



ANNUAL REPORT – DECEMBER 31, 2020

For the ELECTRICAL INDUSTRY PENSION TRUST FUND OF ALBERTA



ECAA

Electrical Contractors
Association of Alberta

Plan Administrator:

Employee Benefit Funds Administration Ltd.

4211 – 95 St NW

Edmonton, Alberta Canada T6E 5R6

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ELECTRICAL INDUSTRY PENSION TRUST FUND OF ALBERTA

To: All Plan Members, Pensioners and ECAA Contributing Employers

We are pleased to present our Annual Report highlighting the activities and progress of the Pension Fund to December 31, 2020.

This Fund results from Collective Agreement between Local Union 424 of the International Brotherhood of Electrical Workers and the Electrical Contractors Association of Alberta. The Pension Fund is for the benefit of those Employees working for unionized contractors and is supported solely by Employer Contributions.

In 2020, 279 new Pensioners and Beneficiaries were awarded monthly pensions. This makes a total of 3,936 Pensioners and Beneficiaries who received pension benefits as of December 31, 2020. In addition, 363 commuted values were paid to terminated Plan Members, former Spouses, and Beneficiaries. The 2020 annual rate of return on Pension Fund assets was 8.7% and the year-end balance was over \$1.4 billion.

An actuarial valuation was completed by the Pension Fund's Actuary showing the status of the plan as at December 31, 2019. The valuation was filed with the Superintendent of Pensions.

The Plan Booklet and the *Question and Answer* FAQ were updated effective February 1, 2020.

In response to the pandemic, the Fund Office closed on March 13, 2020 to in-person services. Changes were made in the way services were provided to Plan Members. *Pension Applications*, *Death Benefit Applications (both pre and post retirement)* and the *Registration and Declaration of Beneficiary Forms* were approved for submission by facsimile or email. The Superintendent of Pensions EPPA Update 20-01 allowed for the extension of deadlines for the annual Statements due to the COVID-19 pandemic. The Post Pension Statements were mailed in June and the Pension Statements were mailed in October.

All funds were withdrawn from Paradise Investment Management and rebalanced with other investment managers.

The Fund's Statement of Investment Policies and Procedures was amended and restated as of April 7, 2020.

An actuarial valuation was conducted as of December 31, 2019. The valuation showed the Fund to be in a solid financial position being funded at 105.5% on a going concern basis and 116.6% on a solvency basis.

The Trustees approved an amended Funding Policy for the Plan.

In the fall of 2020, the Trustees approved the terms of reference for a review of their Governance Plan in the fall of 2020.

2020 was a time of change for the Board of Trustees. There were resignations from William Munro and three long-time Employer Trustees, Robert Lynn, Elver Olsen, and Arthur O.R. Thormann. Their vacancies were filled by Brian Townsend, Kelly E. Morris, Timothy Brower, and Brian Halina, respectively. It is with great sadness to note former Trustee Elver Olsen passed away in August 2020.

Audits have been performed on the records of the Fund. The complete Financial Statements are kept on file at the Fund Office.

Yours very truly,

BOARD OF TRUSTEES

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

For the Year Ending December 31, 2020 (in thousands)

Additions

| | | |
|----------------------|----|----------|
| Contributions | \$ | 21,275 |
| Investment Income | | 33,821 |
| Gain on Investments | | 112,574 |
| Admin Fees and Other | | <u>8</u> |

Total Additions 167,678

Deductions

| | |
|-------------------------|--------|
| Retirement Benefits | 45,313 |
| Termination Benefits | 6,030 |
| Death Benefits | 1,127 |
| Investment Expenses | 8,677 |
| Administration Expenses | 1,078 |
| All other Expenses | 550 |

Total Deductions 62,775

Increase in Net Assets **104,903**

Net Assets Available for
Plan Benefits at Beginning of Year 1,324,491

Net Assets Available for
Plan Benefits at End of Year \$ 1,429,394

STATEMENT OF FINANCIAL POSITION

As at December 31, 2020 (in thousands)

Assets

| | | |
|------------------------------|----|------------|
| Cash and Cash Equivalents | \$ | 15,554 |
| Contributions Receivable | | 1,674 |
| Harmonized Sales Tax Rebate | | 74 |
| Investment Income Receivable | | 3,316 |
| Investments | | 1,410,249 |
| Prepaid Expenses | | <u>162</u> |

Total Assets **1,431,029**

Current Liabilities

| | | |
|------------------|--|--------------|
| Accounts Payable | | <u>1,635</u> |
|------------------|--|--------------|

**Net Assets Available
For Plan Benefits** **\$ 1,429,394**

Actuarial Valuation as at December 31, 2020

Going-Concern Surplus \$71,008,000

The Plan is 105.5% funded on a going- concern basis as at December 31, 2020.

Solvency Excess \$ 202,674,000

The Plan is 116.6% funded on a solvency basis as at December 31, 2020.

Trustees' Fees and Expenses

Trustees are paid for attendance at Board Meetings, teleconferences educational conferences and time spent on specified Fund business, in accordance with an established remuneration policy. In addition, Trustees are reimbursed for reasonable expenses, travel, meals and accommodations required as a result of the duties assumed. In 2020, there were 20 Board of Trustee meetings (held both in-person and virtually), 7 committee meetings. No educational conferences were attended due to COVID-19 pandemic. (In 2019, there were 9 Board of Trustee meetings, 12 teleconferences, 2 committee meeting and 4 education conferences attended.)

| | 2020 (in thousands) | 2019 (in thousands) |
|------------------|-------------------------------|-------------------------------|
| Trustee' fees | \$ 165 | \$ 186 |
| Trustee expenses | <u>9</u> | <u>17</u> |
| Total | \$ <u>174</u> | \$ <u>203</u> |



Board of Trustees (January 1, 2020 – December 31, 2020):

Timothy Brower¹
Brian Halina¹
Robert Lynn²
Kelly E. Morris³
William Munro⁴
Elver Olsen⁴
Michael A. Reinhart
Ken Sieben
Arthur O.R. Thormann⁴
Brian Townsend¹

¹ Appointed effective July 1, 2020

² Term ended February 29, 2020

³ Appointed effective June 8, 2020

⁴ Term ended June 30, 2020

Actuary:

Ellement Consulting Group

Investment Managers:

Brookfield Asset Management (Global Real Estate, Private Debt, Infrastructure)
CBRE Caledon Capital Mgmt. (Infrastructure, Private Equity)
Fiera Capital Corporation (Global Equity)
Global Infrastructure Partners (Infrastructure)
IFM Investors, LLC (Infrastructure)
J.P. Morgan Asset Management (Infrastructure)
Letko Brosseau (Canadian Equity)
Lincluden Investment Management Limited (Canadian Equity)
MGG Investment Group LP (Private Debt)
Macquarie Infrastructure and Real Assets Inc. (Infrastructure)
Paradice Investment Management Pty Ltd. (Global Equity)⁵
Phillips, Hager & North Investment Management Ltd. (Bonds)
Romspen Mortgage Investment Corporation (Private Debt)
State Street Global Advisors Ltd. (Private Equity)
Sustainable Growth Advisers LP (Global Equity)
TD Asset Management (Canadian Real Estate)

⁵ Agreement Terminated Effective March 31, 2020

Investment Consultant:

Ellement Consulting Group

Custodian:

RBC Investor Services Trust

Auditor:

Donnelly & Co. LLP

Legal Counsel:

Warren Benson Amantea LLP