



2023 Annual Report

rrecc / ccwipp

Régime de retraite des employés
de commerce du Canada

Canadian Commercial Workers
Industry Pension Plan

Index

Highlights	2
A Message from the Board of Trustees	3
Investments	4
Funding	6
Governance	7

Highlights

MEMBERSHIPⁱ

375,000+

Active, deferred, and qualifying members

35,000+

Retired members, surviving spouses, and beneficiaries

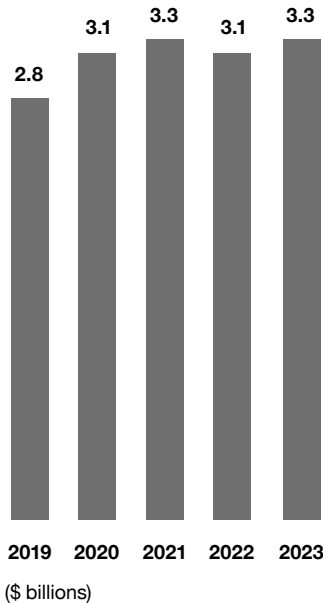
2,000+

Newly retired members during 2023

ANNUALIZED RETURNS

1 Year	8.5%
5 Years	6.7%
10 Years	7.1%
Target Return	6.0%

NET ASSETS



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, 2023.

2023 was a positive year for Canadian pension plans with CCWIPP being no exception. In spite of the numerous headwinds confronting institutional investors, the Plan’s investment portfolio rebounded strongly from a challenging 2022, with an 8.5% rate of return contributing to a \$238 million increase in net assets available for benefits over the prior year end.

Nearly a decade ago, we embarked on a significant redesign of the Plan aimed at ensuring its long-term sustainability. Nine years on, our investment portfolio is well positioned and has proved resilient in both good markets and bad, we continue to incrementally enhance CCWIPP’s governance framework, and the Plan is now on

track to be fully funded, on a going concern basis, by the tenth anniversary of these changes in mid-2025.

As we look ahead, persistent volatility, high interest rates, and slowing economic growth remain both causes for concern and potential sources of opportunity. It’s important to remember, however, that our default position is one of patience, to view things through a long-term lens and to prepare for a wide range of outcomes with an investment strategy carefully calibrated to maximize return while appropriately managing risk.

Pensions may be complex, but our guiding principles are straightforward: invest prudently, control expenses, and promote a culture of transparency, accountability, and sound governance. These principles challenge us, inspire us, and give our work purpose. We are honoured to play a part in helping secure the financial futures of CCWIPP members and their beneficiaries.

Investments

INVESTMENT RESULTS

Over the trailing ten years ended December 31, 2023, the Plan's investment portfolio achieved an annualized rate of return of 7.1%, exceeding the Plan's 6.0% target. For the year, the portfolio generated an 8.5% return, versus its peer group's average return of 9.1%, as measured by the RBC Investor and Treasury Services All Plan Universeⁱⁱ.

Global equity was the strongest component of the portfolio for the year with information technology representing the top performing sector. The asset class

experienced a significant rally in the fourth quarter as markets rose quickly on the expectation of coming interest rate cuts in 2024. Private market investments also continued their strong performance, while fixed income and return seeking bonds rebounded from a challenging 2022. Hedge fund performance nominally lagged other asset classes but had a positive return for the calendar year. Real estate was a notable detractor to performance in 2023 as higher interest rates resulted in capitalization rate expansion.

PUBLIC MARKET INVESTMENTS AND HEDGE FUNDS

	2023 Rates of Return ⁱⁱⁱ
Fixed Income	8.2%
Global Equity	17.2%
Hedge Funds	6.1%
Return Seeking Bonds	9.4%

PRIVATE MARKET INVESTMENTS

	Internal Rates of Return Range Since Inception ^{iv}		
Farmland	-2.8%	—	8.6%
Infrastructure	2.2%	—	18.4%
Private Debt	10.2%	—	11.0%
Private Equity	10.3%	—	26.0%
Real Estate	6.6%	—	15.1%

INVESTMENT ACTIVITIES

The Trustees meet regularly 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, previously committed capital began to be drawn in earnest by the Plan’s new private equity (Thoma Bravo Discover Fund IV and Francisco Partners VII) and infrastructure (Brookfield Infrastructure Fund V and Macquarie Infrastructure Partners VI) investments. No new investments were completed during the year.

LOOKING AHEAD

The Trustees are preparing for the commencement of a new asset-liability modelling (“ALM”) study in 2024. The ALM study will, among other things, analyze the impacts of plan design, funding and benefits policy, and investment strategy. It will assist the Trustees with determining the optimal allocation and policy benchmarks for the Plan’s assets while considering the Plan’s commitments, key financial metrics, and level of risk tolerance. It is an important tool to help the Trustees make informed decisions.

In the interim, the Trustees continue to monitor the Plan’s asset mix and investment partners for ongoing performance, compliance, and suitability.

GLOBAL DIVERSIFICATION

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

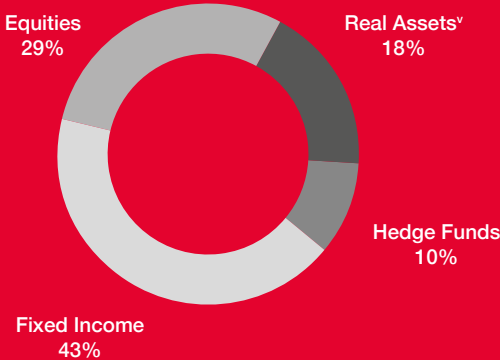


\$750 Million
invested in Canada



\$2.6 Billion
invested globally

TARGET ASSET MIX



Funding

FUNDING SOURCES

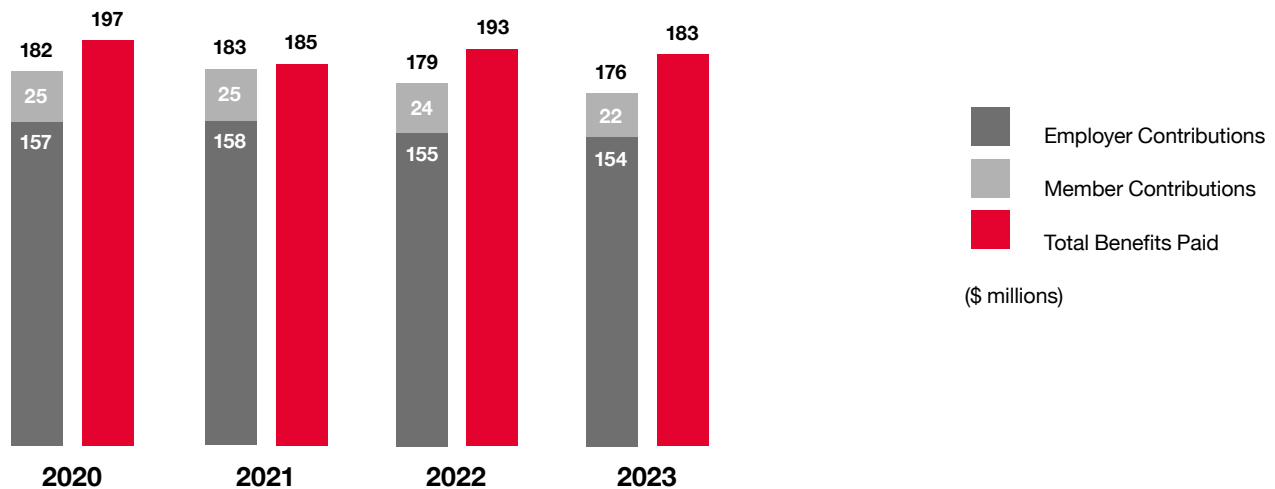
In 2023, contributions to the Plan totalled \$176 million, while an additional \$265 million in income was generated by the Plan’s investment portfolio. After benefit payments of \$183 million and expenses of \$21 million (which amounted to 62 basis points—or six-tenths of a percent—of Plan assets), net assets available for benefits grew by over \$238 million during the year.

FUNDED STATUS

As of December 31, 2021, the date of the Plan’s latest filed actuarial valuation report, the Plan had a transfer ratio (or the ratio of its assets to its wind-up liabilities, assuming a hypothetical wind up of the Plan) of 60.5% and a going concern funded ratio (assuming the Plan continues indefinitely) of 91%. As of December 31, 2023, these figures are estimated to have increased to 78.1% and 97%, respectively. Since there are many employers contributing to CCWIPP, the risk of the Plan winding up is low.

The next actuarial valuation required to be filed with the pension regulator, the Financial Services Regulatory Authority of Ontario (“FSRA”), must be prepared as of a valuation date that is no later than December 31, 2024.

CONTRIBUTIONS AND BENEFITS PAID



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 9 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

The Trustees maintain a Funding and Benefits 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.

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 2023.

OVERSIGHT

The Trustees regularly monitor the various firms providing professional services to the Plan to ensure they are fulfilling their mandates and continue to add value. The Plan's service providers and investment partners are listed on page 9 of this report.

RECENT INITIATIVES

Enhancing member experience is a key focus for the Trustees. In 2023, the Plan launched CCWIPP Online, giving active members 24-7 access to important information about their pension. Access for other classes of members will follow in 2024. Once this rollout is complete, members can say goodbye to paper, with everything they need to know about their pension always at their fingertips.

In 2024, the Plan will also be launching its new branding and communication style, designed to be more modern, more inclusive, and more approachable. Pension terminology can be complicated, but the Trustees are committed to communicating in a member-friendly manner, using clear, plain language wherever possible.

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

ⁱ Membership figures are approximations.

ⁱⁱ The 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.

ⁱⁱⁱ 2023 investment performance expressed using time-weighted rates of return.

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

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

INVESTMENT PARTNERS

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

SERVICE PROVIDERS

ACTUARIAL	Benchmark Decisions Ltd., Eckler Ltd.
ADMINISTRATION	Prudent Benefits Administration Services Inc.
AUDIT	BDO Canada LLP
CUSTODY / 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
Kelly Dobbyn	Senior Director Labour Relations – Metro Ontario Inc.
Shawn Haggerty	National President – UFCW Canada
Trevor MacDonald	Director Finance, Treasury and Pensions – Sobeys Inc.
Paul Meinema	Retired National President – UFCW Canada
Wendy Mizuno	Senior Vice President, Total Rewards – Loblaw Companies Ltd.
Jeff Traeger	President – UFCW Canada Local 832