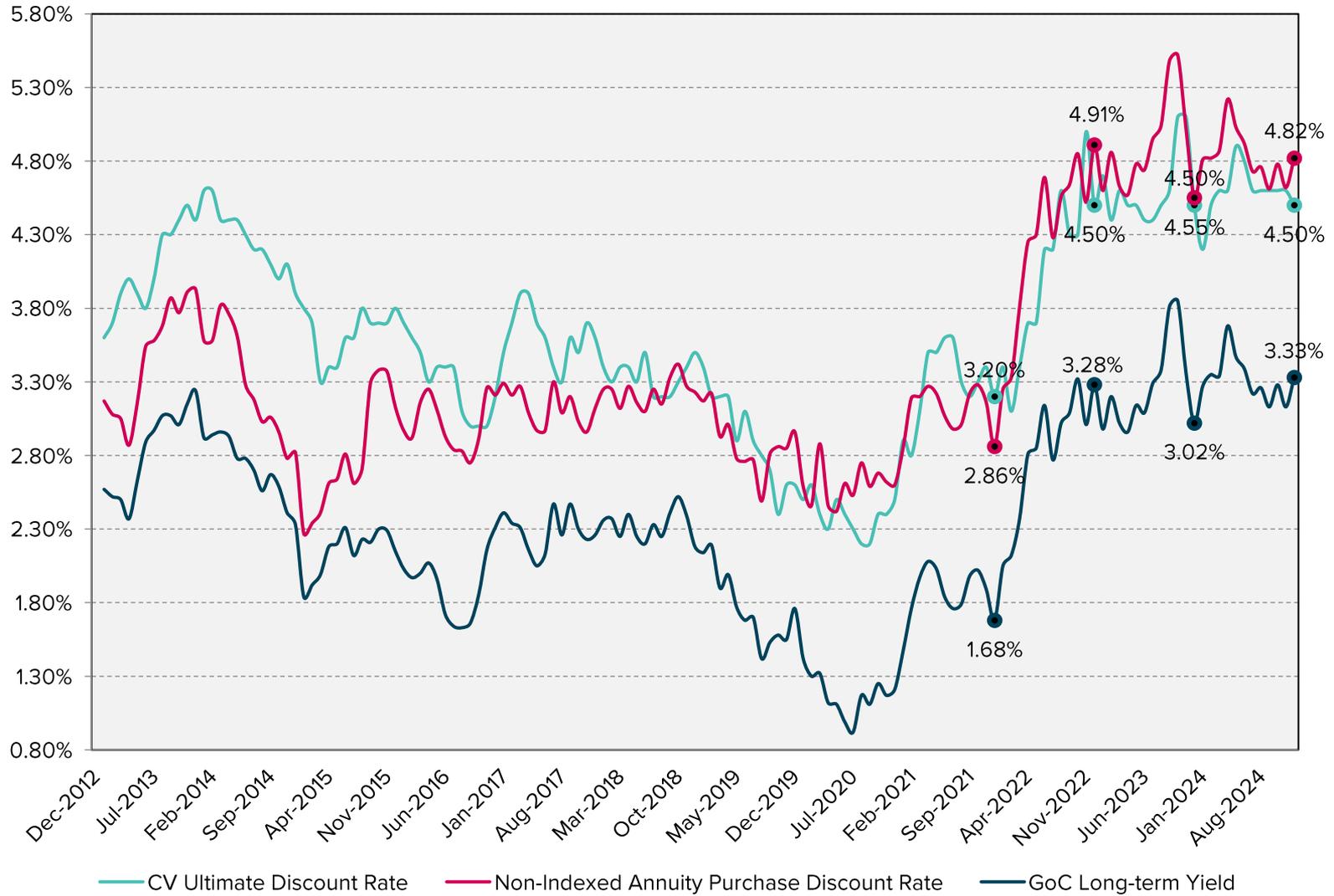


# Market Update

- Net fund return in 2024 based on CIBC statements
  - Market value rate of return before expenses: 15.4%
  - Market value rate of return net of expenses: 14.7%
  - Actuarial value (smoothed) return: 6.0%
- Change in CPI in Canada of 1.8%
- Bond yields fluctuated throughout 2024
  - Yields increased during the first half of the year then dropped in the second half
  - Long term yields ended the year around the same place they started the year
  - Short term yields are down

# Historical Bond Yields

## 4.1 Funded Status Presentation (Eckler)



- Increase in annuity purchase rate in 2024:
  - Rate is up 13bp in 2024 (decrease solvency liabilities)
  - Rate is down 19 bp since Dec. 31, 2022 valuation (increase solvency liabilities)
- Decrease in commuted valued rates at short end:
  - Select CV rate (first 10 years) decreased 60 bp in 2024 (increase solvency liabilities)
  - No change to ultimate CV rate (after 10 years)
  - Select CV rate 20 bp lower than the select CV rate at December 31, 2022 (increase solvency liabilities)

- Consider filing valuation as at Dec. 31, 2024 to avoid filing at Dec. 31, 2025
  - Unknown impact of tariffs on markets and volatility for remainder of 2025
    - Threat of tariffs from US temporarily averted
  - Next required actuarial valuation as at Dec. 31, 2025
  - Strong market returns in 2023 and 2024
    - Estimated funded ratio as at December 31, 2024 is 107.1% using 5.4% discount rate (108.4% using 5.5% DR)
  - Would provide the University with three years of contribution stability
    - Next required valuation would be Dec. 31, 2027

# 2025 Cost of Living Increase

\*\*UPDATED\*\*

# 2025 Cost of Living Increase

4.1 Funded Status Presentation (Eckler)

Year	Net Investment Return	4-year Geometric Average Return	Excess of Average over 6%	December CPI	Increase in CPI	Actual COLA	COLA Enhancements for Prior Years' Capped Increases	Effective Date of COLA Increase	Calculated Excess Above CPI
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	-12.67%	7.17%	1.17%	153.1	6.3%	1.17%	0.00%	01-Jul-2023	0.00%
2023	11.66%	5.75%	0%	158.3	3.4%	0%	0.00%	01-Jul-2024	0.00%
2024*	14.96%	6.08%	0.08%	161.2	1.8%	0.08%	0.00%	01-Jul-2025	0.00%
<b>2025 breakeven</b>	<b>12.62%</b>	<b>6.00%</b>						<b>01-Jul-2026</b>	

\* Preliminary net investment return based on custodian statement.

# Dec. 31, 2024 Projected Funded Status

# Estimated Dec. 31, 2024 Funded Status

4.1 Funded Status Presentation (Eckler)

(\$'000s)	5.50% Dec. 31, 2023	5.50% Dec. 31, 2024	5.40% Dec. 31, 2024
Going Concern Surplus	\$17,501	\$19,436	\$16,659
Going Concern Funded Ratio	107.8%	108.4%	107.1%
	<b>2024</b>	<b>2025</b>	<b>2025</b>
Estimated Members' Pensionable Earnings	\$39,882	\$41,078	\$41,078
University Service Cost as a % of Pensionable Earnings	12.55%	12.60%	13.00%
University Service Cost as a % of Member Contributions	199.3%	168.1%	173.4%
Estimated Member Contributions	\$2,512	\$3,080	\$3,080
Estimated University Service Cost	\$5,006	\$5,176	\$5,342
Estimated Total Service Cost	\$7,518	\$8,256	\$8,422
Use of Available Actuarial Surplus ("AAS")	\$1,443	\$1,483	\$1,641
Min. University Contribution after AAS	\$3,563	\$3,693	\$3,701

# 2025 Increase in Maximum Pension

- Plan amendment 24-01 provides that:
  - Maximum pension is 63% of ITA DB Dollar Limit (\$3,756.67 for 2025)
  - Applies to service accrued after Dec. 31, 2022
  - Increase is contingent on funded ratio  $\geq 105\%$
  - Automatic increase is determined one year in advance
  - Funded ratio measured using funding valuation discount rate
- Dec. 31, 2023 funded ratio is 107.8%
  - Increase for 2025 is confirmed
  - Maximum pension effective January 1, 2025 is \$2,370
- Preliminary Dec. 31, 2024 funded ratio is 108.4%
  - Automatic increase for 2026 would apply
  - If a funding valuation at Dec. 31, 2024 is performed and filed, the funded ratio from that valuation would apply for 2026

# ECKLER

**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	-12.67%	7.17%	1.17%	153.1	6.3%	1.17%	0.00%	01-Jul-2023	0.00%
2023	11.66%	5.75%	0.00%	158.3	3.4%	0.00%	0.00%	01-Jul-2024	0.00%
2024	14.96%	6.08%	0.08%	161.2	1.8%	0.08%	0.00%	01-Jul-2025	0.00%
2025 breakeven	12.62%	6.00%	0.00%					01-Jul-2025	

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