

2019-20 PENSION ANNUAL REPORT

Including financial statements



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On the cover: The cover highlights how Brock is turning a new page, as it was chosen to host the 2022 Canada Games – strengthening its global and Canadian partnerships.

This report is designed to describe, in simple terms, the Brock University Pension Plan and related matters for eligible employees as at June 30, 2020. It has been prepared for informational purposes only. Subject to legislation and collective bargaining, as applicable, future amendments may be made to the Plan. If there is a discrepancy between this report and the official Plan text, or questions of interpretation arise, the official Plan text will prevail. The official Plan text, as amended from time to time, is available on request in the Human Resources office.



Message from the Chair

Glenn Skrubbeltrang, Chair, Pension Committee

I would like to take this opportunity to welcome you to the 2019-2020 Annual Pension Report. This year has been difficult, to say the least. It has been a time of togetherness, while being apart. Distancing from our family, our friends and colleagues has added new challenges to every aspect of our lives.

Despite the challenges, the Brock community continued to move forward, and the pension year continued uninterrupted. Pension Committee meetings were held virtually as originally scheduled, pension statements were finalized and delivered, and a successful live streamed event was held for the Annual Meeting for pension plan members.

As always, none of this could have been accomplished without the skills, knowledge and commitment of the Pension Committee members. Made up of Plan stakeholders, the Pension Committee dedicate their time both in the meetings and through work outside meetings to the oversight of the Plan. This work is guided and supplemented by the vital contributions of Finance and Human Resources staff.

We will continue to provide information on legislative changes and new initiatives in the pension world. The Pension Committee and supporting staff continue to monitor changing aspects in the pension world and work diligently to govern in a way that is consistent with legislation and the governance principles adopted by the University. We hope you find this report informative. A detailed description of the Brock Pension Plan is available under the Pension link of the Human Resources website. If you have any questions related to the Pension Plan or retirement, contact pension@brocku.ca



Planning for your retirement



The Brock University Pension Plan (the “Plan”) is an important part of an eligible employee’s compensation package from the University. This will become a major pillar of support for employees who have worked a large portion of their work career at Brock University. The financial support structure for many retired Canadians will consist of three main areas: Government Programs (Canada Pension Plan, Old Age Security and Guaranteed Income Supplement), Registered Savings vehicles (Registered Retirement Savings Plans [RRSPs] and Tax Free Savings Accounts [TFSA]) and Employer Sponsored Registered Programs [Group RRSP and Pension Plans.] In addition, income may be supplemented through retirement by other means, such as part-time work, home equity and non-registered savings.

Early planning is critical to making the transition from work to retirement successful and less stressful. Retirement income comes from numerous sources and it is important to consider tax implications when making retirement decisions. Most employees making this transition engage a qualified advisor (i.e. tax advisor, financial advisor) during their planning process. Service Canada provides valuable details pertaining to the government pension and retirement payment programs, which can be accessed at the following website:

canada.ca/en/services/benefits/publicpensions.html

You can obtain a copy of your Canada Pension Plan Statement of Contributions by signing into your “My Service Account” at the following location:

canada.ca/en/employment-social-development/services/my-account.html

Retirement planning resources and opportunities available to employees through the University include:

- **Annual pension statement** – Active and deferred Plan members receive an annual pension statement (to be provided on or before Dec. 30 of each year). The annual statement provides values as at Plan year end (June 30). The values provided include the defined contribution account balance, accrued pension as at June 30 and estimated pension amounts as at normal retirement date (age 65).
- **Brock Pension Estimator** – The Brock Pension Estimator is available to active Plan members via their employee portal. Employees can use the tool to perform pension estimates for various retirement dates and to access their annual pension statements.
- **Brock University Pension Plan Information Booklet** – The pension booklet located at brocku.ca/human-resources/wp-content/uploads/sites/81/Brock_BUPP_booklet_web.pdf contains detailed information on the operation of the pension plan and the pension benefit.
- **Pension information sessions** – Human Resources conducts information sessions throughout the year that explain the hybrid plan structure, pension benefit calculation and options, as well as the pension adjustment process.
- **Retirement planning meetings** – Employees can arrange confidential meetings with Human Resources staff to discuss retirement-related items, including their pension benefit.

This report will provide you with an overview of Plan operation, governance, investments and financial status. In combination with the resources mentioned above, this information will contribute to improving your knowledge of the Plan and supporting your ability to plan for retirement. Detailed information on the Plan can be found in the Brock University Pension Plan Information Booklet.

How the Plan operates

Most pension plans are either:

Defined contribution: Provides a pension based on an individual's pension account balance, adjusted for investment performance over time; or

Defined benefit: Provides a clearly defined benefit based on specific factors, such as years of pensionable service and average earnings, upon retirement.

The Brock University Plan is a hybrid pension plan that provides a Money Purchase Pension (Defined Contribution), with an underlying Minimum Guaranteed Pension (Defined Benefit) that acts as a "safety net" in the event that the Money Purchase Pension falls below the Minimum Guaranteed Pension. When this occurs, the pensioner receives a supplemental payment on top of their Money Purchase Pension amount to bring them up to their Minimum Guaranteed Pension amount.

Required contributions

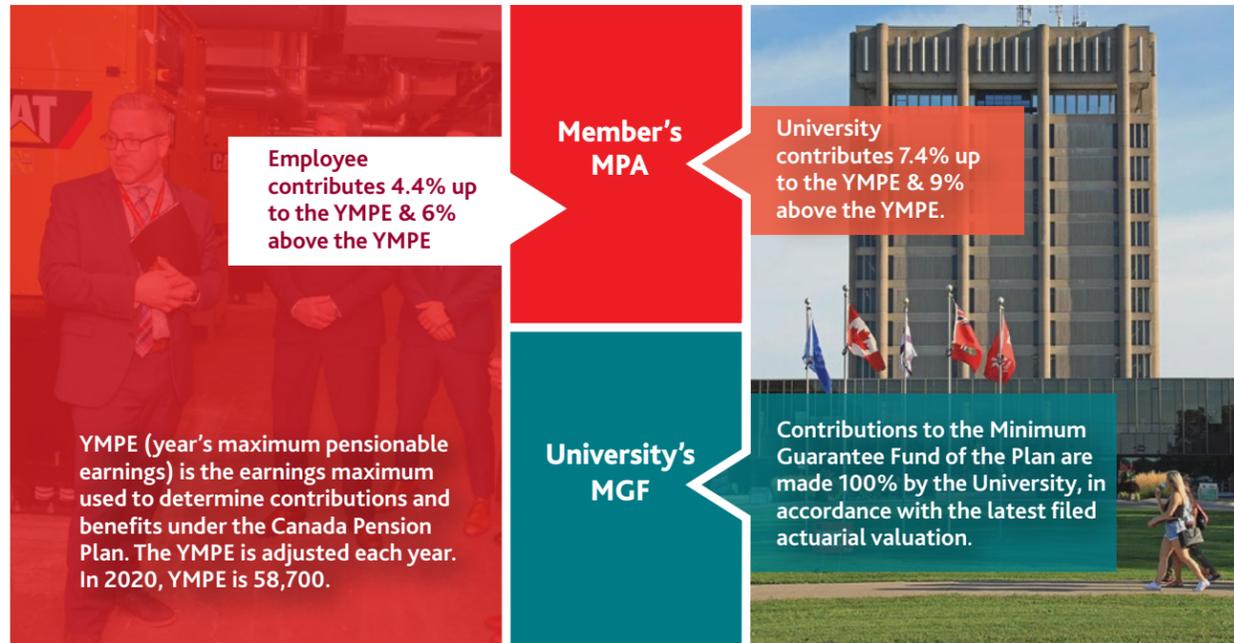
Both the employee and the University have certain contributions that they are required to make to the Plan.

Every employee enrolled in the Plan has a Money Purchase Account (MPA), which can be converted into a Money Purchase Pension at retirement. Both the employee and University contribute to this account as described in Figure 1.

In addition, the University contributes to the Minimum Guarantee Fund (MGF), which is used to provide supplemental payments to Plan members when the Money Purchase Pension has fallen below the Minimum Guaranteed Pension.

Figure 1

Contributions



Example 1

An employee's pensionable earnings are \$53,000 for the year (below the YMPE for 2020)

The employee contributes 4.4% on \$53,000 =	\$2,332.00
The University contributes 7.4% on \$53,000 =	\$3,922.00
Total contributions into your Money Purchase Account for the calendar year =	\$6,254.00

Example 2

An employee's pensionable earnings are \$73,000 per year (above the YMPE for 2020.)

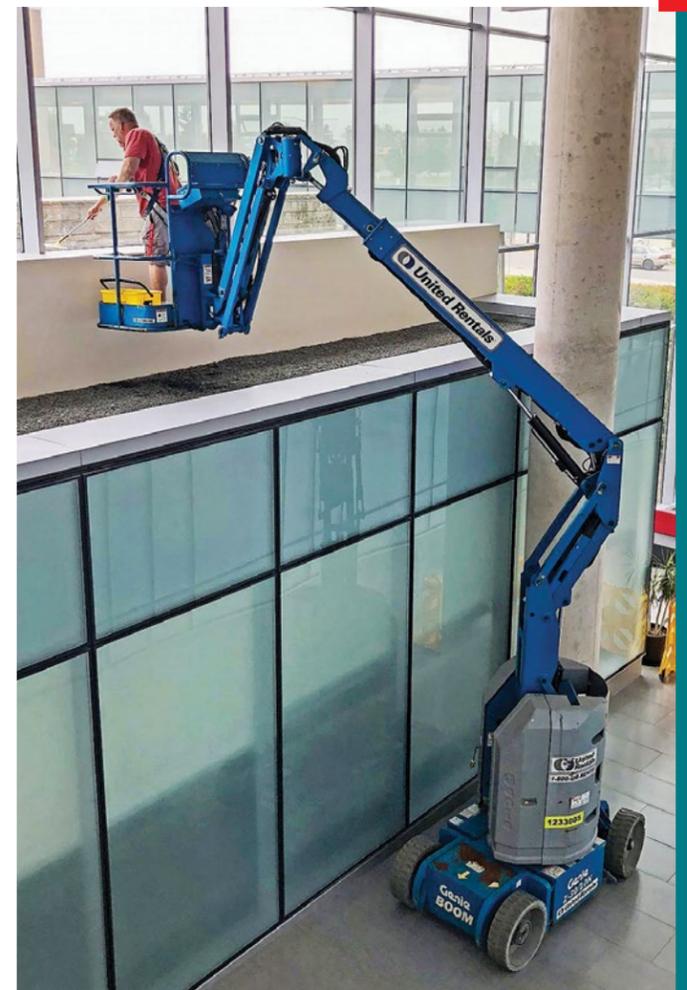
The member contributes 4.4% on earnings up to \$58,700 (YMPE) =	\$2,582.80
The member contributes 6.0% on earnings above the YMPE (\$73,000 - \$58,700 = \$14,300) =	\$858.00
The University contributes 7.4% on earnings up to \$58,700 (YMPE) =	\$4,343.80
The University contributes 9.0% on earnings above the YMPE (\$73,000 - \$58,700 = \$14,300) =	\$1,287.00
Total contribution into your Money Purchase Account for the calendar year =	\$9,071.6

(All contributions are subject to Income Tax Act maximums.)

Other employee contributions

Additional Voluntary Contributions: In addition to the required contributions, employees may elect to make Additional Voluntary Contributions to the Plan, which are subject to the Income Tax Act maximums.

Special Transfer Contributions: It may be possible for employees to transfer funds into the Plan from other registered pension plans that they had with a previous employer. This option can be explored by contacting pension staff at the University.



Calculation of the pension benefit at retirement

The Brock University Pension Plan is a hybrid plan. At retirement, the Plan member will begin receiving the Money Purchase Pension if greater, or the Money Purchase Pension plus a supplement from the Minimum Guaranteed fund equal to the excess of their minimum guaranteed pension over their Money Purchase Pension (to bring their total retirement income up to the Minimum Guaranteed Pension amount).

Money Purchase Pension: The member's Money Purchase Account provides a pension benefit based on the total contributions in the member's Money Purchase Account and investment returns. A member's starting Money Purchase Pension amount is determined by dividing their Money Purchase Account balance by an annuity factor, based on actuarial factors in effect at the time:

$$\frac{\text{Money Purchase Account}}{\text{Annuity factor}}$$

Minimum Guaranteed Pension: The Minimum Guaranteed Pension provides a pension benefit based on a predetermined formula, which considers a member's best five-year average pensionable earnings and years of pensionable service.

The formula is as follows:

$$1.7\% \times \text{best average earnings} \times \text{pensionable service} \\ \text{minus} \\ \frac{1}{35} \times (25\% \times \text{lesser of best average earnings or final average YMPE}) \times \text{pensionable service capped at 35 years}$$

The calculation is for the normal form of pension, which is a life pension guaranteed five years.

The following examples show how the pension benefit amounts are calculated for two sample members retiring at age 65.

Example 1

Emma is age 65, has a Money Purchase Account balance of \$370,000, best five-year average earnings of \$61,000 and 29 years of pensionable service. The final average YMPE is \$55,420. The annuity factor at the time of calculation for a member aged 65 is 12.2.

Money Purchase Pension
 $\$370,000 \div 12.2 = \$30,327$

Minimum Guaranteed Pension
 $(1.7\% \times \$61,000 \times 29) - \frac{1}{35} \times (25\% \times \$55,420 \times 29) = \$18,593$

Emma's annual pension
 In Emma's case, the higher pension is provided by the Money Purchase Pension; therefore, there is no supplemental payment from the Minimum Guarantee Fund.
 $\$30,327 + \$0 = \$30,327$

Example 2

Jakob is age 65, has a Money Purchase Account balance of \$670,000, best five-year average earnings of \$160,000 and 24 years of pensionable service. The final average YMPE is \$55,420. The annuity factor at the time of calculation for a member aged 65 is 12.2.

Money Purchase Pension
 $\$670,000 \div 12.2 = \$54,918$

Minimum Guaranteed Pension
 $(1.7\% \times \$160,000 \times 24) - \frac{1}{35} \times (25\% \times \$55,420 \times 24) = \$55,470$

Jakob's annual pension
 In Jakob's case, the higher pension is provided by the Minimum Guaranteed Pension and there is a supplemental payment from the Minimum Guarantee Fund.
 $\$54,918 + (\$55,470 - \$54,918) = \$55,470$

Pension benefit before or after age 65

Early retirement: Normal retirement age for the Plan is 65; however, members can begin receiving a pension as early as age 55, which will be actuarially reduced due to the early commencement of payment.

Postponed retirement: If a member continues working beyond age 65, contributions to the Plan continue until the earlier of their retirement date or Dec. 1 of the calendar year that they reach age 71. In accordance with legislation, the employee cannot continue to accrue pension benefit beyond the year that they reach age 71. If the employee continues to work at the University beyond Dec. 1 of the year that they reach age 71, they will be collecting their pension in addition to their employment income from the University.

Figure 2

Why take a pension vs. transfer the pension benefit from the Plan?



Why transfer the pension benefit to a LIRA/LIF?

- Poor health may result in a shortened life expectancy
- Member may want to ensure residual funds (if any) will go to a beneficiary
- Member feels that their investments will perform better than the Plan's investments and feels confident in monitoring the performance of their funds



Possible reasons for choosing a monthly pension from the Plan.

- Minimum Guarantee Pension – Plan has a safety net which provides a known level of protection from negative investment performance
- Member feels secure knowing they will receive a monthly payment for their lifetime
- Members may live longer than average life expectancy – won't run out of funds
- Investing or monitoring investments may not be something the member feels confident or interested in

Annual adjustments to pension amounts during retirement

It is important to understand that pension amounts paid from the Plan are 'variable' in nature. After a member begins receiving their pension, the Money Purchase Pension and Minimum Guaranteed Pension amounts are adjusted annually. The adjustments are effective July 1 of each year. Each year, after adjustments are made to both pension amounts, the pensioner will begin receiving the greater of the two pension amounts. The adjustment processes for both pension amounts are detailed in Figures 4 and 5.

Money Purchase Pension annual adjustment

The pensioner's Money Purchase Pension is adjusted based on two factors 1) the actual rate of return of the Plan compared to the current six per cent assumed rate of return and 2) actual pensioner mortality compared to the mortality assumption used when calculating the starting Money Purchase Pension amount. In addition, the actuary monitors mortality experience of pensioners and provides advice on changes to the mortality tables used when calculating starting pension amounts. If a stronger mortality table must be enacted, pensions will be adjusted to account for the move to the new mortality table. Figure 4 details the components of the annual Money Purchase Pension (MPP) adjustments for the previous 10 years.

What are employees choosing to do at retirement?

Figure 3

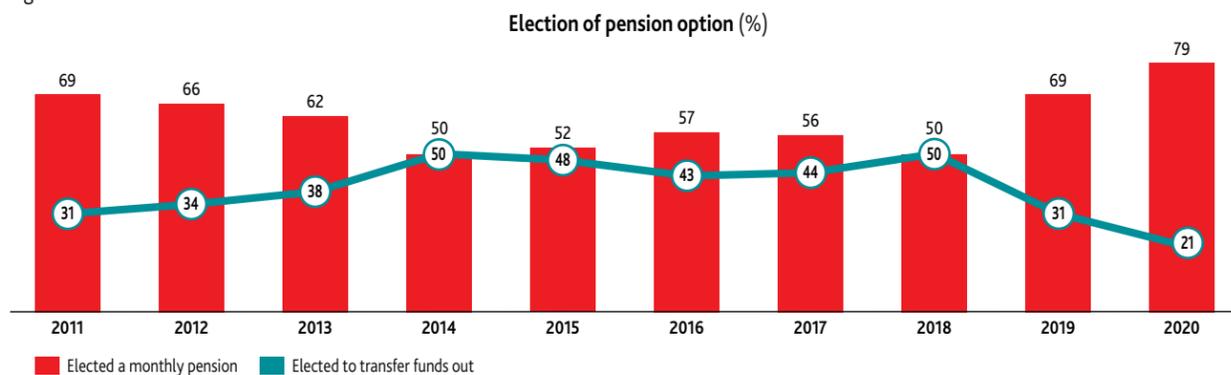


Figure 4: Money Purchase Pension annual adjustment

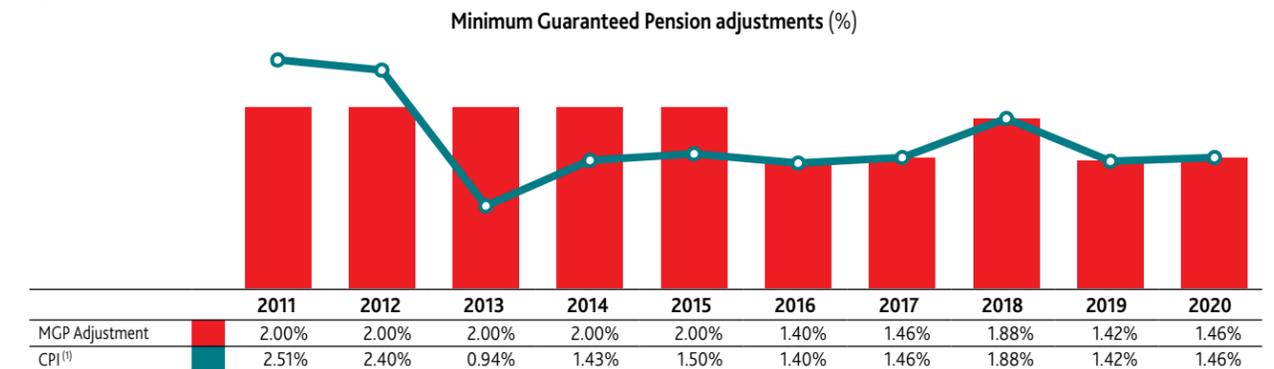
Pension Plan year ending	Fund rate of return (%)	Adjustment for rate of return (%)	Adjustment for mortality (%)	Adjustment for change in mortality table (%)	Total pensioner adjustment (%)
June 30, 2011	12.5885	6.5885	0.5217	-3.8450	3.2652
June 30, 2012	1.9658	-4.0342	0.4241		-3.6101
June 30, 2013	10.2725	4.2725	0.3659		4.6384
June 30, 2014	15.8129	9.8129	-1.0564		8.7565
June 30, 2015	9.5487	3.5487	-0.5040		3.0447
June 30, 2016	3.1421	-2.8579	0.5425	-1.5491	-3.8645
June 30, 2017	9.6688	3.6688	-0.0233	-3.4858	0.1597
June 30, 2018	8.3453	2.3453	-0.5230		1.8223
June 30, 2019	8.3413	2.3413	0.2851		2.6264
June 30, 2020	7.4521	1.4521	-0.2188		1.2333

Note: The figures above have been simplified to present them in additive form.

Minimum Guaranteed Pension annual adjustment

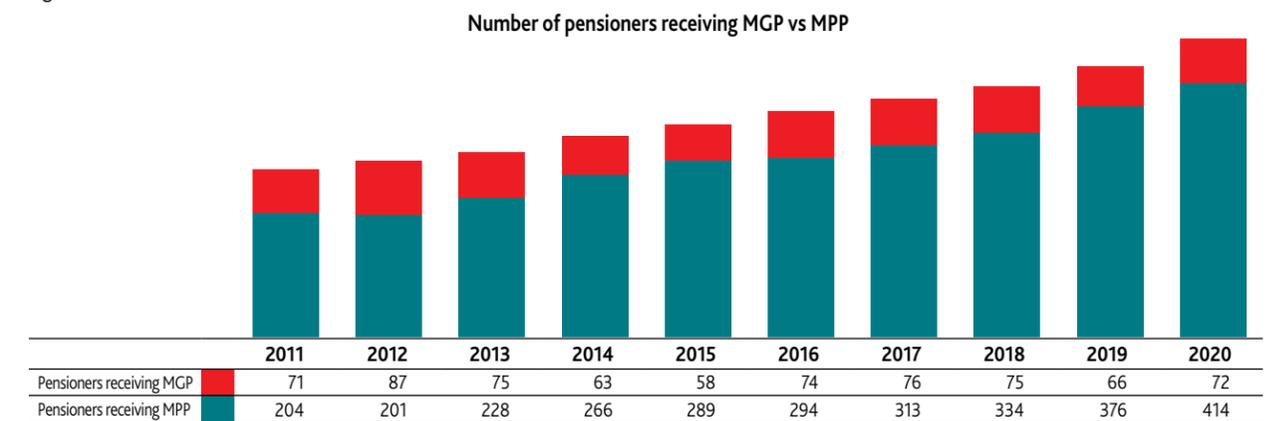
The pensioner's Minimum Guaranteed Pension is indexed with the Consumer Price Index (CPI)⁽¹⁾ to a maximum of two per cent, cumulative from pension commencement date. If CPI⁽¹⁾ is greater than two per cent in a year, that excess amount is carried over and applied to your Minimum Guaranteed Pension in future years.

Figure 5



Note: The Minimum Guaranteed Pension is adjusted by the change in Consumer Price Index over the preceding 12 months to a maximum of 2% cumulative from pension commencement, which can result in different adjustments among pensioners depending on when the pensioner's pension commenced. The percentage listed above is the increase received by the majority of pensioners in each year.

Figure 6



Death of a Plan member

Death of an active or deferred member

If a Plan member passes away before beginning to receive a pension, and the deceased Plan member has a spouse (as defined by pension legislation), the spouse may elect to receive the pension benefit as:

- cash (less taxes) or
- a transfer of funds into an RRSP or
- an annual pension

If the deceased Plan member has no spouse (as defined by pension legislation), the designated beneficiary will receive the pension benefit as a cash payment (less taxes).

Death of a pensioner

When a pensioner passes away, any survivor benefit will be based on the option elected at pension commencement.

(1) Consumer Price Index, monthly, not seasonally adjusted – Table 18-1-004-01 – all items.

Pension Plan governance

Plan Sponsor

Every registered pension plan must have a Plan Sponsor that is responsible for establishing the Plan, amending the Plan and benefits, contributing as required to the Plan, and determining pension expenses. Brock University is the Plan Sponsor.

Plan Administrator

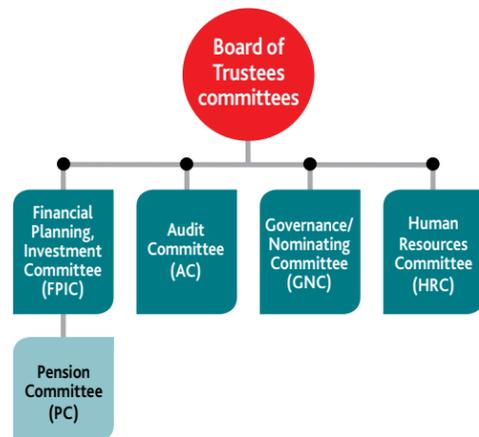
Every registered pension plan must have a Plan Administrator that is responsible for enrolling members, administering benefits, investing Plan assets, communicating with Plan members, appointing and monitoring service providers, and ensuring regulatory compliance. Brock University is the Plan Administrator; however, in recognition that certain duties require specialized expertise, the University contracts the services of advisors with such expertise and has delegated certain duties to various internal and external parties. The Human Resources Department has the internal delegated responsibility for Plan administration.

Internal governing committees

The University's Board Bylaws and Committee Charters outline responsibilities of the various committees pertaining to the Plan. In addition, the Pension Governance Manual provides an overview of governance pertaining to the Plan.

The Pension Committee is an advisory committee reporting to the Financial Planning and Investment Committee (FPIC) and consists of 14 members, including seven Brock University Faculty Association (BUFA) members, one Board of Trustees member, one Canadian Union of Public Employees (CUPE 1295) member, one Ontario Secondary School Teachers' Federation (OSSTF) member,

Figure 7



one Administrative Professional and Exempt Staff (AP&E) member and one pensioner from the Brock University Retirees' Association (BURA). The Associate Vice-President (AVP), Human Resources and AVP, Financial Services are ex officio members of the Pension Committee.

FPIC membership 2019-20

Name and Role/affiliation

- John Fisher (Chair and Community Member)
- Brian Lang (Committee Vice-Chair and Community Member)
- Sophia Aggelonitis (Community Member)
- Marylee O'Neill (Community Member)
- Beverley Morden (Community Member)
- William (Bill) Rickers (Community Member)
- Don Cyr (Faculty Member)

Ex officio members

- Gary Comerford (Chair of the Board)
- Dr. Robin Williams (Vice-Chair of the Board)
- Gervan Fearon (President and Vice-Chancellor)

Pension Committee membership 2019-20

Name and role/affiliation

- Glen Skrubbeltrang (Chair, BUFA)
- Irene Blayer (Vice-Chair, BUFA)
- Jeffrey Atkinson (BUFA)
- John Fisher (Board of Trustees)
- Jenna Dustanova (AP&E)
- Skander Lazrek (BUFA)
- Ivan Medovikov (BUFA)
- Doug Smith (CUPE 1295)
- Samir Trabelsi (BUFA)
- Terry Varcoe (BURA)
- Felice Martinello (BUFA)
- Kayne Wignall (OSSTF)

Ex officio members

- Jennifer Guarasci (Associate Vice-President, Human Resources)
- Josh Tonnos (Associate Vice-President, Financial Services)

Resource staff

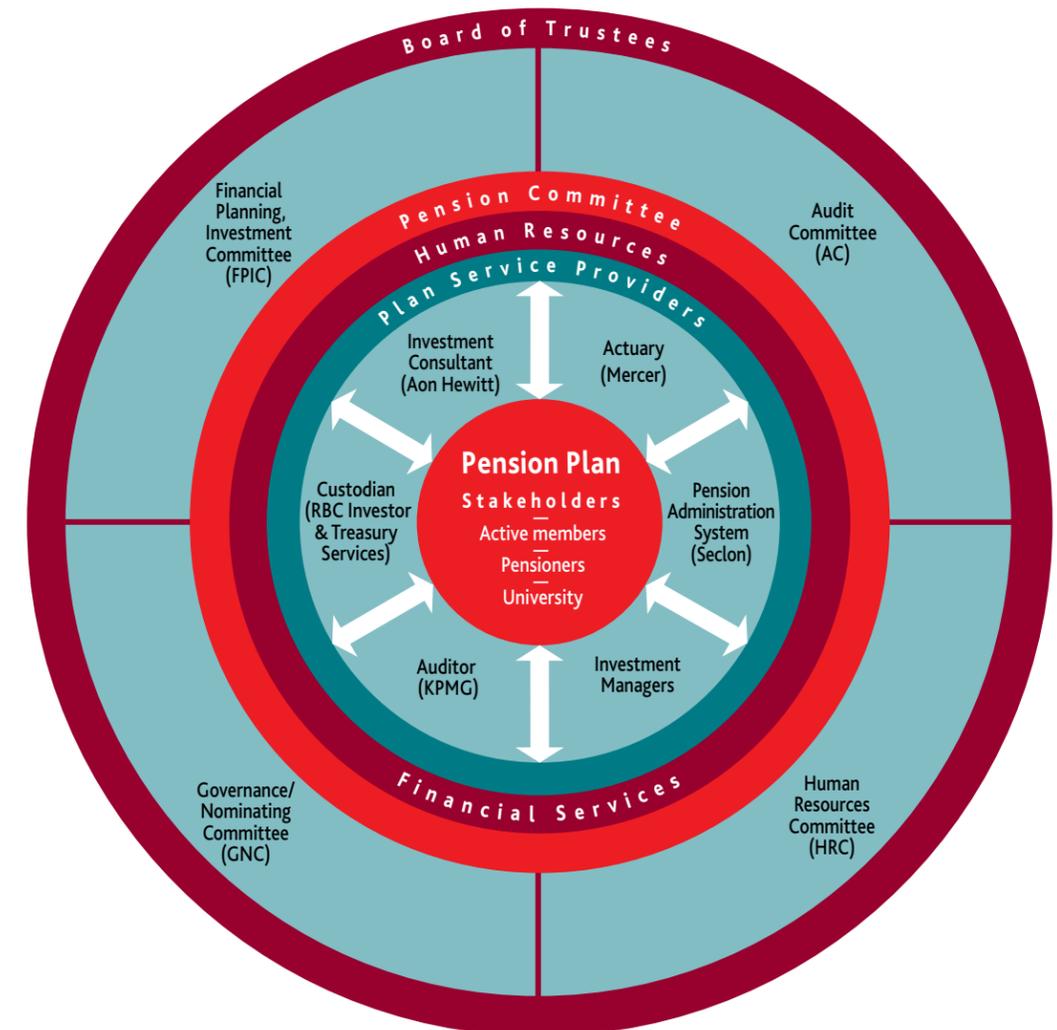
- Janice Facey (Pension Administrator)
- Wanda Fast (Secretary, Pension Committee / Director, Human Resources Administration)
- Nancy Mukama (Pension Analyst)

Governing documents, legislation

The Brock University Pension Plan is registered (#0327767) with the Financial Services Regulatory Authority of Ontario (FSRA) under the Pension Benefits Act (Ontario) and the Canada Revenue Agency under the Income Tax Act. The Pension Benefits Act sets minimum rights and promotes benefit security (the floor), while the Income Tax Act limits contributions and accruals (the ceiling) – the Plan must comply with both regimes. In addition, other various legal

regimes that apply to the Plan include, but are not limited to, the following: Employment Standards; Family Law; Contract Law; Human Rights; and Estate Law. In addition, there are many legal documents that are considered in the administration of the Plan. Within the University governance structure, the Pension Committee acts in an advisory capacity, making recommendations to the Financial Planning and Investment Committee.

Figure 8



1964



Plan registered.

1988

New Pension Benefits Act (PBA) passed – created and expanded employee pension rights.

1996

Plan assets \$100 million.

1998

Number of pensioners in Plan reaches 100.

Short-Term Fund was enacted.



2002

Pension administration moved in-house to Brock using a system from Seclon.

Investment structure
• Balanced fund managers
• McLean Budden 50%
• Jarislowsky Fraser 50%

2003

Number of active members in Plan reaches 1,000.

2005

Plan assets \$200 million.

2005 cont'd

Funded status of Plan

• Going Concern: \$1.7 million
• Solvency: \$968,000

Income Tax Act (ITA) and PBA extended the definition of spouse to include same-sex marriages.

2006

End of mandatory retirement.

2007

Number of pensioners in Plan reaches 200.

Number of Plan members working past age 65 is 9.



2008

Ontario Expert Commission on Pensions report released. First review of its kind in over 20 years.

Funded Status of Plan

• Going Concern: -\$4.2 million
• Solvency: \$4.8 million

Investment structure

• Fixed Income (40%)
– AllianceBernstein
• Canadian Equities (15%)
– McLean Budden
• Global Equities (45%)
– Aberdeen (1/3), Acadian (1/3) and Walter Scott (1/3)

2009

Solvency funding relief measures for Defined Benefit (DB) plans announced.

2011

Number of active members in Plan reaches 1,500.

Number of Plan members working past age 65 is 44.

Temporary solvency funding relief made available to eligible University pension plans.

2011 cont'd

Funded status of Plan

• Going Concern: -\$35.4 million
• Solvency: \$1.8 million

Investment structure

• Fixed Income (40%)
– AllianceBernstein
• Canadian Equities (12%)
– McLean Budden
• Global Equities (48%)
– Aberdeen (1/3), Acadian (1/3) and Walter Scott (1/3)

2012

Morneau Report released, includes recommending pooled asset management for Ontario Broader Public Sector (BPS) institutions.

PBA legislation creates new rules for marriage breakdown valuations and payment options.

Plan assets \$300 million.

2012 cont'd

Investment structure
• Fixed Income (40%)
– AllianceBernstein
• Canadian Equities (12%)
– Mawer
• Global Equities (48%)
– Aberdeen (1/2) and Walter Scott (1/2)

2013

Number of pensioners in Plan reaches 300.



First President James A. Gibson 1963



First faculty 1964



Second President Allan Earp 1971



Brock wins Time Life Award 1978



Brock professor discovers superconductor 1987



Brock enrolment passes 10,000 1989



Brock wins small school of the year award 1997



Employees participate in first Wellness Day 2000



Brock celebrates 50th anniversary 2014



Brock opens Marilyn I. Walker School of Fine and Performing Arts (MIWSFPA) 2015



Gervan Fearon Brock President 2017



Due to the Covid-19 pandemic, strict isolation guidelines were enacted by the government. The majority of the Brock community worked off-site as of March 17, 2020



1964

HISTORICAL TIMELINE

2020

2014

Ontario university sector begins work to create a University Jointly Sponsored Pension Plan (JSPP).

Plan assets \$400 million.

Funded status of Plan

• Going Concern: -\$3.5 million
• Solvency: \$18.7 million

2015

PBA amended to permit a BPS employer to either transfer or merge into a new or existing JSPP.

2016

Plan assets \$450 million.

Investment structure

• Fixed Income (40%)
– AllianceBernstein
• Canadian Equities (12%)
– Mawer
• Global Equities (48%)
– Walter Scott (1/2), Mawer (1/4) and Carnegie (1/4)

Investment Management of Ontario Act came into force – allows BPS pension plans to pool assets. Expected to be operational in spring 2017.

2016 cont'd

Number of Plan members working past age 65 is 79.

Implemented stronger mortality table. Average life expectancy Females 89.3, Males 87.3.

Federal and Provincial governments agreed to enhance CPP benefits, effective Jan. 1, 2019.

2017

Financial Services Regulatory Authority (FSRA) will replace Financial Service Commission of Ontario (FSCO) as the Pension regulator in Ontario.

Plan assets \$500 million.

Hired two Real Estate Managers: PGIM and Morgan Stanley.

2017 cont'd

Investment structure

• Fixed Income (30%)
– AllianceBernstein
• Canadian Equities (10%)
– Mawer
• Global Equities (40%)
– Mawer (2/5), Walter Scott (2/5), C Worldwide (1/5)
• Real Estate (20%)
– PGIM (1/2), Morgan Stanley (1/2)

OAS Benefit eligibility age change from age 67 to 65.

Funded Status of Plan
• Liability Going Concern: -\$17.8 million
• Solvency \$21.6 million

2018

Ontario's new DB Funding framework came into effect and includes changes to Solvency funding, going concern funding and improvements to the maximum PBGF payments.

Hired Infrastructure Manager: IFM Investors.

Number of pensioners in Plan reaches 400.



2019

IFM (Infrastructure) funded \$25 million.

Investment structure

• Fixed Income (30%)
– AllianceBernstein
• Global Equities (50%)
– Mawer (2/5)
– Walter Scott (2/5)
– Pier 21 (1/5)
• Real Assets (20%)
– Morgan Stanley (1/4)
– Prudential PRISA (1/4)
– IFM Investors (1/4)
– TBD (1/4)

2020

Funded status of Plan
• Liability Going Concern: -\$12.7 million
• Solvency: \$32.4 million

Number of Plan members working past age 65 is 122.

Legislated change to commuted value calculations.



Definition of pension terms

Best Average Earnings: refers to the average of your pensionable earnings during your five highest-paid years of pensionable service. If you have fewer than five years of pensionable service, the average of your total pensionable earnings is used.

Commuted Value: an estimate of money that a person would need to invest right now to give them the pension they would receive if they were to leave their pension benefit in the pension plan. The calculation is based on a number of factors, including the Plan member's age at retirement, the amount of the member's Money Purchase Pension and Minimum Guaranteed Pension and interest rates in effect at the date of retirement. Any amounts in excess of the Income Tax Act limits are paid directly to the member and are subject to income tax for lump-sum payments.

Custodian: an institution that holds a pension plan's assets and is responsible for the safekeeping of those assets. Custodial services are offered by most of the major trust and insurance companies.

Defined Benefit (DB) pension plan: a pension plan that defines the pension benefit to be provided in accordance with a formula, usually based on years of service and earnings.

Defined Contribution (DC) plan: a pension plan that defines the amount of contributions to the pension plan. The member's retirement income is based on contributions from the member and employer, plus investment return on these contributions. At retirement, the amount of retirement income that is received is based on the accumulated contributions and investment return in the member's account.

Going-Concern Valuation: part of the triennial valuation performed to determine the financial position of the pension plan, assuming continuation of the Plan indefinitely. This also determines the Plan Administrator's ongoing contribution requirements.

Hybrid Pension Plan: a pension plan that has both a Defined Contribution (DC) component and a Defined Benefit (DB) component. The Brock University Pension Plan is a Hybrid plan. The pension benefit received will be the greater of the Money Purchase Pension (DC) or the Minimum Guarantee Pension (DB).

Life Income Fund (LIF): an arrangement that provides retirement income for life from funds that originate from a registered pension plan or LIRA. A LIF is regulated by the Income Tax Act (Canada) and governed by provincial or federal pension benefits legislation.

Locked-In Retirement Account (LIRA): similar to a RRSP for income tax purposes, a LIRA is set up with locked-in funds that are transferred out of a pension plan. Financial institutions accepting locked-in funds must agree to administer them based on the applicable pension legislation. The range of investments offered in a LIRA depends on your financial institution, but is often the same range as for RRSPs.

Minimum Guarantee Pension: the Defined Benefit component of a member's pension based on the pension plan's formula.

Income Tax Act (ITA): federal law governing tax collection and related benefit distribution, administered by the Canada Revenue Agency. It sets maximum limits on contributions made to a retirement plan, on a tax-deferred basis, and maximum benefits a retirement plan can provide.

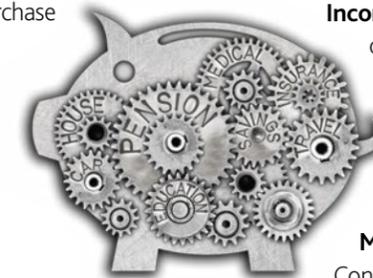
Money Purchase Pension: the Defined Contribution component of the member's pension benefit resulting from the member's Money Purchase Account balance being converted to a variable pension.

Pension Adjustment: the pension benefit earned by an employee during a calendar year under a registered pension plan. This amount is reported on T4 statements and is used to reduce available RRSP contribution room in the following year.

Pension Benefits Guarantee Fund (PBGF): the PBGF is a special fund that was established by the Government of Ontario to cover pension benefits for certain defined benefit pension plans if they are wound up because the employer is insolvent and there is a funding shortage. The PBGF is funded by certain employers who sponsor defined benefit pension plans and qualify for this coverage. They are responsible for making yearly payments into the PBGF, based on the pension plan's financial status and the number of Ontario plan beneficiaries who are part of the pension plan. The Brock University Pension Plan contributes to the PBGF due to the DB component of the Plan.

Special Payments: Special Payments are additional contributions made by the Plan sponsor of a Defined Benefit pension plan to fund any unfunded liabilities and solvency deficiencies. The amount and timing of payments are determined as part of the actuarial valuation.

Provision for Adverse Deviation (PfAD): the PfAD is a new regulation that provides for an additional level of funding on top of existing normal cost and going concern funding requirements. The PfAD is based on a number of factors, including the asset allocation of the plan, the discount rate, etc.



Frequently asked questions

Pension

Q: Am I contributing the maximum into the pension plan?

A: All Plan members must contribute 4.4% of their pensionable earnings up to the YMPE and 6% above the YMPE. The University must contribute 7.4% of the member's pensionable earnings up to the YMPE and 9% above the YMPE. A Plan member may contribute Additional Voluntary Contributions.

Q: What happens to my pension benefit if I die before retirement?

A: If you die before retirement, your beneficiary will receive a pension benefit based on your Money Purchase Account balance together with the commuted value, if any, of the excess of your Minimum Guaranteed Pension over your projected Money Purchase Pension. Alternatively, a surviving spouse may choose to take an annual pension. University pension staff will meet with the surviving spouse and provide documentation outlining his or her options.

Note: If you have an eligible spouse, and unless your spouse has waived his or her entitlement to the survivor benefit, your spouse will receive the survivor benefit even if he or she is not your designated beneficiary.

Q: What are my pension benefit options if I leave employment with the University (before age 55)?

A: Within 30 days of your exit, the University will provide you with a Statement and Election of Benefits on Termination form that will detail all of your pension benefits, their value and your options. Your pension benefit will include your contributions, the University's contributions, investment interest earned to date and the commuted value of the supplementary retirement benefit (subject to Income Tax Act limits), if applicable. You will have the option to:

- leave your pension benefit invested in the Plan until you are ready to begin a pension (age 55 or later)
- transfer your pension benefit to a Locked-In Retirement Account (LIRA)
- transfer your pension benefit to another registered pension plan as long as the plan is registered in Canada, accepts such transfers and the plan administrators agree to the terms of the transfer.

Q: I am an active Plan member. How can I find out for myself what my pension might be?

A: The Brock Pension Estimator allows active plan members to estimate monthly pensions with user-defined

retirement dates and other assumptions. Using this tool, you can estimate the benefits you would be entitled to from the Money Purchase Account and the Minimum Guarantee Fund. The Estimator's calculations are based on the assumption that you will remain employed by the University until your selected retirement date. You can access the Estimator from your "My Work" tab in the "my.brocku.ca" portal.

Retirement

Q: Does CPP affect my Brock University pension?

A: Your Brock University pension does not change when you begin to receive CPP. Likewise, your Brock University pension does not affect your CPP payment amount. You can contact Service Canada for more information about your CPP amount.

Q: If I retire early (prior to age 65), how does that affect my pension?

A: You can begin receiving a pension as early as age 55. The monthly pension amount will be actuarially reduced to account for the fact that you will be receiving the pension for a longer period of time.

Q: If I die while collecting a pension, who should my spouse notify?

A: A spouse must notify University pension staff of the pensioner's death. Staff will speak with the spouse regarding next steps and will notify the Custodian.

Q: Who do I contact if I do not receive my tax form (T4A statement) for my pension payments?

A: You can contact the custodian, CIBC Mellon at 1-800-565-0479 for North America or 1-519-873-2218 internationally.

Q: How do I change the account my pension payments are deposited into?

A: You can contact the Custodian, CIBC Mellon at 1-800-565-0479 for North America or 1-519-873-2218 internationally. They will inform you of the steps to take to change your banking information.

Q: When will I find out my new monthly pension payment after the annual (July 1) adjustment?

A: In September, University pension staff will send you a Pensioner Adjustment Letter, which will explain your new adjusted Money Purchase Pension amount, your new adjusted Minimum Guarantee Pension Amount and your new monthly (gross) payment amount. The new payment amount is retroactive to July 1; however, you will receive

the first adjusted payment in October. You will also receive a Pensioner Statement annually that summarizes information outlined in the Pension Benefits Act (PBA) regulations. You will note that your pension amounts on this statement are stated for the previous year, as the regulations require that pension statements be retrospective (providing information for the previous year).

Q: Who do I contact regarding a change of address?

A: You can contact University pension staff or CIBC Mellon directly at 1-800-565-0479 for North America or 1-519-873-2218 internationally. Staff will update your information and notify CIBC Mellon, if necessary.

Q: How soon will I receive my money after my retirement date?

A: If Brock University receives your paperwork in a timely fashion – that is, at least two months before pension commencement – your first pension payment will be deposited to your account within two weeks of the pension commencement date. Thereafter, the payment will be deposited into your account on the first business day of each month. If you elected to transfer your funds from the Plan, the transfer typically will be processed within three weeks of your retirement date.

Q: Does my pension amount change if my spouse dies before me?

A: No, your pension amount does not change after a spouse's death. However, you should notify University pension staff of your spouse's death if you retired with a Joint and Survivor pension, as this information is used by the actuary when calculating the annual mortality adjustments for the pensioner group.

Q: If I die while collecting a pension, does my spouse, family or estate receive a survivor benefit?

A: When a pensioner death occurs, the survivor benefit depends on the form of pension elected at pension commencement. For example, if you chose a Joint and Survivor 60 per cent pension with a 15-year guarantee, after your death, your spouse would receive 60 per cent of your pension amount for the rest of their life. Both Money Purchase and Minimum Guaranteed Pension amounts are reduced to the 60 per cent level and both amounts continue to be adjusted on an annual basis. However, using the same example, if both you and your spouse die before the end of the 15-year guarantee period, the value of any remaining payments to the end of the 15-year guarantee period would be paid to the estate of the last living pension recipient. If

you and/or your spouse live beyond the 15-year guarantee period, pension payments will end after the death of the last pension recipient and there is no payment to the estate.

Q: I am an active plan member. When should I speak with someone about my retirement options?

A: If you're thinking of retiring within two years, contact Pension staff for a meeting. Pension staff will provide a pension projection, review pension options and answer any pension-related questions. Meetings are confidential.

Q: When do I provide notice of my retirement?

A: Written notice of your retirement should be provided to the Human Resources Department at least four months before your retirement date. The letter must include the date of retirement and your signature. It is important to note that pension payments are made on the first day of the month; therefore, an employee's last day of employment (the retirement date) would normally be the last day of the month.

Q: Where can I see my current pension account balance?

A: Pension statements are issued once per year, for the Plan's fiscal year July 1 to June 30. Active plan members can view their current pension statement and past pension statements on the Brock Pension Estimator.

Q: What happens if I remarry after pension commencement?

A: If you elected a Joint and Survivor Pension option at pension commencement, the spouse you had at pension commencement is eligible to receive a spousal pension upon your death. If you remarry or enter into a different common-law relationship after the date your pension payments begin, your new spouse is not eligible to receive the spousal benefit.

Q: Is it possible for me to have more taxes deducted from my pension?

A: Yes. You can contact CIBC Mellon directly at 1-800-565-0479 for North America or 1-519-873-2218 internationally.

Q: Do I pay taxes on my pension benefits?

A: Yes. You will pay taxes on your pension as well as benefits from CPP and OAS. However, you may benefit from being in a lower tax bracket during retirement than the bracket that currently applies to you. The Plan's custodian will deduct applicable taxes and provide you with the appropriate tax form required for you to use when preparing your income tax return.



On Tuesday, March 17, 2020, Brock University responded to the COVID-19 pandemic as the Government of Ontario declared a state of emergency for the province. Brock put measures in place to keep the University functioning while students and staff were instructed to work from home. One of many ways Brock responded to community needs is seen in this photo. Brock's Makerspace Co-ordinator Tabitha Lewis looked over a 3D printed face shield mount. Brock's Makerspace started building face shields for front-line health-care workers in Niagara.

Current state of activities

Key Pension Committee activities 2019-2020

Figure 9

Fund Performance Reviews	The Plan's investment consultant presented two detailed performance reviews for periods ending June 30/19 and December 31/19. Quarterly performance summaries were received for periods ending September 30/19 and March 31/20.
Pension Committee Education	Committee members participated in the following education sessions: <ul style="list-style-type: none"> • Committee member orientation, including: Plan Overview, governance and investment structure. • Environmental, Social and Governance (ESG) commitments from each of the Plan's fund managers.
Fund Manager Presentations	Committee members received presentations from the following Investment managers on their investment process, organization, past performance, and market outlook: <ul style="list-style-type: none"> • Mawer, a global equity manager • Walter Scott, a global equity manager • Pier 21, a global equity manager
Review of Audited Financial Statements	Committee members reviewed the Plan's audited financial statements for Plan year ending June 30, 2020.
Asset Liability Study	The Plan's investment consultant completed an Asset Liability for the Plan and the Pension Committee recommended changes be approved to the asset mix.
Review of SIPP	Conducted annual review of Statement of Investment Policy and Procedures (SIPP).

Current Items in the Pension Landscape for Registered Pension Plans

Enhanced Canada Pension Plan (CPP)

The Federal government has made changes to the Canada Pension Plan (CPP), to be phased in over a time range spanning from 2019 to 2025.

Employers and employees will continue to share equally in the cost of the CPP benefit. The combined contribution rate on earnings up to the Year's Maximum Pensionable Earnings (YMPE) will change from 9.9% (4.95% each) to 11.9% (5.95% each) and will be phased in from 2019 to 2023.

Contribution rate increased on earnings up to the YMPE:

- Jan. 1, 2019** – 0.15% increase for employee and employer contributions
- Jan. 1, 2020** – 0.15% additional increase for both employee and employer contributions
- Jan. 1, 2021** – 0.20% additional increase for both employee and employer contributions
- Jan. 1, 2022** – 0.25% additional increase for both employee and employer contributions
- Jan. 1, 2023** – 0.25% additional increase for both employee and employer contributions

Additionally, combined contributions of 8% from employers and employees (4% each) will be introduced on earnings up to a newly defined Year's Additional Maximum Pensionable Earnings (YAMPE) and will be phased in over 2024 and 2025.



Contribution rates on earnings between the YMPE and the YAMPE:

Jan. 1, 2024 – 4% contribution from both the employee and employer

Jan. 1, 2025 – 4% contribution from both the employee and employer

The YAMPE will be set at 14% beyond the YMPE in any given year, after fully implemented in 2025. The YMPE for 2020 is \$58,700 and is expected to be approximately \$72,500 in 2025, thus the expected YAMPE in 2025 will be approximately \$82,700.

From an employee benefit perspective, the current CPP benefit replaces up to 25% of the YMPE. The target CPP benefit once the changes are fully implemented will be 33.3% of pensionable earnings up to the YAMPE.

Brock employees can find further information about all the changes to CPP by accessing the link below:

brocku.sharepoint.com/human-resources/Documents/Payroll/Canada%20Pension%20Plan%20Changes%20-%20January%201,%202019.pdf

JSPP Update

The Pension Committee has received updates on work conducted by key stakeholders from across the Ontario university sector (unions, faculty/staff associations and university administration) as they have explored what a university defined-benefit, multi-employer, jointly sponsored pension plan (JSPP) might look like. The University Pension Project is an initiative that has received funding from the provincial government, which is supported by the Council of Ontario Universities. A JSPP is a registered pension plan that is jointly sponsored and governed by employers and members, with both parties sharing in the funding risk. One benefit for an organization participating in a JSPP is that such plans do not normally have to be funded on a solvency basis. Currently, universities in Ontario have single employer pension plans that are sponsored and governed by each university and which must be funded on a solvency basis. Many universities' defined benefit plans have had large solvency deficits for several years, making the JSPP model appealing from a sustainability perspective.

The University Pension Plan (UPP) was established on Jan. 1, 2020, with the appointment of their Board of Trustees as the legal administrator of the new JSPP that will serve pension plan members and retirees at Queen's University, University of Guelph and University of Toronto. Over time, the UPP will be open to other universities who wish to join, with the support of their pension plan membership.

The UPP becomes responsible for the new plan's administration and the investment of its assets on July 1, 2021.

The UPP has a website to keep stakeholders and the public apprised of the progress. Visit the link below for more information: universitypension.ca

Why is this relevant to the Brock Plan?

In the future, the UPP will be open for Ontario universities to join on a voluntary basis, respecting any related collective agreement provisions in place. Each university and their respective stakeholders will have the opportunity to consider this option when the UPP opens to other universities. The University will continue to monitor progress of this initiative.



In March 2020, Brock University donated a truck full of personal protective equipment to Niagara hospitals. Brock Campus Store staff member Amber Alexander checked one of the lab coats being sent to Niagara health-care workers.

Financial overview of the Plan

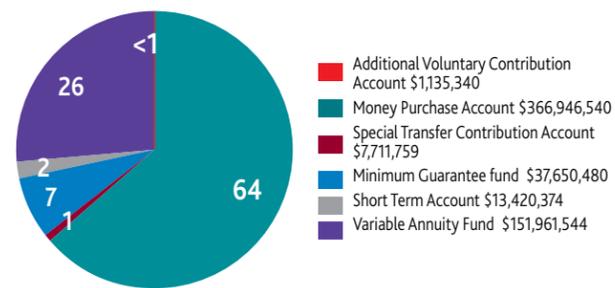
The Plan

The Plan is comprised of a number of separate accounts held together under one Trust Fund and administered by professional fund managers. The Pension Committee closely monitors performance of the fund and the fund managers, supported by the Plan's investment consultant.

Trust Fund

The Plan's actuary confirms amounts that make up the Trust Fund at each actuarial valuation date – the total Trust Fund value as at the last valuation (Jan. 1, 2020) was \$579 million. The chart below provides a breakdown of the allocation of funds in the Trust Fund.

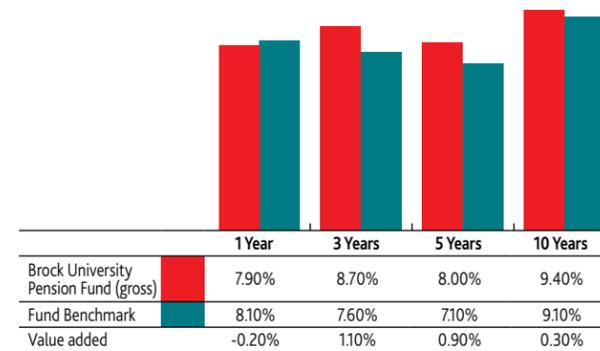
Figure 10
Trust Fund allocation – July 1, 2020 valuation (%)



Fund and investment manager performance

The Pension Committee regularly monitors performance of the fund and individual investment managers. The Plan's investment consultant provides quarterly reports to support the monitoring process. Figure 13 provides details on the total fund performance.

Figure 13
Annualized rates of return – as of June 30, 2020 gross of expenses



The Plan's investment structure and market value of funds by asset class, as at June 30, 2020, are shown in Figure 11 and Figure 12.

Figure 11: Fund managers as at June 30, 2020

Asset Class	Fund managers	Located
Fixed Income	• AllianceBernstein	• New York
Global Equities	• C Worldwide • Mawer • Walter Scott	• Montreal • Calgary • Edinburgh
Real Estate	• Morgan Stanley • Prudential (PGIM)	• New York • New Jersey
Infrastructure	• IFM Investors	• Melbourne

Figure 12: Asset mix as at June 30, 2020

Asset class	Market value	Allocation (as a % of the fund)	Policy allocation	Range	
				Minimum	Maximum
Fund Value	\$585M				
Equities					
Cash/Cash Equivalents	\$9M	1.57%	0.00%	0.00%	5.00%
Fixed Income	\$186M	31.80%	30.00%	22.50%	37.50%
Canadian Equity	\$0M	0.00%	10.00%	0.00%	0.00%
Global Equity	\$308M	52.63%	40.00%	40.00%	60.00%
Real Assets	\$82M	14.00%	20.00%	10.00%	30.00%

Market Value amounts have been rounded, so percentages are based on actual amounts. Does not include Short Term Fund.

Figure 14 provides details on the performance of each fund the Plan is invested in.

Figure 14: Annual manager performance at June 30

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Canadian Equities										
Mawer (Canadian Equity)	27.70%	-3.00%	19.30%	31.00%	8.10%	2.60%	16.00%	7.70%	4.00%	
S&P TSX Capped Composite	20.90%	-10.30%	7.90%	28.70%	-1.20%	-0.20%	11.00%	10.40%	3.90%	
Value Added	6.80%	7.30%	11.40%	2.30%	9.30%	2.80%	5.00%	-2.70%	0.10%	
Global Equities										
Mawer (Global Equity)	26.10%	4.40%	25.10%	27.00%	20.60%	7.90%	15.00%	14.60%	12.60%	9.20%
MSCI World (Net) (CAD)	18.50%	0.40%	22.70%	25.20%	18.90%	1.10%	18.20%	12.50%	5.70%	6.90%
Value Added	7.60%	4.00%	2.40%	1.80%	1.70%	6.80%	-3.20%	2.10%	6.90%	2.30%
C Worldwide Equity	12.40%	7.50%	21.80%	21.40%	32.40%	1.10%	16.80%	13.80%	10.30%	14.30%
MSCI World (Net) (CAD)	18.50%	0.40%	22.70%	25.20%	18.90%	1.10%	18.20%	12.50%	5.70%	6.90%
Value Added	-6.10%	7.10%	-0.90%	-3.80%	13.50%	0.00%	-1.40%	1.30%	4.60%	7.40%
Walter Scott	14.20%	6.40%	20.70%	20.10%	20.80%	7.30%	16.00%	17.40%	12.80%	10.10%
MSCI World (Net) (CAD)	18.50%	0.40%	22.70%	25.20%	18.90%	1.10%	18.20%	12.50%	5.70%	6.90%
Value Added	-4.30%	6.00%	-2.00%	-5.10%	1.90%	6.20%	-2.20%	4.90%	7.10%	3.20%
Fixed Income										
AllianceBernstein	6.80%	9.40%	0.20%	6.60%	5.80%	6.10%	0.90%	0.70%	7.70%	4.80%
FTSE TMX Universe Bond	4.70%	9.50%	-0.20%	5.30%	6.30%	5.20%	0.00%	0.80%	7.40%	7.90%
Value Added	2.10%	-0.10%	0.40%	1.30%	-0.50%	0.90%	0.90%	-0.10%	0.30%	-3.10%
Real Estate										
Morgan Stanley Prime Real Estate			20.20%	16.00%	37.40%	17.60%	9.90%	11.00%	7.00%	5.90%
NCREIF Fund Index-Opend End Diversified Core			15.70%	13.40%	34.20%	17.10%	7.80%	10.00%	6.30%	6.70%
Value Added			4.50%	2.60%	3.20%	0.50%	2.10%	1.00%	0.70%	-0.80%
PRISA Prudential Real Estate			14.60%	15.10%	33.60%	17.30%	7.50%	10.10%	6.60%	6.70%
NCREIF Fund Index-Opend End Diversified Core			15.70%	13.40%	34.20%	17.10%	7.80%	10.00%	6.30%	6.70%
Value Added			-1.10%	1.70%	-0.60%	0.20%	-0.30%	0.10%	0.30%	0.00%
Infrastructure										
IFM Global Infrastructure										
Internal IFM Benchmark of 10.0% per annum										
Value Added										

Mawer Canadian Equity portfolio was liquidated and distributed to global equities in December 2019. Mawer Global Equity and C Worldwide Equity returns prior to August 2016 represent manager returns sourced from eVestment. Morgan Stanley Prime Real Estate returns prior to September 2017 were sourced from the manager. PRISA Prudential Real Estate returns prior to 30 March 2018 were sourced from the manager. IFM Global Infrastructure was funded in October 2019. First annual results available in 2021.

Rate of return and expenses

The chart below shows the funds' gross rate of return as well as the Plan's expenses for the 10 previous fiscal years. A breakdown of plan expenses can be found in the financial statements on page 34.

Additional historical rates of return can be found on the pension website at brocku.ca/human-resources/pension

Figure 15: Pension Plan fiscal year-end June 30

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fund Return – Gross	13.8%	3.0%	11.1%	16.7%	10.3%	3.7%	10.4%	9.2%	9.1%	8.3%
Expenses	1.2%	1.0%	0.8%	0.9%	0.8%	0.6%	0.7%	0.8%	0.7%	0.8%
Fund Return – Net	12.6%	2.0%	10.3%	15.8%	9.5%	3.1%	9.7%	8.4%	8.3%	7.5%



Actuarial valuation

What is an actuarial valuation?

What is an actuarial valuation and why is it important to the University and Plan members?

An actuarial valuation is a mathematical analysis of the financial position of a defined benefit pension plan and is prepared at least once every three years. Given that the University's hybrid pension plan has an underlying defined benefit pension, an actuarial valuation must be conducted for the Plan. The valuation determines the financial position of the Plan and the future obligations. The analysis requires making assumptions about future investment returns, inflation rates and salary increases, as well as retirement ages and life expectancies of the Plan's membership.

There are three different calculations performed during the valuation:

Going Concern Basis: Assumes the Plan will continue indefinitely. Assumptions are set by the actuary with the employer's input and are subject to actuarial standards of practice. Going Concern deficits are amortized over a 10-year period. The Brock University Pension Plan has a Going Concern deficit of \$12.7 million, which the University is funding by making additional payments into the Plan. Funds to make these payments come from the University's operating budget, thus years of higher Going Concern deficit payments reduce the amount of funds available for other operational expenditures.

Wind-up Basis: Assumes that the Plan will hypothetically terminate on the valuation date and uses prescribed assumptions. The Brock University Pension Plan has a Wind-up deficit of \$131 million.

Solvency Basis: This calculation is identical to the Wind-up valuation, with the exception that regulations allow certain adjustments to be made (e.g. future indexing can be excluded). Solvency deficits are amortized over a five-year period. The Brock University Pension Plan has a Solvency surplus of \$32.4 million and, therefore, based on current funding rules, no solvency special payments are required.

The values noted above are associated with the most recent valuation, effective Jan. 1, 2020.

In addition to the contributions required to the defined contribution portion of the Plan, the University is also making Current Service contributions and Going Concern deficit contributions into the defined benefit portion of the Plan. The payment of these contributions comes from the University's operating budget.

The University's required contributions for the past eight years are illustrated in Figure 16.

Figure 16: Required contributions to Plan (July 1 to June 30)

	2012/13	2013/14 (Valuation Year)	2014/15	2015/16	2016/17 (Valuation Year)	2017/18	2018/19	2019/20 (Valuation Year)
Employee contributions to the Plan								
DC – Employee	\$6,594,329	\$6,918,726	\$6,980,217	\$7,120,641	\$7,271,883	\$7,384,301	\$7,670,863	\$7,822,920
University contributions to the Plan								
DC – University	\$10,501,222	\$11,021,901	\$11,113,619	\$11,334,319	\$11,569,413	\$11,755,991	\$12,222,287	\$12,462,710
DB – Current Service Cost	\$2,512,439	\$2,636,035	\$1,199,073	\$1,231,871	\$1,257,956	\$1,816,580	\$1,879,361	\$1,916,615
DB – Going Concern Deficit	\$3,452,148	\$3,452,148	\$132,658	\$413,000	\$413,000	\$540,167	\$1,939,000	\$1,938,999
Total University	\$16,465,809	\$17,110,084	\$12,445,350	\$12,979,190	\$13,240,369	\$14,112,738	\$16,040,648	\$16,318,324
University/Employee Required Contribution Ratio	2.5	2.5	1.8	1.8	1.8	1.9	2.1	2.1

DC = Defined Contribution
DB = Defined Benefit

The Plan's financial position for the past five valuations are illustrated in Figure 17.

Figure 17

	July 1, 2008	July 1, 2011	July 1, 2014	July 1, 2017	Jan. 1, 2020
Financial position of the Plan Going Concern Basis					
Funding excess (shortfall)	(\$4,203,000)	(\$35,442,000)	(\$3,557,000)	(\$17,882,000)	(\$12,711,000)
Funding ratio	98%	89%	99%	96%	98%
Financial position of the Plan Wind-up Basis					
Wind-up excess (shortfall)	(\$5,732,000)	(\$45,902,000)	(\$69,207,000)	(\$124,097,000)	(\$130,954,000)
Wind-up ratio	98%	86%	85%	79%	82%
Financial position of the Plan Solvency Basis					
Solvency excess (shortfall)	\$6,674,000	\$1,871,000	\$183,730,000	\$21,689,000	\$32,464,000
Solvency ratio	102%	105%	105%	105%	1.06%



Going Concern liability breakdown

The \$12.7-million Going Concern liability identified in the 2020 valuation is allocated to the Plan membership as outlined in Figure 18. The breakdown of the active member liability between the various employee groups at the University is illustrated in Figure 19.

Figure 18



Figure 19



Fund financial statements of the BROCK UNIVERSITY PENSION PLAN

Year ended June 30, 2020, Registration Number 327767



A large crowd was on hand Friday, Oct. 4, 2019 for a celebration to mark the 250th birthday of Maj.-Gen. Sir Isaac Brock.



KPMG LLP
80 King Street Suite 620
St. Catharines, Ontario L2R 7A7
Canada
Telephone (905) 685-4811
Fax (905) 682-2008

INDEPENDENT AUDITORS' REPORT

To the Administrator of the Brock University Pension Plan

Opinion

We have audited the fund financial statements of the Brock University Pension Plan (the "Plan") which comprise:

- the statement of net assets available for benefits as at June 30, 2020
- the statement of changes in net assets available for benefits for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies.

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the net assets available for benefits of the Plan as at June 30, 2020, and its changes in net assets available for benefits for the year then ended in accordance with the financial reporting provisions of Section 76 of Regulation 909 of the Pension Benefits Act (Ontario).

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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' 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 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.

Emphasis of Matter – Financial Reporting Framework

We draw attention to Note 1(a) in the fund financial statements, which describes the applicable financial reporting framework and the purpose of the financial statements.

Our opinion is not modified in respect of this matter.



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

Management is responsible for the preparation and fair presentation of the fund financial statements in accordance with the financial reporting provisions of Section 76 of Regulation 909 of the Pension Benefits Act (Ontario), and for such internal control as management determines is necessary to enable the preparation of fund financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the fund 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the fund financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the fund 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 fund 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 auditors' report to the related disclosures in the fund 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 auditors' 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 fund financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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, Licensed Public Accountants

St. Catharines, Canada
October 1, 2020

BROCK UNIVERSITY PENSION PLAN

Statement of Net Assets Available for Benefits

As at June 30, 2020, with comparative information for 2019.

	2020	2019
Assets		
Contributions receivable:		
Employer	\$ 1,190,192	\$ 1,173,421
Employee	663,542	653,429
	1,853,734	1,826,850
Investments (note 2):		
Investments	594,047,870	560,173,559
	594,047,870	560,173,559
Total assets	\$ 595,901,604	\$ 562,000,409
Liabilities		
Accrued liabilities (note 4)	677,607	832,845
Subsequent event (note 12)		
Net assets available for benefits	\$ 595,223,997	\$ 561,167,564

See accompanying notes to the fund financial statements.

On behalf of the Board of Trustees:



Gervan Fearon
President and Vice-Chancellor



Gary Comerford
Chair, Board of Trustees

BROCK UNIVERSITY PENSION PLAN

Statement of Changes in Net Assets Available for Benefits

Year ended June 30, 2020, with comparative information for 2019.

	2020	2019
Increase in net assets available for benefits:		
Investment income (note 5)	\$ 16,842,503	\$ 29,198,493
Change in net unrealized gain in investments	4,560,415	16,007,140
Change in fair value of forward foreign currency contracts	2,344,876	-
Net realized gain on sale of investments	20,801,882	928,083
Transfers from other pension plans	313,628	354,712
	44,863,304	46,488,428
Contributions (note 6):		
Employer	16,318,325	16,040,649
Employee	7,937,971	7,773,427
	24,256,296	23,814,076
	69,119,600	70,302,504
Decrease in net assets available for benefits:		
Benefit payments (note 7)	30,846,734	20,410,612
Administrative expenses and professional fees (note 8)	4,216,433	3,729,969
	35,063,167	24,140,581
Increase in net assets available for benefits	34,056,433	46,161,923
Net assets available for benefits, beginning of year	561,167,564	515,005,641
Net assets available for benefits, end of year	\$ 595,223,997	\$ 561,167,564

See accompanying notes to the fund financial statements.



Following the rules set in place due to the COVID-19 pandemic, Carol Macintosh, Manager, Printing Services, worked on campus preparing Convocation-in-a-box packages for Brock University's Spring Class of 2020. Most employees and students were required to work from home.



BROCK UNIVERSITY PENSION PLAN

Notes to Fund Financial Statements

Year ended June 30, 2020.

The Brock University Pension Plan (the "Plan") is a registered pension plan in the Province of Ontario under registration number 327767. The Plan is a hybrid defined benefit money purchase pension plan, which contains both a defined contribution component and a defined benefit component. The defined contribution component of the plan is funded by Brock University (the "University") and member contributions and provides a benefit to members based on their accumulated account. The defined benefit component of the Plan is funded by University contributions and provides for a guaranteed minimum benefit. The Plan provides pension benefits to substantially all permanent employees of the University.

1. Significant accounting policies:

(a) Basis of presentation:

As permitted by the Financial Services Regulatory Authority of Ontario ("FSRA"), the Plan has prepared these fund financial statements in accordance with Canadian accounting standards for pension plans Section 4600, excluding pension obligations and any resulting surplus or deficit.

In selecting or changing accounting policies that do not relate to its investment portfolio or pension obligations, the Plan complies on a consistent basis with International Financial Reporting Standards ("IFRS") in Part 1 of the Chartered Professional Accountants ("CPA Canada") Handbook.

These fund financial statements are prepared in accordance with the financial reporting Provisions of Section 76 of Regulation 909 of the Pension Benefits Act (Ontario). The purpose of these fund financial statements is to assist the Pension Committee in meeting the requirements of the FSRA under Section 76 of Regulation 909 of the Pension Benefits Act (Ontario). As a result, these fund financial statements may not be suitable for another purpose.

These fund financial statements of the Plan do not purport to show the adequacy of the Plan's assets to meet its pension obligation. Such an assessment requires additional information, such as the Plan's actuarial reports and information about the University's financial health.

(b) Basis of measurement:

The fund financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value through the statement of changes in net assets available for benefits.

(c) Functional and presentation currency:

These fund financial statements are presented in Canadian dollars, which is the Plan's functional currency.

(d) Financial assets and financial liabilities:

(i) Non-derivative financial assets:

Financial assets are recognized initially on the trade date, which is the date that the Plan becomes a party to the contractual provisions of the instrument. Upon initial recognition, attributable transaction costs are recognized in the statement of changes in net assets available for benefits as incurred.

1. Significant accounting policies (continued):

(d) Financial assets and financial liabilities: (continued):

(i) Non-derivative financial assets: (continued):

The Plan measures all of its investments at fair value through the statement of changes in net assets available for benefits. All other non-derivative financial assets including contributions receivable are measured at amortized cost.

The Plan derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Plan neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and consideration received is recognized in the statement of changes in net assets available for benefits as a net realized gain or loss on sale of investments.

(ii) Non-derivative financial liabilities:

All financial liabilities are recognized on the trade date at which the Plan becomes a party to the contractual provisions of the instrument.

The Plan derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

The Plan considers its accrued liabilities to be a non-derivative financial liability.

Derivative financial instruments are recognized initially at fair value and attributable transaction costs are recognized in the statement of changes in net assets available for benefits as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and all changes are recognized immediately in the statement of changes in net assets available for benefits.

(iii) Derivative financial instruments:

Derivative financial instruments are recognized initially at fair value and attributable transaction costs are recognized in the statement of changes in net assets available for benefits as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and all changes are recognized immediately in the statement of changes in net assets available for benefits. Financial assets and liabilities are offset and the net amount presented in the statement of net assets available for benefits, when, and only when, the Plan has a legal right to offset the amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets and liabilities are offset and the net amount presented in the statement of net assets available for benefits, when, and only when, the Plan has a legal right to offset the amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

1. Significant accounting policies (continued):

(e) Fair value measurement:

Fair value is 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.

In determining fair value, the Plan follows the guidance in IFRS 13, Fair Value Measurement ("IFRS 13"), in Part I of the CPA Canada Handbook – Accounting. As allowed under IFRS 13, if an asset or a liability measured at fair value has a bid and an ask price, the price within the bid-ask spread that is the most representative of fair value in the circumstances shall be used to measure fair value. The Plan uses closing market price as a practical expedient for fair value measurement.

When available, the Plan measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, then the Plan establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognized in the statement of changes in net assets available for benefits on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

All changes in fair value, other than investment income and expense, are recognized in the statement of changes in net assets available for benefits as part of the change in net unrealized gains in investments.

The investments are stated at fair value.

Fair values of investments are determined as follows:

Pooled fund investments are valued at the unit values supplied by the pooled fund administrator, which represent the Plan's proportionate share of underlying net assets at fair values determined using closing market prices.

1. Significant accounting policies (continued):

(f) Net realized gain on sale of investments:

The net realized gain on sale of investments is the difference between proceeds received and the average cost of investments sold.

(g) Investment income:

Investment income, which is recorded on the accrual basis, includes interest income, dividends and pooled fund distributions.

(h) Foreign currency translation:

The fair values of foreign currency denominated investments included in the statement of net assets available for benefits are translated into Canadian dollars at the year end rate of exchange. Gains and losses arising from translations are included in the change in net unrealized gains on investments.

Foreign currency denominated transactions are translated into Canadian dollars at the rate of exchange on the date of the related transaction. Cost of investments, as disclosed in note 2, are translated into Canadian dollars at the rate of exchange on the date of purchase.

(i) Forward foreign currency contracts:

The Plan entered into forward foreign currency contracts (the "contracts") to hedge approximately one half of the currency exposure of foreign equity investments. The fair value of the contracts is based on amounts quoted by the Plan's investment manager to realize favourable contracts or settle unfavourable contracts, taking into account current foreign exchange rates. The net unrealized gain on contracts is included in the current period change in fair value of forward foreign currency contracts and recognized in the statement of changes in net assets available for benefit. When the contracts are closed out, the net gain or loss is reflected in the net realized gain or loss on sale of investments.

(j) Income taxes:

The Plan is not subject to income taxes since it is a Registered Pension Trust as defined by the Income Tax Act (Canada).

(k) Use of estimates:

The preparation of fund financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the statement of net assets available for benefits and the reported amounts of changes in net assets available for benefits during the year. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

2. Investments:

The following is a summary of investments, including all individual investments with a cost or fair value in excess of 1% of the cost or market value of the total Plan, as required by the Pension Benefits Act (Ontario):

	2020 Cost	2020 Fair value	2019 Cost	2019 Fair value
Equity Funds:				
Walter Scott and Partners Canadian Institutional Trust Global Equity Fund	\$ 91,028,383	\$ 111,153,871	\$ 67,065,680	\$ 85,870,985
Mawer Global Equity Fund Class O	102,776,590	127,141,051	84,464,147	101,832,334
Pier 21 World Wide Equity Pool	50,269,428	69,227,741	43,547,483	55,995,176
Mawer Canadian Equity Fund	-	-	54,594,735	72,583,271
	244,074,401	307,522,663	249,672,045	316,281,766
Fixed Income Funds:				
Alliance Bernstein Core Plus Bond Fund	169,081,716	185,850,539	167,082,992	179,742,669
Mawer Canadian Money Market Fund	7,356,676	7,356,676	5,415,808	5,416,526
	176,438,392	193,207,215	172,498,800	185,159,195
Real Estate:				
Morgan Stanley-Prime Property Fund LLC	25,116,941	27,209,469	24,047,930	25,701,846
Prudential Prisa LP	24,668,592	29,055,170	24,759,697	27,295,635
IFM Global Infrastructure	25,027,256	25,554,450	-	-
	74,812,789	81,819,089	48,807,627	52,997,481
CIBC USD Hedge	-	2,344,876	-	-
Cash and cash equivalents	9,154,027	9,154,027	5,735,117	5,735,117
	\$ 504,479,609	\$ 594,047,870	\$ 476,713,589	\$ 560,173,559

Cash and cash equivalents includes pending investments held by RBC Investor and Treasury Services.

3. Forward foreign currency contracts:

The Plan uses financial instruments to reduce risks associated with its investments and is committed under various forward foreign currency contracts to both purchase and sell various foreign currencies with a notional amount in Canadian dollars totaling \$85,852,582 (2019 – \$nil). The fair value of these forward foreign currency contracts as at June 30, 2020 is \$2,344,876 (2019 – \$nil) and has been recognized in the statement of changes in net assets available for benefit. Notional amounts are the contract amounts used to calculate the cash flows to be exchanged. These are a common measure of volume of outstanding transactions but do not represent credit or market risk.

The forward foreign currency contracts mature on July 15, 2020.

4. Accrued liabilities:

	2020	2019
Portfolio administration fees	\$ 566,004	\$ 646,058
Actuarial and other professional fees	61,154	158,197
Custodial fees	39,211	17,798
Audit fees	11,238	10,792
	\$ 677,607	\$ 832,845

5. Investment income:

	2020	2019
Pooled funds:		
Global equity	\$ 11,270,875	\$ 17,912,190
Bonds and debentures	4,421,024	5,850,674
Real Estate	1,096,268	1,486,495
Money market	54,336	23,446
Canadian equity	-	3,925,688
	\$ 16,842,503	\$ 29,198,493

6. Contributions:

Contributions received by the Plan were as follows:

	2020	Regular	Voluntary	Special	Total
Employer	\$ 14,379,326	\$ -	\$ 1,938,999	\$ 16,318,325	
Employee	7,822,920	115,051	-	7,937,971	
	\$ 22,202,246	\$ 115,051	\$ 1,938,999	\$ 24,256,296	

	2019	Regular	Voluntary	Special	Total
Employer	\$ 14,101,648	\$ -	\$ 1,939,001	\$ 16,040,649	
Employee	7,670,863	102,564	-	7,773,427	
	\$ 21,772,511	\$ 102,564	\$ 1,939,001	\$ 23,814,076	



7. Benefit payments:

	2020	2019
Pension benefits	\$ 14,163,652	\$ 12,513,709
Transfers to other retirement funds	13,068,066	6,651,035
Cash refunds	3,187,809	957,716
Death benefits	427,207	288,152
	\$ 30,846,734	\$ 20,410,612

8. Administrative expenses and professional fees:

	2020	2019
Portfolio administration fees	\$ 3,492,318	\$ 2,944,042
Actuarial and other professional fees	607,159	669,170
Custodial fees	105,852	106,298
Audit fees	11,104	10,459
	\$ 4,216,433	\$ 3,729,969

9. Related party transactions:

The University provides certain administrative services to the Plan. The cost to the Plan for these services in the year ended June 30, 2020 were \$164,122 (2019 – \$203,611), being the exchange amount agreed to by the parties, and is included in administrative expenses and professional fees in the statement of changes in net assets available for benefits. At June 30, 2020, accounts payable and accrued liabilities included \$nil (2019 – \$nil) owing to the University relating to such services.

10. Fair value of financial instruments:

The objective of the Plan is to accumulate funds for the purpose of providing lifetime income in retirement for Members of the Plan. The objectives of the Administrator are to meet the fund objectives outlined in the Plan's Statement of Investment Policies and Procedures (see note 11).

The Plan manages the following risks by engaging knowledgeable investment managers who are charged with the responsibility of investing existing funds and new funds in accordance with the approved Statement of Investment Policies and Procedures. The Pension Committee reviews on a quarterly basis the performance of investments invested by the Plan's investment managers.

(a) Fair values:

The fair values of investments are described in note 1(e) and disclosed in note 2. The fair value of forward foreign currency contracts is described in note 1 (i). The fair value of other financial assets and liabilities, being contributions receivable and accrued liabilities, approximates their carrying value due to the short-term nature of these instruments.

Fair value measurements recognized in the statement of net assets available for benefits are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values.

10. Fair value of financial instruments (continued):

(a) Fair values (continued):

Level 1 – unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly; and

Level 3 – inputs for assets and liabilities that are not based on observable market data.

All investments are categorized as Level 2 at June 30, 2020. There has been no change in the category of any of the Plan's financial instruments during the year.

(b) Associated risks:

(i) Market price risk:

Market price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all other factors affecting all instruments traded in the market. As all of the Plan's financial instruments are carried at fair value with fair value changes recognized in the statement of changes in net assets available for benefits, all changes in market conditions will directly result in a change in net assets available for benefits. Market price risk is managed by the Plan by investing in a diversified portfolio of instruments traded on various markets and across various industries.

As at June 30, 2020, had the equity prices of all equity benchmarks increased or decreased by 10% and assuming there is a perfect positive correlation between the Plan's equities and the benchmarks, with all other variables held constant, the value of the Plan's investments would have increased or decreased, by approximately \$30,752,266 (2019 – \$31,628,176).

(ii) Foreign currency risk:

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. Through the pooled fund investments, the Plan holds investments in financial instruments and enters into transactions denominated in various foreign currencies. Consequently, the Plan is exposed to risks that the exchange rate of the foreign currency may change in a manner that has an adverse effect on the value of the portion of the Plan's assets or liabilities denominated in currencies other than Canadian dollars. The Plan's overall currency positions and exposures are monitored on a regular basis by the Plan Administrator.

10. Financial instruments (continued):

(b) Associated risks (continued):

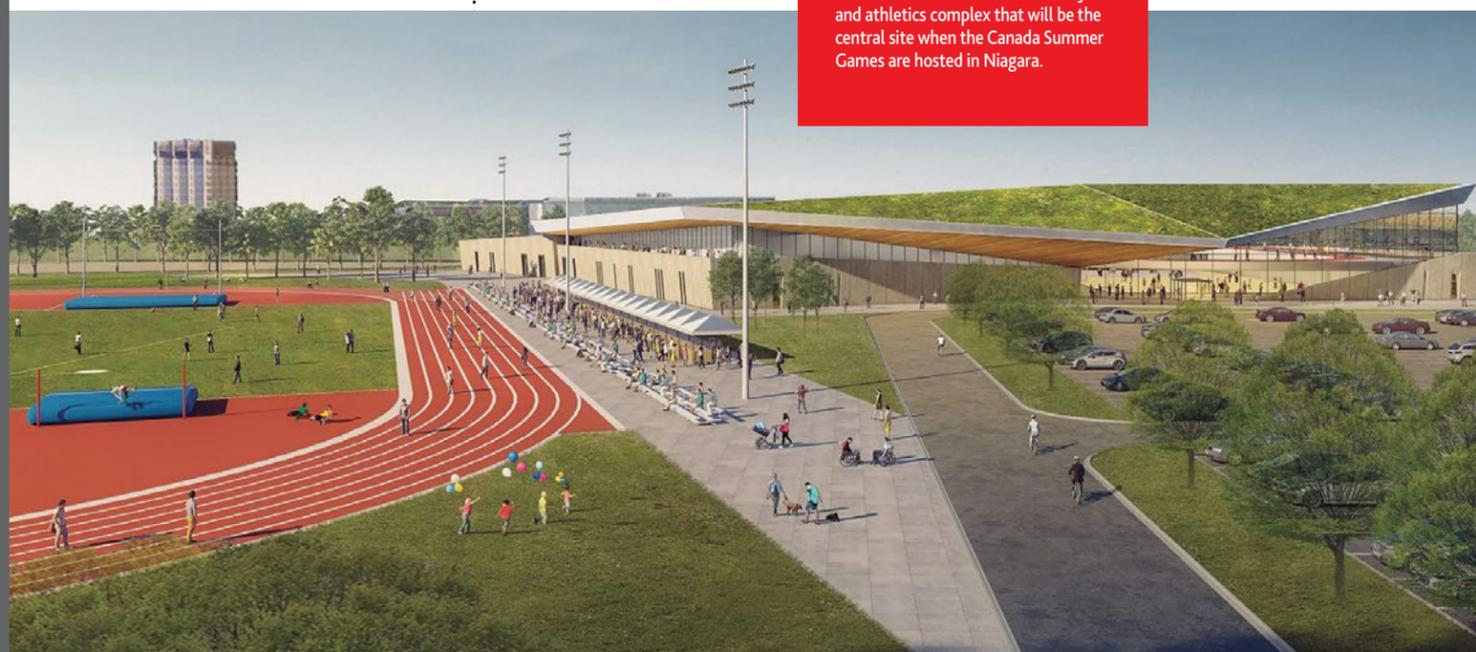
(ii) Foreign currency risk (continued):

Real estate investments are not hedged. Presently, approximately half of equity investments are hedged as the plan has adopted a mechanism to apply a US dollar hedge under certain market conditions. Of the total Alliance Bernstein Core Plus Bond Fund portfolio, 26.50% is held in foreign currency with 0.10% of the Alliance Bernstein Core Plus Bond Fund portfolio not hedged back to the Canadian Dollar.

The Plan's currency exposure of its investments as at June 30 is as follows:

	2020		2019	
	Canadian dollar equivalent	Percentage of total	Canadian dollar equivalent	Percentage of total
United States Dollar (hedged)	\$ 85,852,582	14.45%	\$ -	-
United States Dollar (unhedged)	144,328,343	24.30%	188,150,946	33.59%
Euro	32,501,151	5.47%	25,231,791	4.50%
Switzerland Franc	18,823,937	3.17%	11,020,232	1.97%
Japan Yen	18,457,568	3.11%	13,445,711	2.40%
United Kingdom Pound	16,973,861	2.86%	13,767,964	2.46%
Hong Kong Dollar	13,581,334	2.29%	15,689,172	2.80%
Other currencies	17,916,423	3.02%	16,477,597	2.94%
	\$ 348,435,199	58.67%	\$ 283,783,413	53.66%

Brock University approved contributing a parcel of land at its main campus so it can be the site of a community and athletics complex that will be the central site when the Canada Summer Games are hosted in Niagara.



10. Financial instruments (continued):

(b) Associated risks (continued):

(ii) Foreign currency risk (continued):

As at June 30, 2020, if the Canadian dollar strengthened or weakened by 5% in each respective foreign currency, with all other factors remaining constant, the following table summarizes the estimated impacts:

	Net exposure	Estimated impact
United States Dollar	\$188,150,946	\$9,407,547
Euro	25,231,791	1,261,590
Hong Kong Dollar	15,689,172	784,459
United Kingdom Pound	13,767,964	688,398
Japan Yen	13,445,711	672,286
Switzerland Franc	11,020,232	551,012
Other currencies	16,477,597	823,880
	\$283,783,413	\$14,189,172

(iii) Liquidity risk:

Liquidity risk is the risk that the Plan will not be able to meet its obligations as they fall due. The Plan maintains an investment policy, as approved by the Plan, which contains asset mix guidelines which help to ensure the Plan is able to liquidate investments to meet its pension benefits or other obligations.

The accrued liabilities are all due within 90 days or less.

(iv) Interest rate risk:

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position and income. The value of the Plan's assets is affected by short-term changes in interest rates. Interest rate changes directly impact the value of any fixed income securities in the pooled funds.

As at June 30, 2020, had the prevailing interest rates increased or decreased by 1% with all other variables remaining unchanged, Plan net assets available for benefits would have decreased or increased by approximately \$16,299,092 (2019 - \$13,516,649).

(v) Credit risk:

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Plan. Credit risk is generally higher when a non-exchange traded financial instrument is involved because the counterparty for non-exchange traded financial instruments is not backed by an exchange clearing house.

11. Capital risk management:

The Plan defines its capital as the net assets available for benefits. The main objective of the defined benefit component of the Plan is to ensure the security of the promised pension benefits under the Plan. The primary investment objective of the defined contribution component of the Plan is to permit members to accumulate assets within the Plan in order to provide an appropriate level of retirement income, considering contribution rates under the Plan and the investment objectives and risk tolerances of Stakeholders. The Plan fulfills its primary objective by adhering to specific investment policies outlined in its Statement of Investment Policies and Procedures (the "SIPP"), which is reviewed annually by the Pension Committee. The SIPP states investment objectives, guidelines and benchmarks used in investing the capital of the Plan, permitted categories of investment, asset-mix diversification and rate of return expectations. The Plan manages net assets available for benefits by engaging knowledgeable investment managers who are charged with the responsibility of investing existing funds and new funds (current year's employer contributions) in accordance with the approved SIPP. The SIPP was last amended effective Dec. 5, 2019. This amendment included changes to the asset mix and outlined the plan's intent to shift a portion of investments between Canadian and Global Equities, as well as minor verbiage updates. There is no change in the manner in which the capital is managed in the current year.

The Plan's investment was allocated within the allowed asset categories range, as of the date of these fund financial statements. The following table presents the asset allocation of each asset category and total investments.

Asset categories	SIP&P Ranges*	Asset allocation (%)	
		2020	2019
Equity	40% - 60%	52.71%	57.02%
Fixed Income	22.5% - 37.5%	31.85%	32.4%
Real Assets	10% - 30%	13.87%	9.55%
Cash & Cash Equivalents	0% - 5%	1.57%	1.03%
Total Investments		100%	100%

*Long Term Allocation

Although there are no regulatory requirements relating to the level of net assets available for benefits, the funding to be maintained by the defined benefit component of the Plan is determined through triennial actuarial valuations. More details on employer contributions that were paid during the year can be found in note 6. Contributions past due as of June 30, 2020 are presented as contributions receivable on the Statement of Net Assets Available for Benefits.

The Plan is required to file fund financial statements with the FSRA annually.

12. Subsequent event:

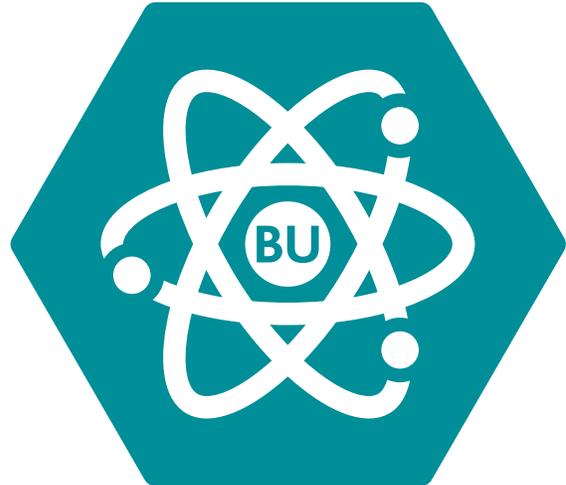
Prior to June 30, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The Plan is subject to exposure through its investments held which may impact the financial risks identified in note 10. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and world markets and resulting impact on the Plan is not known at this time.



Institutional Strategic Priorities



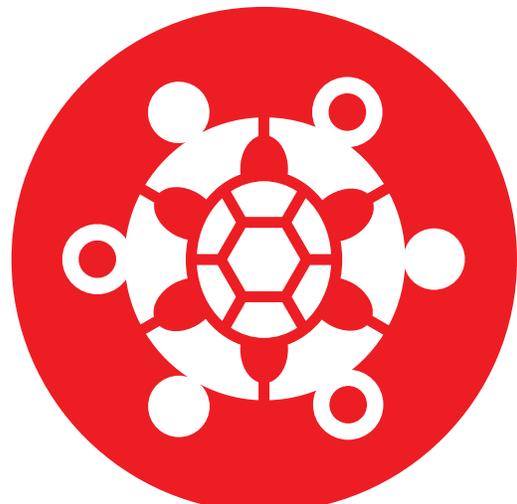
Student Experience



Research



Community Engagement



Inclusivity