

2022

Annual Report

**CANADIAN COMMERCIAL WORKERS
INDUSTRY PENSION PLAN**

REGISTRATION NO. 0580431

ccwipp.ca



Index

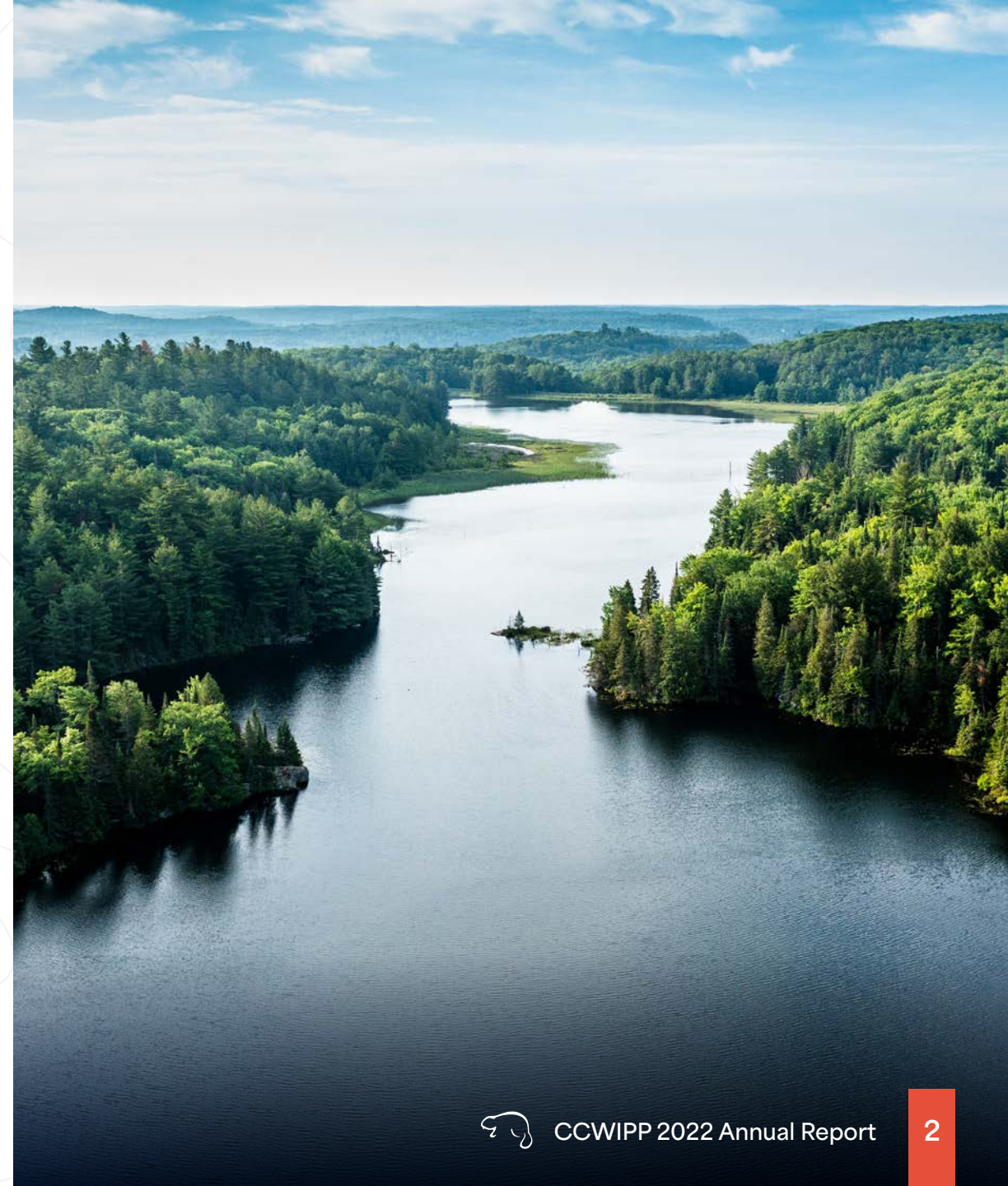
3 Highlights

4 A Message from the Board of Trustees

5 Investments

7 Funding

8 Governance



Highlights

Membership¹



375,000

Active, deferred, and qualifying members



35,000

Retired members, surviving spouses, and beneficiaries



2,000

Newly retired members during 2022

Annualized Returns

1 year	-4.1%
5 years	5.4%
10 years	6.9%
Target Return	6.0%

Net Assets (\$ billions)

2018	2.5
2019	2.8
2020	3.1
2021	3.3
2022	3.1



A Message from the Board of Trustees



We are pleased to present the Annual Report of the Canadian Commercial Workers Industry Pension Plan (“CCWIPP” or the “Plan”) for the year ended December 31, 2022.

The past year was a challenging one for many Canadians. Our return to pre-pandemic life was met with soaring inflation, multiple interest rate hikes, and significant market volatility, leaving many of us with difficult choices to keep up with daily living expenses.

Against this backdrop the Plan’s investment portfolio generated a negative rate of return (-4.1%), leading to a decrease in net assets available for benefits for the first time in over a decade.

In spite of these headwinds, progress continues to be made in ensuring the long-term sustainability of the Plan. We continue to enhance CCWIPP’s governance framework, the investment portfolio remains well-positioned, and the Plan’s funded status continues to improve, on both a going concern and a solvency basis.

Finally, it’s important to remember that the Plan belongs to you, its members. Only one in four Canadians have access to a workplace pension and we recognize that CCWIPP is an important part of your retirement plan that is not available to many Canadians. We strive to help you better understand CCWIPP and its benefits and we hope this update provides you with meaningful insight into the operation and financial status of the Plan.

Investments

INVESTMENT RESULTS

Despite experiencing a loss during 2022, the performance of the Plan's investment portfolio exceeded that of its benchmark return (-6.0%) and its peer group (-10.3%), as measured by the RBC Investor and Treasury Services All Plan Universe.² Over the trailing ten years ended December 31, 2022, the portfolio returned an annualized rate of return of 6.9%, exceeding the Plan's 6.0% target return.

The Plan's hedge fund portfolio was its strongest performer for the year, while private market investments also continued their strong performance. Fixed income, return seeking bonds, and global equity were all detractors to performance during 2022.

PUBLIC MARKET INVESTMENTS AND HEDGE FUNDS

2022 Rates of Return³

Fixed Income	-17.0%
Global Equity	-5.2%
Hedge Funds	9.9%
Return Seeking Bonds	-16.6%

PRIVATE MARKET INVESTMENTS

Internal Rates of Return
Range Since Inception⁴

Infrastructure	16.0% – 22.6%
Private Debt	9.4% – 10.6%
Private Equity	15.9% – 35.0%
Real Estate	7.9% – 16.4%
Farmland	8.5%

GLOBAL DIVERSIFICATION

The Plan's portfolio is well diversified in a wide range of asset classes and includes both publicly traded and privately held investments. To reduce geographic concentration risk, the portfolio includes both Canadian investments and investments outside of Canada.



\$800 Million

invested in Canada



\$2.3 Billion

invested globally





INVESTMENT ACTIVITIES

The Trustees meet at least quarterly with the Plan’s investment consultant, Aon Solutions Canada Inc., to review the Plan’s asset mix, performance, investment partners, and investment compliance status.

During the year, investments were completed with three new global equity investment managers (Arrowstreet Capital, First Pacific Advisors, and GQG Partners), while previously committed capital began to be drawn by one of the Plan’s two new private equity investments (Thoma Bravo Discover Fund IV). The first drawdown for the Plan’s other new private equity investment (Francisco Partners VII) is expected in 2023.



LOOKING AHEAD

Over the next year, drawdowns will continue to ramp up for the Plan’s recent farmland and private equity commitments. Drawdowns will also commence for two new infrastructure commitments completed in 2023 (Brookfield Infrastructure Fund V and Macquarie Infrastructure Partners VI).

The Trustees will continue to work with their investment consultant to opportunistically build out the Plan’s private equity portfolio, as recent liquidity in this asset class has resulted in an underweight to its target allocation.

During 2023/2024 the Trustees will also be commissioning a new asset-liability modelling (“ALM”) study. An ALM study analyzes the impacts of plan design, funding and benefit policy, and investment strategy to assist the Trustees with decision-making.

Over the longer term, the Trustees will continue to monitor the Plan’s asset mix and investment partners for ongoing performance, compliance, and suitability.



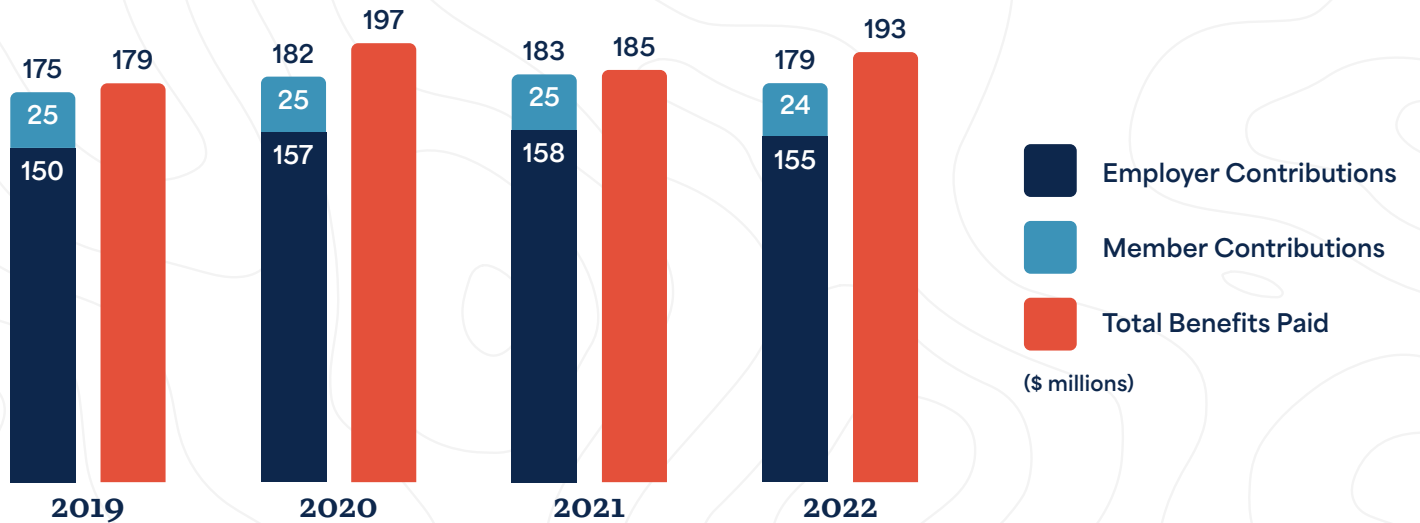
Fixed Income	43%
Equities	29%
Real Assets ⁵	18%
Hedge Funds	10%

Funding

FUNDING SOURCES

In 2022, employer contributions to the Plan totalled \$155 million, while member contributions totalled \$24 million. The Plan's investment portfolio generated a loss during the year of \$133 million. After benefit payments and expenses (the latter of which remained below 1% of Plan assets in 2022), net assets available for benefits decreased by approximately \$167 million in 2022.

CONTRIBUTIONS AND BENEFITS PAID



FUNDED STATUS

The Plan's most recent actuarial valuation, as of December 31, 2021, was filed with the pension regulator, the Financial Services Regulatory Authority of Ontario ("FSRA"), in September 2022. There are two valuations performed as part of an actuarial valuation. The going concern valuation (or the long-term funding basis assuming the plan continues indefinitely) indicated a going concern funded ratio of 91%. The solvency valuation (or the basis assuming a hypothetical windup of the Plan as of the date of the valuation) had a transfer ratio of 60.5%. Since there are many employers contributing to CCWIPP, the risk of the Plan winding up is low.

The next actuarial valuation that is required to be filed with FSRA must be prepared as of a valuation date that is no later than December 31, 2024.



Governance

THE BOARD OF TRUSTEES

The Plan is governed by a Board of Trustees. The Board is the legal Administrator of the Plan and is responsible for both the administration of the Plan and the investment of its assets. The current Trustees are listed on page 10 of this report.

GOVERNING DOCUMENTS

The Trustees are appointed pursuant to a Trust Agreement, which sets out the Board's powers and duties. A Plan Text outlines members' entitlements. Amendments to the Plan Text are communicated to members.

POLICIES

Together with a series of supporting policies addressing topics such as privacy, conflicts of interest, stakeholder communications, and trustee orientation, education, and succession, the Plan's Governance Document specifies the roles and responsibilities of the parties involved in the Plan's governance and provides a working guide for the governance of the Plan.

The Trustees also maintain a Funding and Benefit Policy, which sets out the framework for maximizing the likelihood that Plan assets will be sufficient to meet the scheduled benefits, and a Statement of Investment Policies and Procedures ("SIPP") that, among other things, states the investment objectives, guidelines, benchmarks, and applicable environmental, social, and governance-related considerations used in investing the capital of the Plan in an effort to ensure that these assets are invested prudently and in compliance with all applicable regulatory requirements.

Governance policies and practices established by the Trustees are monitored and amended, as they deem appropriate, to ensure they remain responsive to the needs of the Plan and its membership.





COMPLIANCE

The Plan is required to comply with both provincial and federal legislation that governs pensions. The Trustees monitor and enhance compliance practices, as necessary, and retain an external Compliance Officer responsible for quarterly compliance reporting to the Trustees and FSRA. The Plan was fully compliant with its SIPP and all applicable regulatory requirements during 2022.

OVERSIGHT

The Trustees regularly monitor the various firms providing professional services to the Plan to ensure they continue to add value. The Plan's service providers and investment partners are listed on page 10 of this report.

RECENT INITIATIVES

Improving member experience is a key focus for the Trustees. In 2023, CCWIPP launched the first phase of its member portal rollout, giving preregistered members 24-7 access to their pension information. Once the rollout is complete, all classes of members who register for the member portal will be able to see the pension they've earned, view their personal information, and make changes anytime.

Later in 2023, members will be able to have their say about CCWIPP with the release of the Plan's first member experience survey. The information gathered will be completely confidential and used to help the Trustees better understand member needs and improve member experience.

These efforts are designed to help the Plan foster a closer relationship with its members, enhancing transparency, increasing engagement, and better supporting informed decision-making.



INVESTMENT PARTNERS

AllianceBernstein	Francisco Partners
Aon Investments Canada	GQG Partners
Arrowstreet Capital	HBK Capital Management
Auven Therapeutics	Macquarie Infrastructure and Real Assets
BlackRock	Neuberger Berman
Brevan Howard Capital Management	PGIM
Brookfield Asset Management	PIMCO
Capstone Investment Advisors	Royalty Pharma
CBRE Global Advisors	TD Asset Management
Ceres Partners	Thoma Bravo
CIBC Asset Management	UBS Farmland Investors
Clairvest Equity Partners	
Davidson Kempner Capital Management	
Fiera Comox	
First Pacific Advisors	

SERVICE PROVIDERS

Actuarial	Benchmark Decisions Ltd., Buck Canada HR Services Ltd.
Administration	Prudent Benefits Administration Services Inc.
Audit	BDO Canada LLP
Custodial / Pension Payments	RBC Investor & Treasury Services
Investment Consulting / Compliance	Aon Solutions Canada Inc.
Legal Counsel	Koskie Minsky LLP

BOARD OF TRUSTEES

Anouk Collet	Executive Assistant to the National President, UFCW Canada
Jim Cooke	Employer Representative, Sobeys Inc.
Kelly Dobbryn	Senior Director Labour Relations, Metro Ontario Inc.
Shawn Haggerty	President, UFCW Canada Local 175
Paul Meinema	National President, UFCW Canada
Wendy Mizuno	Senior Vice President, Pensions & Benefits, Loblaw Companies Ltd.
Jeff Traeger	President, UFCW Canada Local 832

¹Membership figures are approximations.

²The RBC Investor and Treasury Services All Plan Universe tracks the performance of a cross-section of assets under management across Canadian defined benefit pension plans.

³2022 investment performance expressed using time-weighted rates of return.

⁴Since-inception investment performance expressed using a range of gross internal rates of return earned by the individual investments.

⁵Composed of the following asset classes (and target allocations): real estate (8%), infrastructure (5%), and farmland (5%).



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