



Municipal
Pension Plan

Report to Members



An important update on your plan

Taking actions to strengthen your plan

MESSAGE FROM THE TRUSTEES

After two years of global uncertainty and extreme weather events in BC, you may be, like many others, looking for stability and strength. One thing you can rely on is your plan. As your Municipal Pension Board of Trustees, we take many steps to ensure the plan provides a dependable income in retirement for members today and into the future.

Implementing changes for an equitable and sustainable plan

Plan changes—the largest in 50 years—started on January 1, 2022. The changes improve equity for members and align benefits with how members use those benefits. The changes also maintain a strong foundation for the sustainability of the plan and stay within the current costs to run the plan. To learn more, visit the plan website at mpp.pensionsbc.ca/plan-changes.

Managing investment risk over the long term

Managing risk over the long term is fundamental to growing and protecting the plan's fund. We believe companies that consider environmental, social and governance (ESG) matters have less risk and generate long-term value. BCI, our investment management agent, integrates ESG considerations into its investment analysis, decisions and processes. You can learn about the plan's investment approach by reading the investment information on the plan website.

Executing our climate action strategy

We continue to evolve our approach to responsible investing and stewardship generally, and climate change specifically. We're making good progress on our climate-related initiatives:

- We published our second climate-related financial disclosure in the *2020 Annual Report*. Visit the plan website to read the report.
- In collaboration with BCI, we act on our beliefs through involvement in investor-led initiatives, such as Climate Action 100+, which engages with the world's largest emitters to curb emissions.
- We advocate for climate action through investor letters.
- Our carbon footprint of investments is below or near benchmarks.

A stronger, more secure future

The steps we take don't end here. We continue working to ensure the plan is secure and our good governance practices maintain the plan's sustainability so that you can have confidence in your plan in the years to come.

Year at a glance (\$ millions)

66,480 + 7,835 + 2,532 – 2,504 – 178 = 74,165

Net assets
January 1, 2021

Investment income

Contributions

Benefits
payments

Investment and
administration costs

Net assets
December 31, 2021

Important changes to your pension

EFFECTIVE JANUARY 1, 2022

Plan rule amendments nos. 54 and 55 were approved by the board to make the plan more equitable and sustainable. For more information, visit the *Plan changes* section on the plan website.

Canada Labour Code leaves of absence

Plan rule amendment no. 56 clarified that members who work for federally regulated employers in the plan may purchase a leave of absence that falls under the *Canada Labour Code*.

Early retirement and commuted value transfers

Plan rule amendment no. 57 clarified that members who terminate employment within 90 days before (rather than after) their earliest retirement age can choose to transfer their commuted value.

Join the **annual general meeting**
on **October 13, 2022**
More info at mpp.pensionsbc.ca

New reasons for taking a COVID-19-related leave

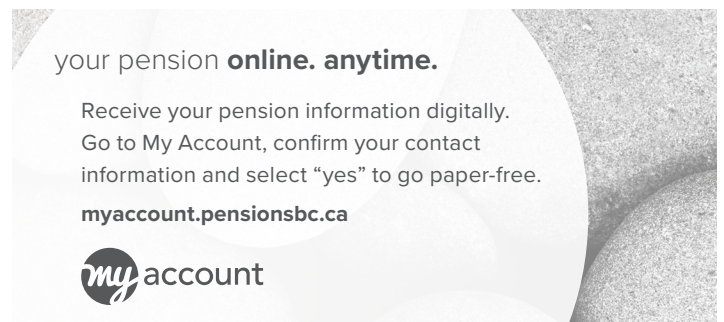
EFFECTIVE APRIL 1, 2021

The BC government expanded the circumstances under which employees are eligible for a COVID-19-related leave. Members may purchase service for this leave.

Ability to buy periods of layoff

EFFECTIVE JUNE 23, 2021

Members who are currently working can buy periods of layoff that began on or after January 1, 2020, as a general leave of absence.



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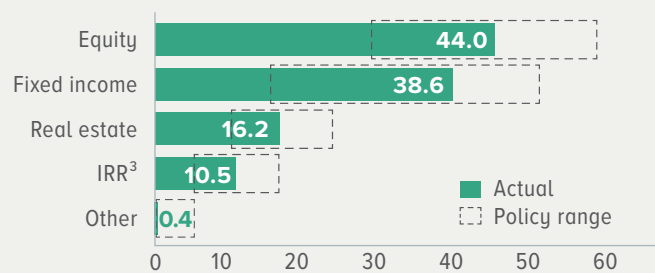
myaccount.pensionsbc.ca

my account

PLAN PERFORMANCE¹

The information here is an overview of the plan's financial status. For audited financial information and statements, read the *2021 Annual Report*, available on the plan website in August 2022.

Asset allocation (%)² as at December 31, 2021



1 These highlights are preliminary and unaudited
2 Total percentages do not add to 100% due to leverage
3 Infrastructure and renewable resources

For the plan's full investment strategy, see the Statement of Investment Policies and Procedures (SIPP), on the plan website at mpp.pensionsbc.ca/governance-documents. The SIPP provides objectives, policies and principles for plan asset management.

Net assets available for benefits (\$ billions)

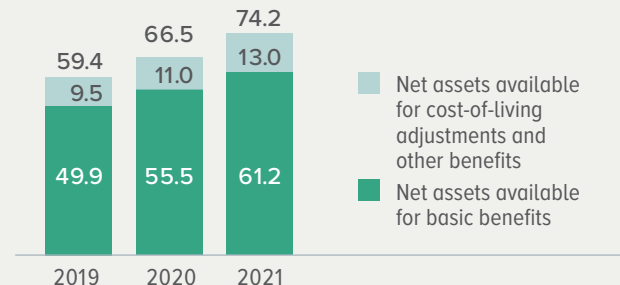


Photo: **Ravneet Dhillon**, plan member

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Reg. T.M. Municipal Pension Board of Trustees