



SUBJECT	UBC Faculty Pension Plan Annual Report and Audited Financial Statements
SUBMITTED TO	Finance Committee
MEETING DATE	June 8, 2021
SESSION CLASSIFICATION	Recommended session criteria from Board Meetings Policy: OPEN
REQUEST	For information only - No action requested
LEAD EXECUTIVE	Marcia Buchholz, Vice-President Human Resources
SUPPORTED BY	Peter Smailes, Vice-President Finance & Operations Orla Cousineau, Executive Director, Pensions

PRIOR SUBMISSIONS

The UBC Faculty Pension Plan Board of Trustees provides Audited Financial Statements annually to the Board of Governors, as required under the terms of the Trust Agreement and Plan, and was last received on June 1, 2020.

EXECUTIVE SUMMARY

Annual Report

The UBC Faculty Pension Plan (“Faculty Plan”) is a defined contribution pension plan for the members of the academic and administrative executive staff of the University. The Board of Trustees is responsible for the oversight of the administration, financial reporting and investment activities of the Faculty Plan. The University has no oversight responsibility in respect of the Faculty Pension Plan.

The market value of the assets of the Faculty Plan was \$2.7 billion at December 31, 2020. The total members at December 31, 2020, was 6,680 (3,572 active members, 1,700 deferred members, and 1,408 retired members).

The Faculty Plan is co-administered by the UBC Pension Administration Office, and the record keeper, Sun Life Financial.

The Board of Trustees selects and monitors the investment options available under the Faculty Plan, and selects and monitors the investment performance of each of the external investment managers.

There are seven investment options available that provide the members with a variety of asset classes enabling them to create their own portfolio from a list of specially constructed funds. The default investment option is the Faculty Plan Balanced Fund which is a multi-manager segregated fund that consists of 12 underlying managers, and the fund management fee was .44% at December 31, 2020. Approximately 78% of the Plan assets are invested in the Balanced Fund.

In 2020 a change was made to the asset mix of the Balanced Fund option to improve the expected risk/return metrics of the fund, by increasing the real estate allocation from 10% (domestic) to 15% (5% domestic, 5% U.S., 5% global), and reducing the fund’s Canadian equity exposure from 20% to 15%. Two manager searches were completed and CRBE Global Investors was selected as the new U.S. real estate manager and the global real estate manager will be named once the documentation is completed.

On April 1, 2020, a new investment option, the Fossil Fuel Free Equity and Bond Fund, was opened for contributions and it attracted over \$50 million in assets, and it has continued to grow. The investment manager is Jarislowsky Fraser and the fund management fee was .38% at December 31, 2020. The new fund excludes investments in fossil fuel companies, and its carbon footprint is actively managed to deliver a materially reduced emission intensity in comparison to its benchmark.

The UBC Faculty Pension Plan 2020 Annual Report was posted on the Plan's website <https://faculty.pensions.ubc.ca/> in April 2021.

Financial Statements

The Board of Trustees is required, under the terms of the Trust Agreement and Plan text, to arrange for an independent audit of the Plan's Financial Statements, and to provide a copy to the Board of Governors.

The Plan's audited Financial Statements for 2020 have been provided to the Board Secretary and have been filed with the Superintendent of Pensions for British Columbia.

SUPPLEMENTAL MATERIALS

1. UBC Faculty Pension Plan Audited Financial Statements for 2020
2. UBC Faculty Pension Plan 2020 Annual Report
<https://faculty.pensions.ubc.ca/2021/04/ubc-faculty-pension-plan-2020-annual-report/>

Financial statements of
The University of British Columbia
Faculty Pension Plan

December 31, 2020

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Independent Auditor's Report

To the Board of Trustees of
The University of British Columbia Faculty Pension Plan

Opinion

We have audited the financial statements of The University of British Columbia Faculty Pension Plan (the "Plan"), which comprise the statement of financial position as at December 31, 2020, and the statements 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 2020, and the changes in its net assets available for benefits for the year then ended in accordance with Canadian accounting standards for pension plans ("ASPP").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our 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 ethical 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASPP, and for such internal control as management determines is necessary to enable the preparation of 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 The University of British Columbia 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 GAAS 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 these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 auditor's report to the related disclosures in the 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 auditor's 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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.

Deloitte LLP

Chartered Professional Accountants
Vancouver, British Columbia
March 31, 2021

The University of British Columbia Faculty Pension Plan

Statement of financial position

As at December 31, 2020

(Expressed in thousands of dollars)

	Notes	2020 \$	2019 \$
Assets			
Investments	3		
Balanced Fund		2,072,084	2,052,065
Bond Fund		75,372	69,266
Canadian Equity Fund		173,290	170,428
Foreign Equity Fund		203,428	181,416
Fossil Fuel Free Fund		54,609	-
Guaranteed investment certificates		27,862	21,683
Short-Term Investment Fund		48,573	35,554
		2,655,218	2,530,412
Cash and cash equivalents		42,715	2,708
Investment income receivable		1,004	1,080
		2,698,937	2,534,200
Accounts and other receivable		2,225	2,226
		2,701,162	2,536,426
Commitments	10		
Liabilities			
Accounts payable and accrued liabilities		4,109	2,622
		4,109	2,622
Net assets available for benefits	4	2,697,053	2,533,804

The accompanying notes are an integral part of the financial statements.

Approved on behalf of the Board of Trustees



Chair



Vice-Chair

The University of British Columbia Faculty Pension Plan
Statement of changes in net assets available for benefits

Year ended December 31, 2020
(Expressed in thousands of dollars)

	Notes	2020 \$	2019 \$
Increase in assets			
University's required contributions		47,317	44,874
Members' required contributions		24,426	22,957
Members' additional voluntary contributions		905	871
Transfers from other plans		5,921	8,495
		78,569	77,197
Investment income	5	108,900	98,709
Change in fair value of investments	6	85,658	223,461
		273,127	399,367
Decrease in net assets			
Payments to or on behalf of members			
Retirement benefits to members and beneficiaries		62,859	55,922
Death benefits		3,582	1,946
Members' accounts transferred and refunded		35,127	40,708
		101,568	98,576
Operations			
Administrative expenses	7	2,783	2,924
Investment			
Management fees		5,527	5,631
		109,878	107,131
		163,249	292,236
Net change in net assets available for benefits		163,249	292,236
Net assets available for benefits, beginning of year		2,533,804	2,241,568
Net assets available for benefits, end of year		2,697,053	2,533,804

The accompanying notes are an integral part of the financial statements.

The University of British Columbia Faculty Pension Plan

Notes to the financial statements

December 31, 2020

(Expressed in thousands of dollars)

1. Description of Plan

The following description of The University of British Columbia Faculty Pension Plan (the "Plan") is a summary only. For more complete information, reference should be made to the Plan text.

(a) General

The Plan is a defined contribution pension plan sponsored by The University of British Columbia (the "University") and covers all eligible academic and administrative executive staff as defined in the Plan text. The Plan is registered under the Pension Benefits Standards Act of British Columbia (registration no. 85435). As a registered pension plan under the Income Tax Act of Canada, the Plan is exempt from taxation.

(b) Funding policy

The Plan text requires members and the University to make contributions of 5.0% and 10%, respectively, of basic salary up to the YBE, 3.2% and 8.2%, respectively, of basic salary between the YBE and the YMPE, and 5.0% and 10.0%, respectively, of basic salary in excess of the YMPE. YBE is the "year's basic exemption" and YMPE is the "year's maximum pensionable earnings", both as defined in the Canada Pension Plan.

The Trustees are authorized to receive as contributions only such amounts as are authorized by the Income Tax Act, and in the event excess funds are received, these are refunded to whoever made the contribution.

(c) Investment options

Members in the Money Purchase, Registered Retirement Income Fund ("RRIF"), or Life Income Fund ("LIF") type payment accounts can choose to invest their individual account balances in a Balanced Fund, Bond Fund, Canadian Equity Fund, Foreign Equity Fund, Fossil Fuel Free Fund, Guaranteed Investment Certificates or a Short-Term Investment Fund.

(d) Retirement benefits

Normal retirement is the first day of July or January following the member's 65th birthday, whichever comes first. However, a member may retire any time after attaining the age of 55 or may postpone retirement benefits until December 1 of the calendar year of the member's 71st birthday.

(e) Forms of retirement benefit

Upon retirement, the balance in a member's account may be:

- transferred to the Variable Payment Life Annuity account to provide a variable annuity administered by the Plan;
- transferred to the LIF type payment account (maximum withdrawal, which is based on the member's age, changes each year based on rates for long-term Government of Canada bonds) or RRIF type payment account (no maximum withdrawal) administered by the Plan;
- transferred to an approved LIF, Registered Retirement Savings Plan or RRIF administered externally;

**The University of British Columbia
Faculty Pension Plan**

Notes to the financial statements

December 31, 2020

(Expressed in thousands of dollars)

1. Description of Plan (continued)

(e) Forms of retirement benefit (continued)

- used to purchase an annuity from a financial institution authorized to issue such products;
- withdrawn as cash from non locked-in balances;
- deferred until December 1 in the year the member turns 71; or
- used for a combination of options.

(f) Termination and death benefits

Benefits are also paid on termination of employment or in the event of death of the member prior to retirement. Termination benefits are recorded when members' accounts are transferred and refunded on the statement of changes in net asset available for benefits.

Benefits on death subsequent to retirement are paid in accordance with the form of retirement benefit payment originally selected by the retired member.

2. Significant accounting policies

The accounting policies adopted in the preparation of these financial statements have been prepared on the basis of Part IV of the CPA Canada Handbook - Accounting, Canadian Accounting Standards for Pension Plans ("ASPP").

The Plan has adopted Canadian Accounting Standards for Private Enterprises in Part II of the CPA Canada Handbook - Accounting in connection with any balances or transactions outside of the scope of ASPP.

(a) Basis of presentation

The financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity independent of the University and Plan members. The financial statements are prepared to assist Plan members and others in reviewing the activities of the Plan for the fiscal year. The statement of financial position shows the assets under control of the Trustees of the Plan.

(b) Use of estimates

The preparation of financial statements in accordance with ASPP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of increases and decreases in net assets available for benefits for the reporting period. Actual results could differ from those estimates.

(c) Investments

The Plan's investment structure comprises six segregated funds, which in turn hold pooled funds and real estate investments. The Plan also holds guaranteed investment certificates and an investment in a real estate fund (Note 3).

**The University of British Columbia
Faculty Pension Plan**

Notes to the financial statements

December 31, 2020

(Expressed in thousands of dollars)

2. Significant accounting policies (continued)

(c) Investments (continued)

Investments are recorded on a settlement date basis and at fair value. 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. Fair values of investments are determined as follows:

- (i) Segregated funds are valued using the net asset value per unit.
- (ii) Guaranteed investments certificates ("GICs") are valued using published market closing price quotations.
- (iii) The units in the real estate funds are valued based on the fair values of the underlying real estate assets. The net assets mainly include direct real estate investments, which are valued quarterly by the real estate investment managers using a combination of internal and external appraisals to establish current market values.

Adjustments to investments due to the fluctuation of fair values are reflected as part of the change in fair value of investments in the statement of changes in net assets available for benefits. Realized gains and losses are calculated based on the average cost of the investments. Investment income is recognized on an accrual basis. Transaction costs are included in the statement of changes in net assets available for benefits in the period incurred.

(d) Translation of foreign currency

Transactions denominated in foreign currencies are translated at the rate of exchange at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange in effect at the statement of financial position date. Unrealized exchange gains or losses on foreign currencies are included in the change in fair value of investments (Note 6).

(e) Allocation of net assets

In the allocation of net assets available for benefits to the accounts (Note 4), investment income, change in fair value of investments and operational and investment expenses are allocated monthly based on the opening account balances.

(f) Members' accounts transferred or refunded

Members' accounts transferred or refunded are recognized as a decrease in net assets on the accrual basis.

3. Investments

Information about the Plan's investments is as follows:

(a) Short-term notes

The short-term notes held in the Short-Term Investment Fund are primarily securities issued by the federal government, Canadian chartered banks, or corporations and mature at various dates within the next fiscal year, as well as investments in pooled money market funds and GICs.

**The University of British Columbia
Faculty Pension Plan
Notes to the financial statements**

December 31, 2020

(Expressed in thousands of dollars)

3. Investments (continued)

(b) Bonds

Investments in bonds held in the Bond Fund, the Fossil Fuel Free Fund and the Balanced Fund consist of units held in Canadian pooled bond funds.

(c) Equities

The fair values of the equity investments held in the Balanced Fund, Fossil Fuel Free Fund, Canadian Equity Fund and Foreign Equity Fund are summarized as follows:

	2020	2019
	\$	\$
Canadian Pooled equity funds	558,687	584,557
Foreign Pooled equity funds	913,867	835,736
	<u>1,472,554</u>	<u>1,420,293</u>

(d) Real estate

All real estate investments held by funds in which the Plan has invested are in Canadian as well as global properties.

(e) Fair value measurements – Hierarchy disclosure

ASPP establishes a three-tier hierarchy as a framework for disclosing fair values based on inputs used to value the Plan's investments. The hierarchy of inputs is summarized below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices) and;
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**The University of British Columbia
Faculty Pension Plan**

Notes to the financial statements

December 31, 2020

(Expressed in thousands of dollars)

3. Investments (continued)

(e) *Fair value measurements – Hierarchy disclosure (continued)*

The following is a summary of the identified hierarchy of inputs used as of December 31, 2020 in valuing the Plan's investments carried at fair values:

	Quoted prices in Active markets for identical assets (Level 1) \$	Signicant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
Balanced Fund				
Segregated fund	—	1,984,027	—	1,984,027
Real estate fund	—	162	87,895	88,057
Bond Fund	—	75,372	—	75,372
Canadian Equity Fund	—	173,290	—	173,290
Foreign Equity Fund	—	203,428	—	203,428
Fossil Fuel Free Fund	—	54,609	—	54,609
GICs	—	27,862	—	27,862
Short Term Investment Fund	—	48,573	—	48,573
Total Investments	-	2,567,323	87,895	2,655,218

The following is a summary of the identified hierarchy of inputs used as of December 31, 2019 in valuing the Plan's investments carried at fair values:

	Quoted prices in Active markets for identical assets (Level 1) \$	Signicant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
Balanced Fund				
Segregated Fund	—	1,970,935	—	1,970,935
Real estate fund	—	1,679	79,451	81,130
Bond Fund	—	69,266	—	69,266
Canadian Equity Fund	—	170,428	—	170,428
Foreign Equity Fund	—	181,416	—	181,416
GICs	—	21,683	—	21,683
Short Term Investment Fund	—	35,554	—	35,554
Total Investments	-	2,450,961	79,451	2,530,412

**The University of British Columbia
Faculty Pension Plan
Notes to the financial statements**

December 31, 2020

(Expressed in thousands of dollars)

3. Investments (continued)

(e) *Fair value measurements – Hierarchy disclosure (continued)*

The following table provides information for financial instruments recognized at fair value as at December 31, 2020 and for which Level 3 inputs were used in determining fair value:

	Balance as at December 31, 2019 \$	Reinvested income changes in net assets available for benefits \$	Net realized and unrealized gains/ included in (losses) included statement of in statement of changes in net assets available for benefits \$	Purchases \$	Sales \$	Balance as at December 31, 2020 \$
Real estate fund	79,451	11,949	(4,383)	6,034	(5,156)	87,895

The key assumptions used in determining the fair values of the Level 3 investments included discount rates used to present value future cash flows from properties and income multiples.

4. Net assets available for benefits

The net assets available for benefits as at December 31 has been allocated as follows:

	2020 \$	2019 \$
Money Purchase Account	1,698,693	1,631,877
RRIF Type payment account	484,652	453,712
LIF type payment account	356,065	300,471
Variable Payment Life Annuity Account	157,643	147,744
	2,697,053	2,533,804

The Money Purchase account represents assets held by the Plan for the individual accounts of all active and deferred members prior to their retirement.

The RRIF type payment account represents assets held by the Plan for the individual accounts of retired members receiving Registered Retirement Income Fund type payments administered by the Plan.

The LIF type payment account represents assets held by the Plan for the individual accounts of retired members receiving Life Income Fund type payments administered by the Plan.

The Variable Payment Life Annuity account represents assets held by the Plan for the individual accounts of retired members receiving a variable annuity administered by the Plan.

**The University of British Columbia
Faculty Pension Plan**

Notes to the financial statements

December 31, 2020

(Expressed in thousands of dollars)

5. Investment income

Investment income earned from GICs, real estate investments and investments held in the segregated funds are as follows:

	2020	2019
	\$	\$
Interest income	38,059	9,945
Pooled fund distributions	64,009	101,257
Real estate income (loss)	6,832	(12,493)
	108,900	98,709

6. Change in fair value of investments

	2020	2019
	\$	\$
Realized gains (losses) on investments	14,776	12,844
Change in unrealized gains (losses) on investments	70,882	210,617
	85,658	223,461

7. Administrative expenses

	2020	2019
	\$	\$
Office and administrative costs	1,272	1,493
Custodian	1,364	1,293
Other	80	72
Audit	38	38
Actuarial services	29	28
	2,783	2,924

8. Financial risk management

As a pension plan, the Plan is fundamentally concerned with the management of financial risk. This note summarizes and quantifies these risks and the way the Plan manages them.

The Plan employs a Statement of Investment Policies and Goals (the "Policy") to identify, assess, manage and monitor the risks. The Policy provides asset mix ranges and limitations the Plan is to follow. The Policy is overseen by the Board of Trustees (the "Board").

The Board oversees management of the Plan with a view to promoting effective plan design, governance, investment policy, financing, administration and legal compliance. The Board monitors the investment performance of the Plan, including total fund, asset class, and manager performance against specified benchmarks.

A majority of the Plan's assets are invested in segregated funds. The pooled fund investments held in the segregated funds provide a more cost effective means of achieving diversification within selected asset classes, given the size of the mandates granted to the investment managers. The managers of the investment funds held in the segregated funds are governed by the managers' own investment policy for the pooled fund. The Board is responsible for ensuring

**The University of British Columbia
Faculty Pension Plan**

Notes to the financial statements

December 31, 2020

(Expressed in thousands of dollars)

8. Financial risk management (continued)

that the detailed investment policy statement setting out the investment constraints for the managers of such funds are prepared and agreed to by the managers.

(a) Credit risk

Credit risk is the risk of financial loss to the Plan if a counterparty to a financial instrument fails to meet its contractual obligations. The Plan has no specific concentration of credit risk as no significant portion of the investments are invested in securities with similar characteristics or subject to similar economic, political or other conditions. The fair value of the Plan's assets represents the Plan's maximum exposure to credit risk.

The investment policies of the various bond managers provide limits to the credit exposure and/or sets a minimum overall average portfolio quality allowed by each manager.

The overall credit ratings of fixed income securities held in the Plan's segregated funds are as follows:

	2020	2019
	%	%
AAA	32.4	36.5
AA	34.4	30.7
A	13.8	14.3
BBB	15.2	15.4
BB and below	4.2	3.1
	100.0	100.0

(b) Liquidity risk

Liquidity risk refers to the likelihood of a potential loss arising from a large percentage of requests for redemptions by Plan members. This risk is mitigated as active members and those in the Variable Payment Life Annuity ("VPLA") program cannot withdraw their funds from the Plan. The percentage of the Plan's assets with deferred, retired and LIF/RRIF members that could withdraw their funds on short notice is approximately 44% (43% in 2019).

All of the Plan's liabilities are due within one year.

Most of the Plan's segregated funds are invested in large pooled funds, of which, the respective segregated fund is just one of many parties invested in these pooled funds, which provides a high degree of liquidity. The investment managers typically invest in equities and bonds that are very marketable and that have a high degree of liquidity should they need to be sold in a relatively short timeframe.

(c) Interest rate risk

The Plan is subject to interest rate risk. Interest rate risk is the risk that fixed-income securities held by the segregated funds will decline in value because of changes in market interest rates. Rising interest rates cause a decrease in bond prices. Duration is the most common measure of this risk and quantifies the effect of changes in bond prices due to a change in interest rates. The bond portfolio has an average duration of approximately 8 years (8 years in 2019).

**The University of British Columbia
Faculty Pension Plan
Notes to the financial statements**

December 31, 2020

(Expressed in thousands of dollars)

8. Financial risk management (continued)

(d) Currency risk

Currency risk is the risk that the fair value or future cash flows of foreign investments, measured in Canadian dollars, will decrease because of changes in currency exchange rates. Two of the Plan's three bond managers may invest a portion of their portfolio outside of Canada, but they only hold a small exposure to unhedged foreign currencies as they mostly hedge their currency exposure. Otherwise, the Plan's segregated funds' investments in U.S. and non-North American equities are generally unhedged in terms of their currency exposure. These foreign securities as of December 31, 2020 represent approximately 34% (33% in 2019) of the Plan's segregated funds' assets which consist of 34% (33% in 2019) in foreign currencies.

(e) Other price risk

The investments are exposed to other price risk due to changing market conditions. Investment managers manage the portfolio's other price risk by establishing and monitoring asset allocation strategies and by diversifying investments within the various asset classes to control overall price risk.

9. Capital management

The Plan's objectives when managing capital are to safeguard the ability to continue as a going concern, so that the Fund can provide sufficient benefits to the Plan members.

The Plan manages the capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of underlying assets. To maintain or adjust the capital structure, the Plan may sell assets to meet immediate obligations where appropriate. The Plan is not subject to externally imposed capital requirements.

The Board is responsible for monitoring and evaluating the Plan's performance on a regular basis, as set out in the Policy.

10. Commitments

The Plan has entered into an operating lease for office premises with an expiry date of October 31, 2022. As of December 31, 2020, the future minimum lease payments are due as follows:

	\$
2021	75
2022	62
	137