



2021 CONVENTION REPORT

The Trustees of the CMAW Target Pension Plan (CTPP) are pleased to present this report to Convention. This report provides an update on the CTPP, including a summary of changes since the last Convention in 2018.

The plan's financial position remains stable

At least once every three years, the plan actuary is required to perform a valuation of the plan. A valuation helps the Trustees determine the plan's financial health. The most recent valuation was completed as at June 30, 2019.

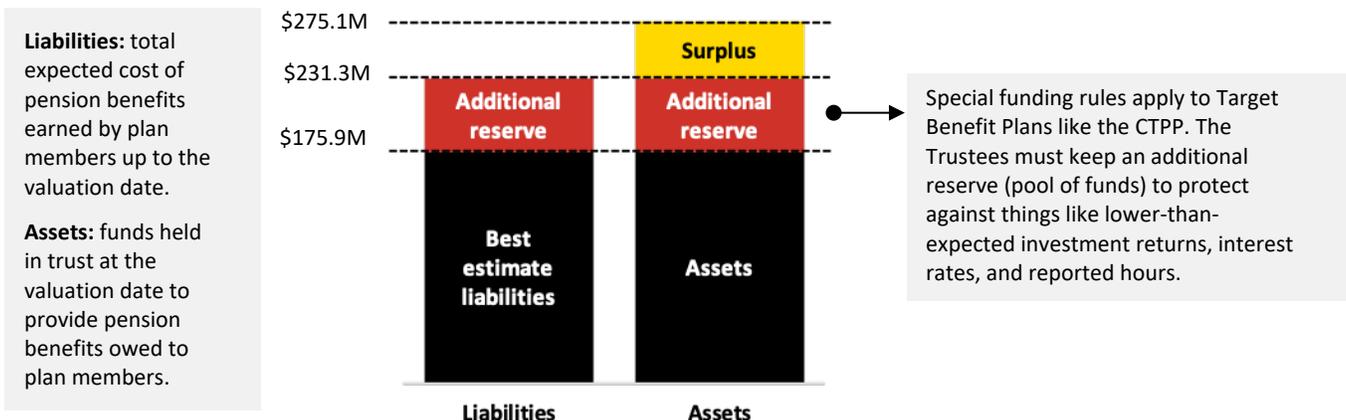
The plan is well funded

The plan continues to be in a strong position to withstand challenging conditions, such as fluctuations in the market and increased life expectancy.

As at June 30, 2019, the plan had \$231.3M of liabilities and \$275.1M of assets. This means the funded status of the plan was **119%** (including an additional reserve to protect against negative experience), which indicates a healthy financial position. There are more than enough funds (assets) to pay for all expected pension benefits (liabilities). Good investment returns, stable membership, and strong reported hours are all factors that fuel the performance and stability of the plan.

In this report:

- The plan's financial position
- 2020 benefit improvement
- Investment performance update
- The plan's future outlook
- Your Trustees



2020 benefit improvement

In September 2020, the Trustees passed a motion to increase plan members' accrued pension, while continuing to ensure that the plan is sustainable over the long term.

Pension increases:

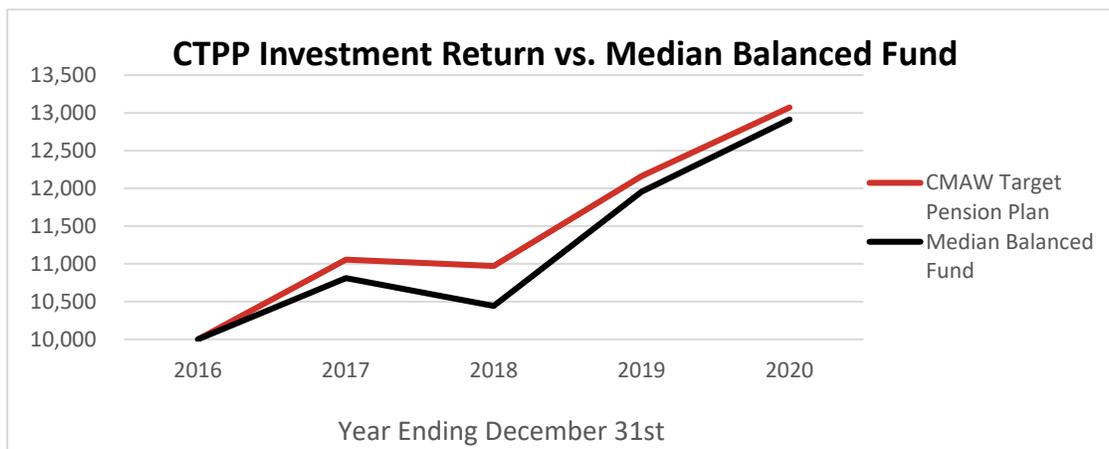
Retired members effective January 1, 2021	Active and deferred members effective January 1, 2021
3.4% increase to pensions accrued before July 1, 2010 for retired members	2.7% increase to pensions accrued before July 1, 2010 for active and deferred members
2% increase to pensions accrued between July 1, 2010 and June 30, 2020 for retired members	2% increase to pensions accrued between July 1, 2010 and June 30, 2020 for active and deferred members

Details on the benefit improvement and sample benefit increase calculations can be found at <http://www.cmaw.ca>.

Accrued pension: the amount of pension a member has earned based on their reported hours while they were a plan member, adjusted for historical benefit reductions and improvements, if applicable.

Investment performance – December 31, 2020

The plan's investments continue to perform well. COVID-19 caused significant turmoil in the financial markets in 2020, but the plan's investment performance was strong at 7.5%, exceeding the valuation assumed return of 5.6%. The plan's 4-year average rate of return as at December 31, 2020 was 6.9%, which exceeded the 4-year median balanced fund average rate of return of 6.6%. The graph below shows the cumulative investment return of the plan fund and the median balanced fund assuming an initial investment of \$10,000 at December 31, 2016.



What is the median balanced fund?

We compare the plan's investment performance to the median balanced fund, which approximates the average return that a typical retail investor or small pension fund may have earned over the same period.

The plan's future outlook

Despite the COVID-19 pandemic, the plan's performance has remained strong.

Reported hours have been relatively stable. There was a decline in reported hours in 2020 as some projects were delayed or put on hold. Reported hours may continue to fluctuate in the short-term, but are expected to return to previous levels over time as projects resume and members are able to return to work in full capacity.

Strong reported hours improve the long-term sustainability of the plan and help better withstand fluctuations in the financial markets.

The Trustees will continue to monitor the financial health of the plan to ensure a high level of benefit security and long-term sustainability for all beneficiaries.

The next full valuation is scheduled to be completed as at June 30, 2022.

Your Trustees

Jessie Gregory (Chair) Kootenay	Chris Wasilenchuk Vancouver & Lower Mainland	Barbara Bachmeier Central	Michele Banducci Vancouver & Lower Mainland	Blair Rawlings Thompson Okanagan	Mikael (Mike) Jensen Northwest	Shawn Delaney Vancouver Island
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