

NEWSLETTER OF THE MOVEUP-FORTISBC PENSION PLAN

2024 Year in Review

In 2024, the Trustees met six times to review and manage the operation of the Plan and trust fund. Some key items in the year were:

- The pension fund earned a return of 11.4% in 2024, underperforming the benchmark return of 13.6%.
- The contribution rate was 10.45% of Plan Earnings for members and 18.45% of Plan Earnings for the Company, based on the actuarial valuation report as of December 31, 2022.

Investment Performance & Review

On February 26, 2025 the Trustees met with the Plan’s investment managers to review performance and compliance, as well as for an update on their strategies. The Plan’s investment asset mix targets were updated to include a 15% allocation to infrastructure as communicated in the June 2024 Newsletter. The updated targets are as follows as at December 31, 2024:

Investment Manager	Type of Fund	%
BlackRock	Canadian Long Bond	30%
TD Asset Management	Canadian Real Estate	15%
Leith Wheeler	Canadian Equity	10%
Pier 21	Global Equity	15%
CC&L	Global Equity	15%
IFM	Infrastructure	10%
Fengate	Infrastructure	5%

For the past 4 years, the annual rates of return earned by the Plan trust fund (net of fees) have been:

	Fund Return	Benchmark Return
2024	11.4%	13.6%
2023	11.0%	11.1%(*)
2022	-9.5%	-10.6%
2021	11.1%	10.9%

(*) Note - the 2023 newsletter originally reported a preliminary 2023 benchmark of 12.0%. The final audited benchmark return for 2023 was 11.1%.

Over the past four years, the Plan earned a return of 5.6% per annum, slightly underperforming the Benchmark return of 5.8%. The underperformance primarily occurred in 2024 and was mostly due to weaker performance by the real estate manager and two equity managers. 2024 was a difficult market for most active equity managers to add value as strong positive performance was concentrated in a few big technology stocks.

A temporary difference between the current fund investments and the benchmark asset mix was initiated in the fourth quarter of 2024 as the IFM infrastructure mandate will take some time before the committed funds are invested. While the infrastructure mandate is in the process of being funded, the Trustees have taken a conservative approach by allocating half of the committed funds to bonds due to concerns with the volatility of equity markets (typically the committed funds would be held entirely in equities).

Pension Increase Effective April 2025 and Future Indexing Expectations

For those receiving a pension from the Plan, following the annual review of the Plan’s Excess Interest Account (EIA), there will be an increase of 0.10% to your pension on April 30, 2025. If you retired after April 1, 2024 your increase will be pro-rated.

This increase represents only a partial increase compared to the increase in the Consumer Price Index (CPI) for 2024, since the funds in the EIA could not support the full 2024 CPI increase. This is largely due to how funds are added to the EIA using a 5-year average investment return methodology. The Plan experienced a significant negative investment return in 2022 due to unfavorable market conditions. This means that the investment return for 2022 will have a negative impact on the EIA until it is no longer included in the 5-year averaging period, and the Plan may not be able to grant significant indexing in the next few years, depending on future investment returns.

Introducing Judith Payne – Chair

Judith (Judy) Payne, a former lawyer, was appointed Chair of the Board by the Company and MoveUP, effective January 1, 2025. Previously, Judy was the Executive Director of British Columbia’s Municipal Pension Plan. Prior to that, she held various senior management roles with the BC Pension Corporation and served as a solicitor with the Province of British Columbia.

Her passion for pensions has led her to focus on board governance and trustee education. As Chair, Judy will facilitate the Trustees’ fiduciary oversight of the pension plan and continue to enhance the Plan’s governance practices.



Commuted Value Options

If you leave FortisBC before your 55th birthday, you have the option to receive a commuted value payout or a deferred pension for your Plan entitlements. The commuted value is a lump sum amount based on factors that can change over time including current interest rates and mortality assumptions. Due to these assumptions, estimates are not provided.

Details of the commuted value option will be in a Termination Statement provided after your last day of employment. Typically, commuted values must be transferred to a Locked-In Retirement Account or used to purchase an annuity, with cash payments only provided for small pensions or when limited due to regulatory requirements. Please note that this commuted value payout option will not be available after age 55.

Trustees

The Trustees of the MoveUP-FortisBC Pension Plan (the “Plan”) oversee the operation of the Plan and ensures the security of the Plan assets. It is structured to have representation from FortisBC and MoveUP (the Parties). Each Party may appoint three primary Trustees, as well as one Alternate Trustee. An independent chair is jointly appointed by the Parties to facilitate the Trustee meetings and provide expertise, but is not a Trustee. The Trustees govern all aspects of the management of the Plan. They are required to act independently and in the best interest of the members of the Plan.

Alternate Trustees attend every meeting but only vote if a Primary Trustee is absent. A list of the Trustees is provided below.

Statistical Summary of 2024

FINANCIAL DATA	2024	2023	2022
FortisBC contributions	1,974,540	1,766,279	1,826,890
Member contributions	1,116,416	998,217	1,036,348
Monthly pensions paid	2,301,864	2,107,291	1,792,657
Lump sum payments	343,747	223,325	385,011
December 31 asset market value	75,819,805	67,890,877	61,014,704

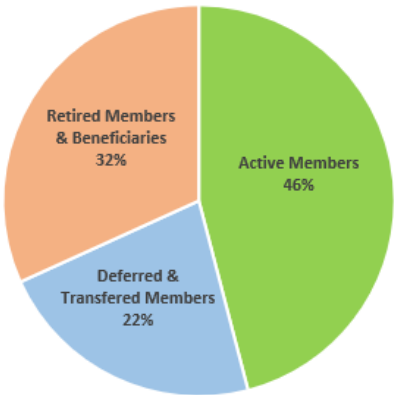
At December 31, 2022 (the date of the last valuation):

The funded ratio was: 98.6%¹
The solvency ratio was: 107.0%²

- ¹ The Funded Ratio is the ratio that the actuarial value, or smoothed value of assets, bear to the Plan's liabilities, calculated on the basis that the Plan continues indefinitely and includes the provision for adverse deviation (PfAD).
- ² The Solvency Ratio is the ratio that the solvency value of assets bear to the Plan's liabilities calculated as if the plan were terminated. The solvency ratio also impacts contribution rates.

MEMBERSHIP DATA

Membership Profile as of December 31, 2024



	2024	2023	2022
Active Members ³	159	154	155
Deferred & Transferred members ⁴	77	81	80
Retired Members ⁵	110	106	101
Total members	346	341	336

- ³ Active members and members currently on disability.
- ⁴ Terminated and transferred members who are still entitled to a deferred pension.
- ⁵ Retired members, surviving spouses and limited members.

The FortisBC Pension Team is available to answer any of your pension or retirement questions:

FortisBC
16705 Fraser Highway, Surrey, BC V4N 0E8
Phone: (888) 469-8022
Email: pensions@fortisbc.com

If you wish to contact any of the Trustees below, the FortisBC Pension Team can facilitate that request.

Trustees of the Plan

	# of Meetings in 2024 (Attended/Expected at)
Dick Humphries - Chair Chair until December 31, 2024	6/6
Janet Maloff - MoveUP	6/6
Dean Temme - MoveUP	6/6
John MacLeod - MoveUP	6/6
Elliott He – Company	6/6
Rouzbeh Mehrazma - Company	5/6
Sarb Bagri - Company Trustee from April 2, 2024	3/3
Mike Hendriks - MoveUP (Alternate)	6/6
Jason Cahill – Company (Alternate) Trustee from April 2, 2024	3/3
James Wong - Company (Alternate) Trustee until March 31, 2024	0/3
Nicolette Fojcik – Company Trustee until April 2, 2024	3/3

Information and Resources

Visit the online Pension Web Portal at <https://fortisbc.hroffice.com> where you can access your annual pension statements, the pension projection tool, and more!

Pension Projection Tool - use this tool to estimate your pension entitlement based on different retirement ages and various payment options available to you at retirement. You can print out a statement of your projections, including estimates for the various optional forms available to you on retirement, by selecting the “printable statement” option in the top right corner.

This material has been compiled by the Trustees of the MoveUP-FortisBC Pension Plan from information provided to them and is believed to be correct. If there is any inconsistency between the contents of the newsletter and the pension Plan text, trust agreement or legislation, the Plan text, trust agreement and legislation will prevail.