

2023 ANNUAL REPORT TO PENSION PLAN MEMBERS



Table of Contents



MESSAGE FROM THE CHAIR AND SECRETARY OF THE PENSION COMMITTEE	3
MESSAGE FROM THE INCOMING CHAIR	6
2023 HIGHLIGHTS	7
PLAN MEMBERSHIP	8
INVESTMENTS	9
FUNDING POLICY	17
FINANCIAL STATUS OF THE FUND	19
ACTUARIAL VALUATION	20
PLAN MANAGEMENT	25
WHAT'S AHEAD	30
RESOURCES FOR MEMBERS AND RETIREMENT PLANNING	31

Message from the Chair and Secretary of the Pension Committee



We are pleased to provide you with the **Annual Report of the Pension Plan for the Employees of Concordia University (“the Plan”)** for the fiscal year ending December 31, 2023.

This report is intended to:

- Provide you with an overview of the financial position of the Plan;
- Briefly explain how the Plan is managed;
- Update you on the work completed by the Pension Committee in 2023; and
- Inform you of upcoming initiatives.

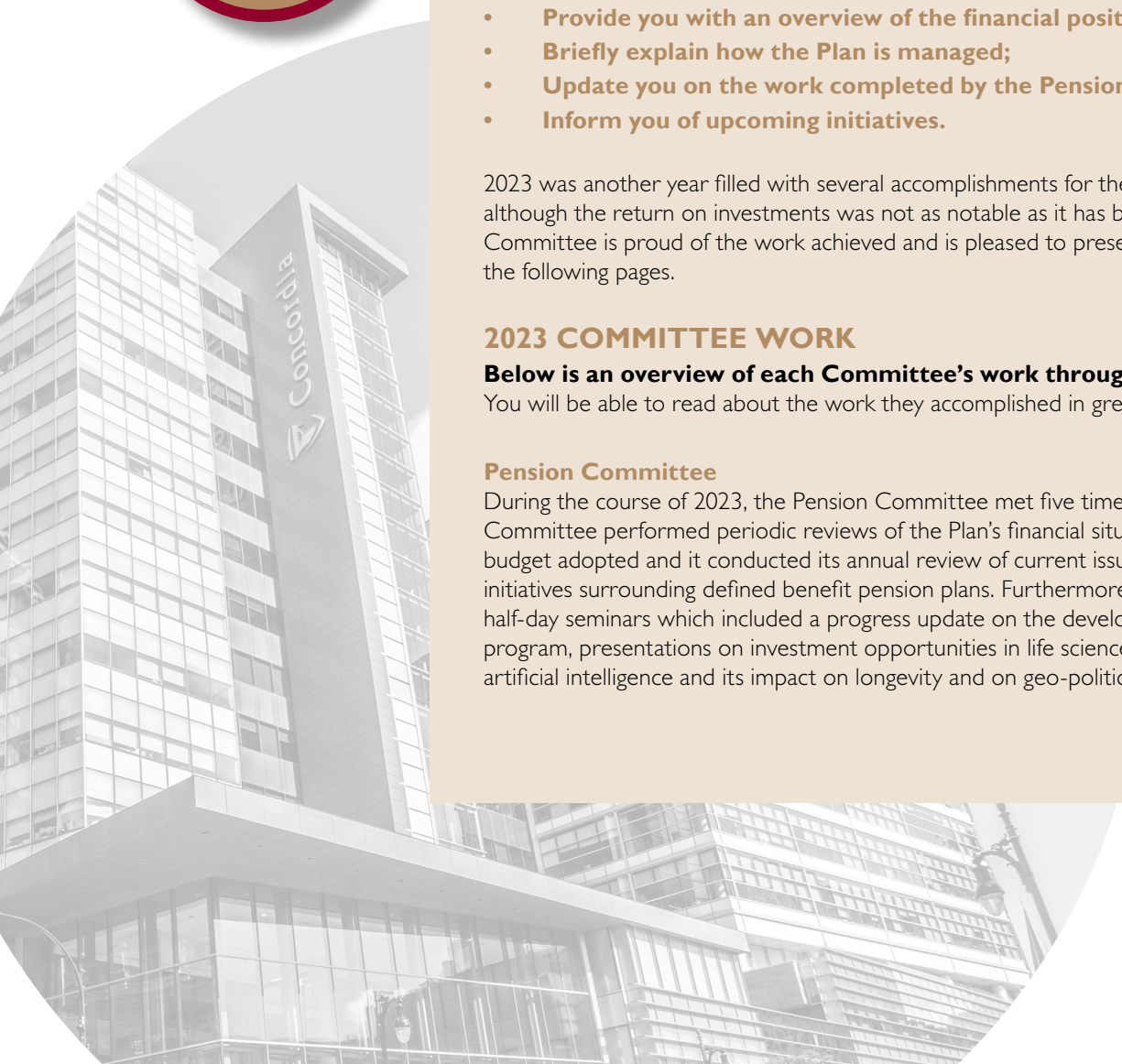
2023 was another year filled with several accomplishments for the Committee and the Plan, although the return on investments was not as notable as it has been in previous years. The Committee is proud of the work achieved and is pleased to present the results of the year in the following pages.

2023 COMMITTEE WORK

Below is an overview of each Committee’s work throughout the course of 2023. You will be able to read about the work they accomplished in greater detail later in this report.

Pension Committee

During the course of 2023, the Pension Committee met five times. In particular, the Committee performed periodic reviews of the Plan’s financial situation versus the annual budget adopted and it conducted its annual review of current issues, legislative changes and initiatives surrounding defined benefit pension plans. Furthermore, the Committee held two half-day seminars which included a progress update on the development of the sustainability program, presentations on investment opportunities in life sciences and natural resources, on artificial intelligence and its impact on longevity and on geo-political risks.



Message from the Chair and Secretary of the Pension Committee (cont'd)



Investment Sub-Committee

The Investment Sub-Committee (ISC) met nine times during the year. Among other endeavours, it continued its progress on the implementation of the changes to the Investment Policy adopted in the Fall of 2020, including allocations made to new vintages of existing private equity managers and divestment from another manager. Much work was also accomplished at the level of risk management, systems and resources and the Integrated Due Diligence program. During 2023, as part of its ongoing duties, the ISC closely monitored the performance and results produced by our investment managers. It also continued receiving ongoing education, which its members utilize to identify new investment opportunities and to continue to evolve the Investment Policy.

Responsible Investment Working Group

In 2023, the Responsible Investment Working Group (RIWG) met on three occasions to finalize its work on the design of the four components of the Responsible Investment (RI) Program, namely the systemic risk framework, the level of care and related rating assessment, measurement and engagement. With the program design now complete, it is currently in the implementation phase. You will be able to read about the RI Program and the work accomplished by the RIWG in greater detail later on in this report.

Longevity Management Working Group

The Longevity Management Working Group (LMWG) met twice in 2023 to advance its comprehensive assessment, as mandated by the Pension Committee, on the Plan's longevity risk. The group is also developing a framework to effectively manage this risk, which is increasingly concerning for defined benefit pension plans due to anticipated future improvements in longevity. As described later in this report, given the changing environment, including some key macro-economic factors, the mandate of the LMWG was enhanced in 2023 to include the assessment of all funding risks other than investments, namely economic and demographic risks.

Audit Committee

The Audit Committee (AC) held its first meeting in the Spring of 2024 to review the external auditors' audit planning report for the audit of the year ending on December 31, 2023. A second meeting was held to receive the audit findings report and to review the audited financial report, which was accepted for recommendation and subsequent approval by the Pension Committee. At the conclusion of the audit, the auditors issued a clean report to the management team, with no misstatements or any control deficiencies identified.



Message from the Chair and Secretary of the Pension Committee (cont'd)



INVESTMENT RETURNS

In 2023, the fund achieved a total return of 2.8% before expenses paid by the Plan, which is below the objective of 5.9% corresponding to the valuation rate of the Plan's liabilities. It is important to note that the Investment Policy and asset allocation were designed to be robust against challenging financial market conditions, with an objective to protect the capital and the assets of the Plan. It is understood that this type of asset allocation is not positioned to capture all of the upside in soaring financial markets, such as the rally that took place at the end of 2023 led by the technology sector. When comparing with pension plans of similar size, this explains why our 2023 results rank below the median.

FINANCIAL SITUATION

The last actuarial valuation of the Plan was prepared as at December 31, 2022 and set the employee and employer contribution rates for the years 2024 to 2026. As per the results of the valuation for the overall Plan, the funding ratio, before taking into account the amount of the actuarial reserve that the Plan is obligated to constitute, was 106.8%. On the other hand, the funding ratio, after taking into account the actuarial reserve, was 95.1%. This represents an improvement in the funding ratio before reserve of 8.1% from the previous actuarial valuation prepared as at December 31, 2019, which is entirely due to the excellent investment returns achieved in 2020 and 2021. This improvement is net of the impact caused by the higher-than-expected indexation rates applied to pension payments in 2022 and 2023, which reduced the funding ratio by close to 5%. The Plan is therefore in a very good financial situation, being fully funded on a before reserve basis. Furthermore, the results of the valuation indicate that the funding cost of the Plan continues to be stable, which is in line with one of the main objectives of the Funding Policy to maintain sustainable and stable costs over both the short and long term.

Based on the 2023 results and without taking into consideration any actuarial gains and losses on demographic and other economic assumptions, the funding ratio before reserve for the overall Plan is estimated to be 104.1% as at December 31, 2023.

We would like to take this opportunity to thank the members of the Pension Committee and of all sub-committees for their hard work and dedication attending to the business of the Plan with due care and diligence. The team at the Office of the Treasurer is also to be acknowledged for the considerable and significant amount of work done pertaining to the financial management of the Plan on a continual basis, as well as the employees of the Pension Services team for the dedicated work and service they provide to the Plan membership.

We trust this report will enable a better understanding of our Plan and its value.

Patricia Saputo, FCPA, FCA, ICD.D,TEP, DTax,
Chair of the Pension Committee

Marc Gauthier, CPA, CMA
Principal Administrator of the Pension Plan
for the Employees of Concordia University
and Secretary of the Pension Committee



Message from the Incoming Chair of the Pension Committee



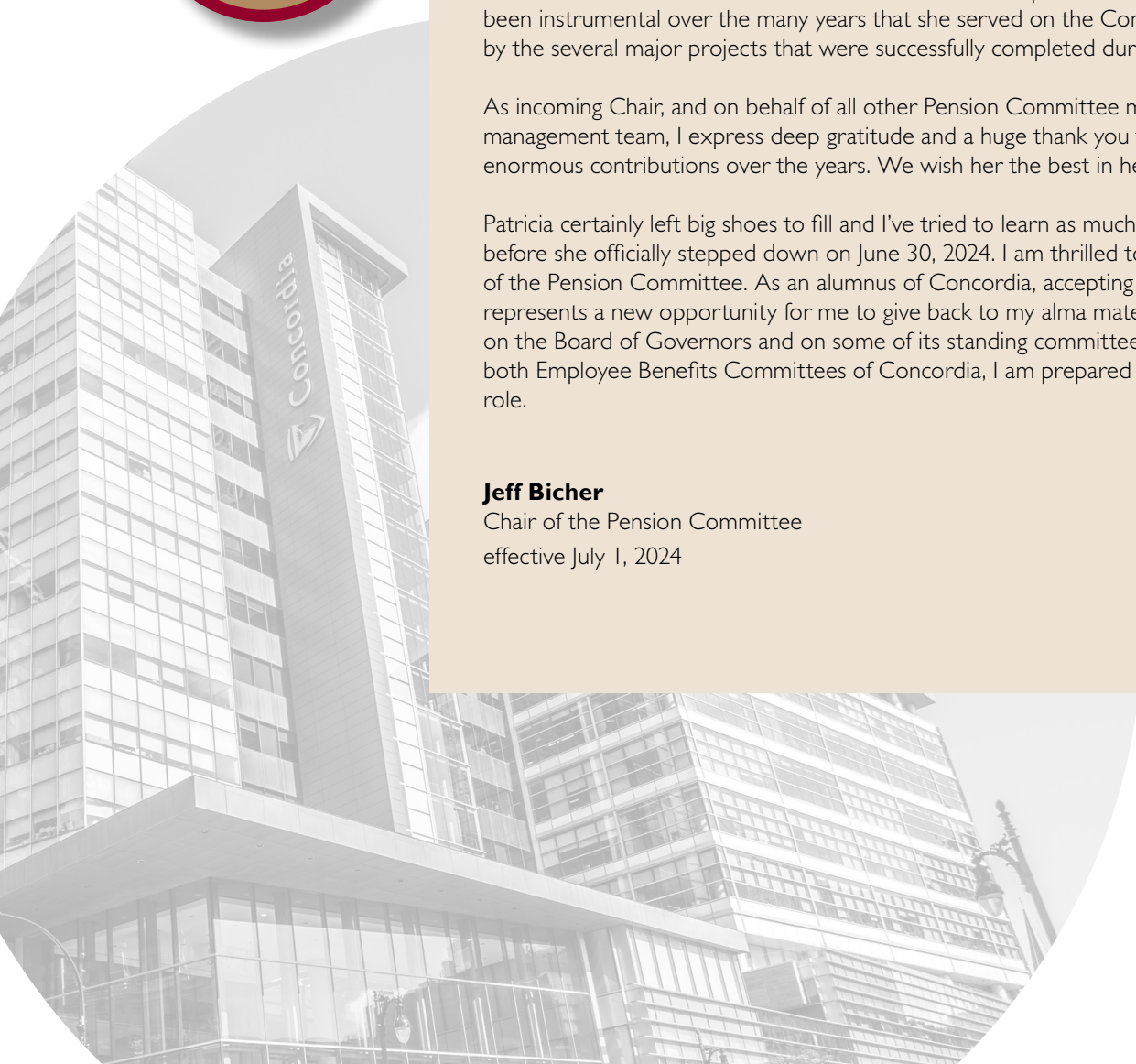
After more than fifteen years with the Pension Committee and after much consideration, Patricia Saputo, Chair of the Committee, has decided to step down from the position to move on to new endeavours. Patricia was first appointed as a member of the Committee by Concordia's Board of Governors in 2008. She took on the role of Vice-Chair from 2010 to 2015 and finally the role of Chair until June 30, 2024. She also was the Chair of the Investment Sub-Committee since its creation in 2013. Her leadership, dedication and full support have been instrumental over the many years that she served on the Committee, which is noticeable by the several major projects that were successfully completed during her tenure.

As incoming Chair, and on behalf of all other Pension Committee members and the management team, I express deep gratitude and a huge thank you to Patricia for her enormous contributions over the years. We wish her the best in her future endeavours.

Patricia certainly left big shoes to fill and I've tried to learn as much as possible from her before she officially stepped down on June 30, 2024. I am thrilled to take on the leadership of the Pension Committee. As an alumnus of Concordia, accepting to serve in this capacity represents a new opportunity for me to give back to my alma mater. Having previously served on the Board of Governors and on some of its standing committees, and currently as Chair of both Employee Benefits Committees of Concordia, I am prepared to assume this important role.

Jeff Bicher

Chair of the Pension Committee
effective July 1, 2024



2023 Highlights



MEMBERSHIP

In 2023, the number of active Plan members increased slightly, from 3,848 to 3,890. During the same period, the number of pensioners and beneficiaries increased from 2,436 to 2,528.

PENSION FUND INVESTMENT PERFORMANCE

In 2023, the Pension Fund return was 2.8% before expenses paid by the Plan, while the return net of all expenses was 2.6%.

The objective set by the Investment Policy is an annual return net of Plan expenses that meets the rate at which the liabilities are valued, currently at 5.9%, with a goal to protect the capital in challenging financial markets. While the results were below the 5.9% target rate in 2023, the annualized returns over periods of three and five years were 6.5% and 8.4% respectively.

NET PENSION ASSETS

In 2023, the fund assets increased by \$31,363,000, going from \$1,475,502,000 to \$1,506,865,000, representing an increase of 2.1%.

PLAN FINANCIAL SITUATION

As at December 31, 2022, the date of the last actuarial valuation, the financial situation of the Pension Plan was as follows:

- Funding ratio (long-term financial situation):
 - Before actuarial reserve: 106.8% with a surplus of \$93.5 million.
 - After actuarial reserve: 95.1% with a shortfall of \$67.2 million and a reserve of \$160.7 million.
- Solvency ratio (short-term situation): 91.1%

As at December 31, 2023, the estimated financial situation of the Plan was as follows:

- Funding ratio:
 - Before actuarial reserve: 104.1%
 - After actuarial reserve: 93.0%

CONTRIBUTIONS

In 2023, contributions made to the Plan were as follows:

- Members: \$26,407,000
- University: \$38,084,000



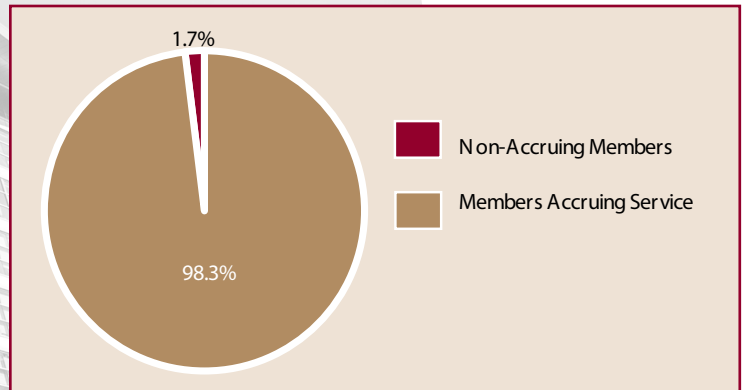
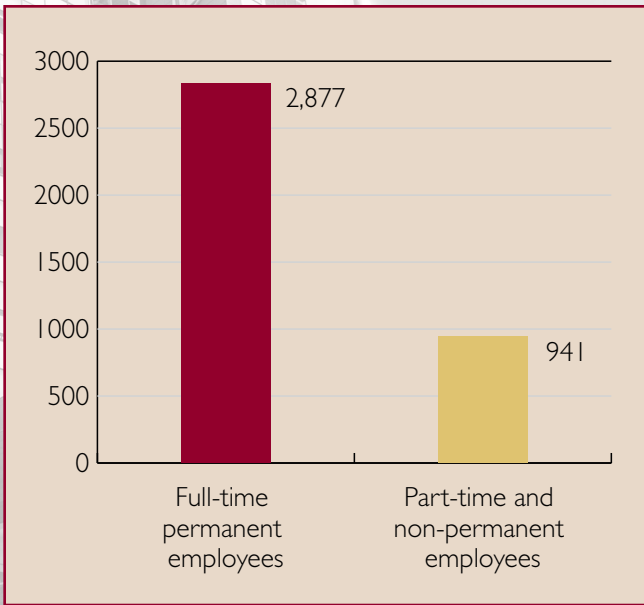
Plan Membership



	Active Members	Deferred Vested Members	Pensioners and Beneficiaries	Total
As at December 31, 2022	3,848	1,147	2,436	7,431
New members	523	272	130	
Retirements	(104)	(9)	—	
Terminations	(372)	—	(3)	
Deaths	(5)	(1)	(35)	
Refunds	—	(216)	—	
As at December 31, 2023	3,890	1,193	2,528	7,611

As at December 31, 2023, the average age of active members was 47.7 and the average age of pensioners and beneficiaries was 74.9.

Active members are distributed as follows:



Investments



Professional investment managers invest the Pension Fund assets in accordance with the Investment Policy adopted by the Pension Committee. In 2013, the Committee adopted an entirely revamped asset allocation. The revised Investment Policy was designed to preserve, grow and diversify capital. Further modifications were incorporated to the policy in 2016 and in 2020, following an in-depth review of the Investment Policy and of all investment managers that was performed after the emergence of the global pandemic in March 2020, which strongly impacted the financial markets. Moreover, in 2016, the Pension Committee approved a dynamic currency hedging program that is managed internally at Concordia. A second-generation currency hedging model was adopted in 2018, with further enhancements made in 2020.

Since then, the Investment Sub-Committee (ISC) has continued the implementation of the modifications to the Investment Policy that were adopted in the Fall of 2020, with the onboarding of several investment strategies in both the Growth and Diversification investment categories. In 2022, the added strategies included the S&P500 enhanced Beta Strategy, which is expected to capture more of the upside in periods of bull markets and a Litigation Finance Strategy. The implementation of the policy changes continued in 2023 with the addition of a Global Responsible Infrastructure Strategy, which is diversified across over two hundred infrastructure assets globally, as well as investments made to new vintages of existing strategies.

The main story of 2023 was the tightening applied by central banks to their monetary policies and inflation, causing historic volatility in the bond markets, as well as a strong rally in equities concentrated in a handful of U.S. stocks in the technology sector. Rising interest rates put the private equity industry under pressure, which saw a decrease in the number of transactions as well as fundraising during the year. Real estate, in particular office buildings, has been affected negatively since the pandemic and is facing major changes as demand for office space has decreased considerably.

Diversifying our portfolio across different asset classes, geographical sectors and industries helped us mitigate the risk and reduce volatility while generating strong returns over the long run.

As in previous years, the ISC has continued its ongoing education plan and due diligence at the sourcing level, and as such, during the course of 2023, its members received several education sessions on a variety of investment products.

INVESTMENT OBJECTIVE

The investment objective was established in alignment with the funding objectives set out in the Plan's Funding Policy. The latter states that the Investment Policy must be defined so as to meet the rate at which the Plan's liabilities are valued over the long-term, while minimizing the volatility of returns over the short-term. The target return rate, net of Plan expenses, is thus the same as the liabilities discount rate, which is set at 5.9% since the actuarial valuation prepared as at December 31, 2018.

INVESTMENT GUIDELINES AND ASSET MIX

The investment guidelines identify the acceptable level of risk over the long term and establish clearly defined risk management mechanisms. They also outline the strategic target asset allocation, organized in three main investment categories; Capital Preservation (defensive positioning that emphasizes substantive risk management), Growth (offensive positioning that focuses on business valuation discounts and opportunities) and Diversification (offsetting directional movements from the Growth category).

Since our Plan is considered mature, i.e., the amount of pensions paid annually nears the contributions received, the Investment Policy cannot be overly aggressive. At the same time, it is important that a sufficient portion of the Pension Fund be invested in a way that will ensure sufficient returns over the long term so that the Plan can continue to pay the promised benefits and provide indexation of pensions. The strategic asset allocation, investment managers, asset mix as at December 31, 2023 and target allocation for each of the three investment categories are listed in the table on the next page.

Investments (cont'd)

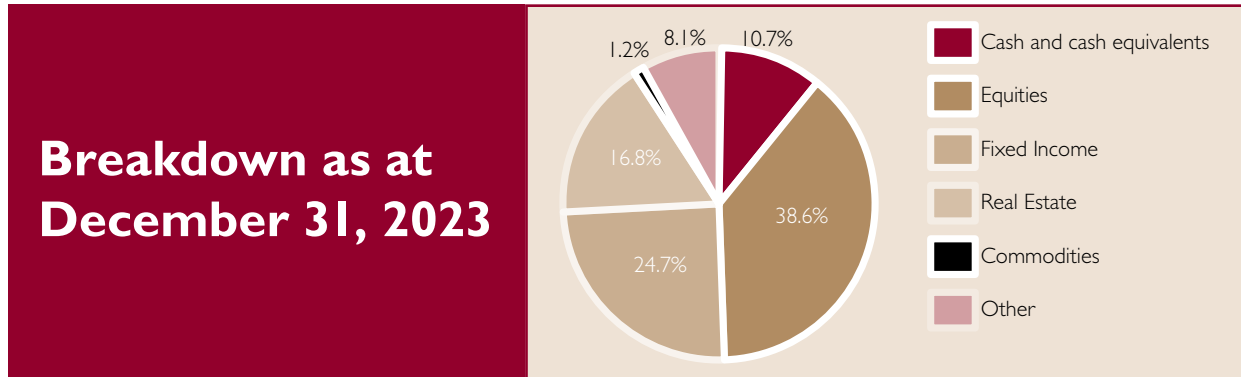


Strategic Asset Allocation	Investment Manager	Target Allocation	Asset Mix as at December 31, 2023
Capital Preservation			
Cash and cash equivalents	Concordia University		4.3%
Currency hedging	Concordia University		1.2%
Tactical Asset Allocation	Forstrong Global Asset Management		5.2%
	Ruffer		4.6%
Absolute return – Credit	Orchard Global Asset Management		3.9%
	Pimco		3.3%
	RP Investment Advisors		2.4%
Absolute return – Multi-strategy	Dymon Asia Capital		3.4%
	Millennium Management		8.0%
	Vision Capital Corporation		4.9%
	Waratah Capital Advisors		4.5%
Sub-total — Capital (min-max range: 30%-70%)		40.0%	45.7%
Growth			
Equity - Asia	Baring Private Equity Asia		3.0%
	LGT Fund Managers		3.5%
	Van Berkom and Associates		1.5%
Equity – North America	BloombergSen		2.8%
	Exchange Traded Fund (global infrastructure)		2.2%
	Imperial Capital		2.8%
	Teralys		1.5%
	Torquest		2.6%
	Turtle Creek		4.1%
Tactical Asset Allocation	Validus Risk Management (Constance Financial)		0.5%
Sub-total — Growth (min-max range: 10%-30%)		20.0%	24.5%
Diversification			
Private real estate	Centurion Apartment (REIT)		8.9%
	UBS		2.2%
Private debt	Ardenton		1.1%
	Mesa West Capital		1.3%
	HarbourEdge Capital Corporation		1.0%
Private equity alternatives	Orchard Global Asset Management		0.3%
	Neuberger Berman		5.4%
	Dawson Partners		3.0%
Private infrastructure	Axium Infrastructure		0.7%
	Global Infrastructure Partners		2.1%
Farmland & Timberland	Bonnefield Canadian Farmland LP		2.0%
	Hancock Natural Resource Group		1.7%
Insurance linked securities	Securis Investment Partners		0.1%
Sub-total — Diversification (min-max range: 25%-50%)		40.0%	29.8%

Investments (cont'd)

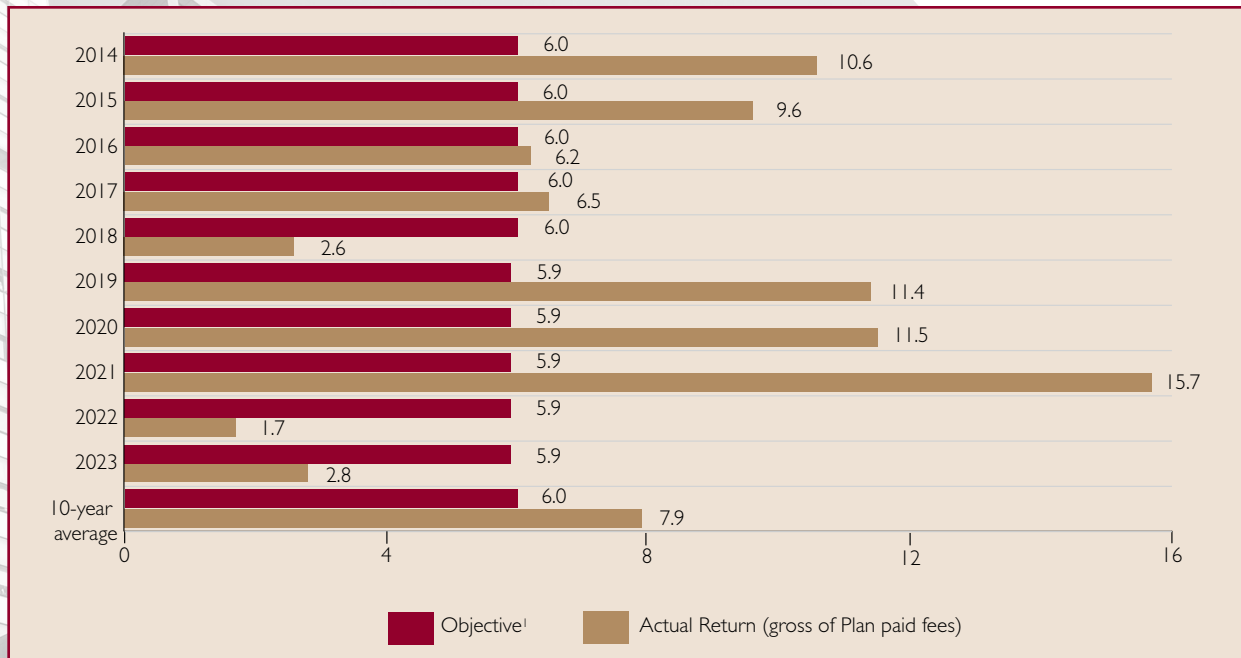


The graph below shows the breakdown of the Pension Fund assets by type of asset class as at December 31, 2023.



INVESTMENT PERFORMANCE

Since the investment performance of the Pension Fund varies from year to year, it should be viewed from a long-term perspective. The graph below shows the annual investment returns gross of expenses paid by the Plan from 2014 to 2023 and the 10-year average versus the objective.



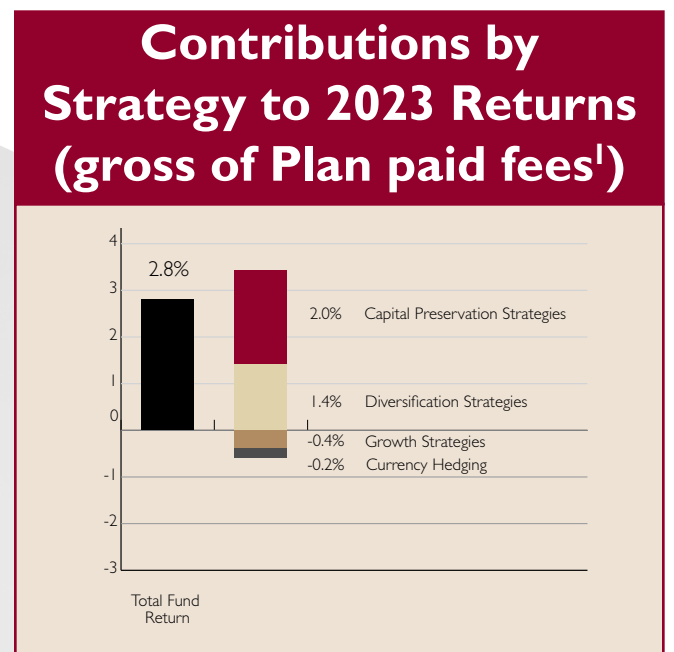
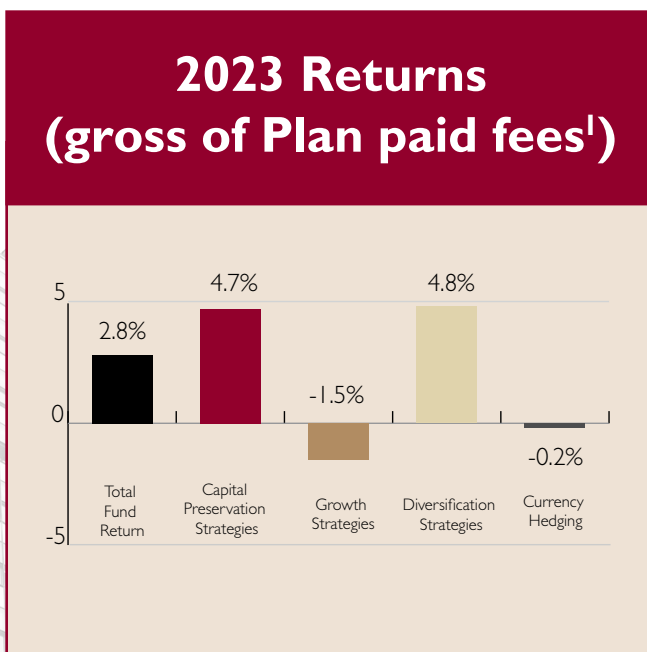
¹ The objective corresponds to the rate at which the Plan's liabilities are valued, i.e., 6% for the years between 2014 and 2018 and 5.9% thereafter.

Investments (cont'd)

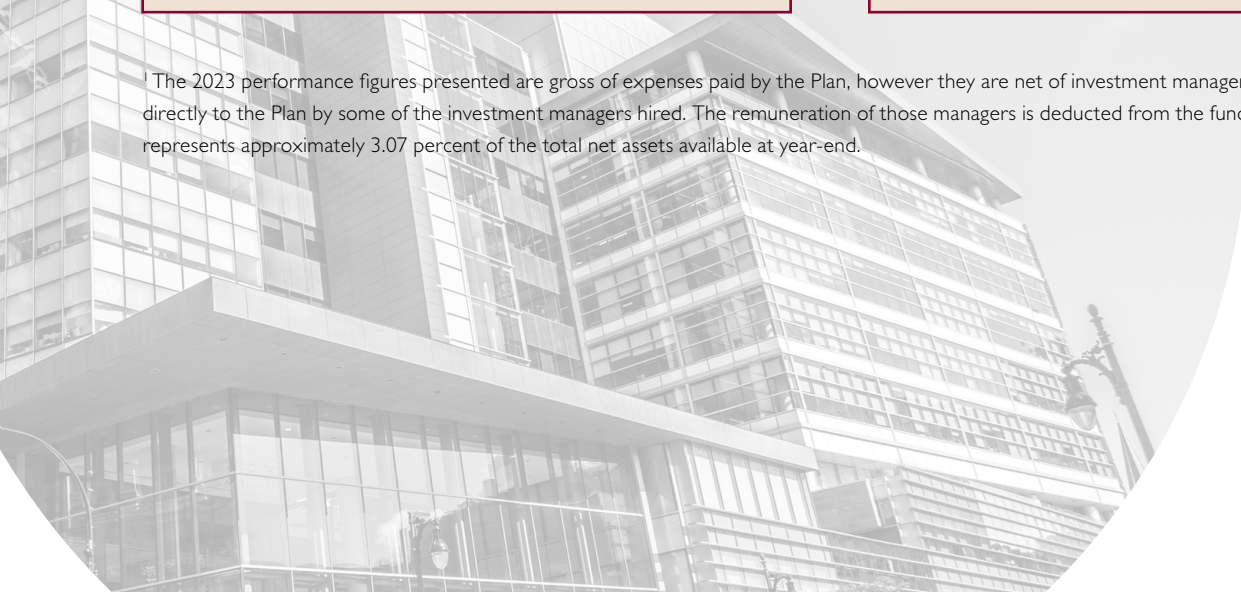


The graphs below present the 2023 returns (rounded to the nearest decimal) by investment strategy and the contribution from each strategy to the total 2023 return.

Capital Preservation and Diversification strategies performed as expected, protecting the capital and generating uncorrelated returns relative to the Growth Bucket, especially given the volatility and the environment of higher interest rates experienced in 2023. Although global equity markets performed well in 2023, the Growth bucket had a negative performance due to valuation adjustments that took place in private markets as well as a selloff in Asian markets. However, over the long run, the Growth bucket has performed as expected, generating strong returns despite periods of short-term volatility.



¹ The 2023 performance figures presented are gross of expenses paid by the Plan, however they are net of investment management fees that are not invoiced directly to the Plan by some of the investment managers hired. The remuneration of those managers is deducted from the funds that they manage, and represents approximately 3.07 percent of the total net assets available at year-end.



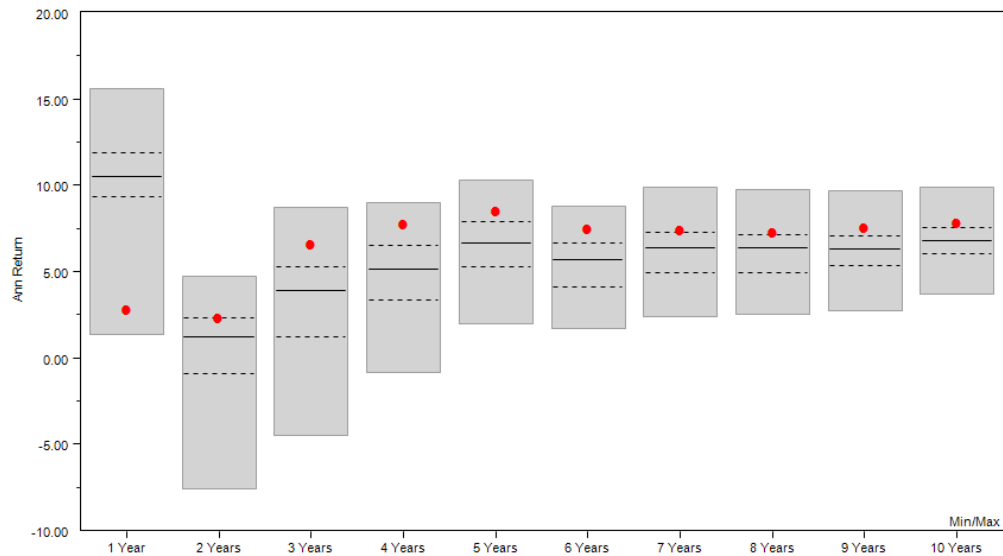
Investments (cont'd)



Since our Investment Policy has a strong emphasis towards risk management and capital preservation, it is equally important to look at our results while taking into consideration the level of risk taken. On a risk-adjusted basis, the annualized volatility of the monthly returns gross of fees in 2023 was 3.27%, which means that the 2.8% return generated by the fund is notably less than the risk taken. As you can see on the chart below, compared to our peers over the last ten years (i.e., rolling periods ending December 31, 2023), our results have, for the most part, ranked in the top quartile both on a return and risk-adjusted basis. The strategic asset allocation remains effective despite periods of short-term volatility.

Pension Plan for the Employees of Concordia University

Canadian Master Trust (CAD) - Monthly Total Fund Hedged Non-Lagged As of December 31, 2023 Quartile - Annualized Returns

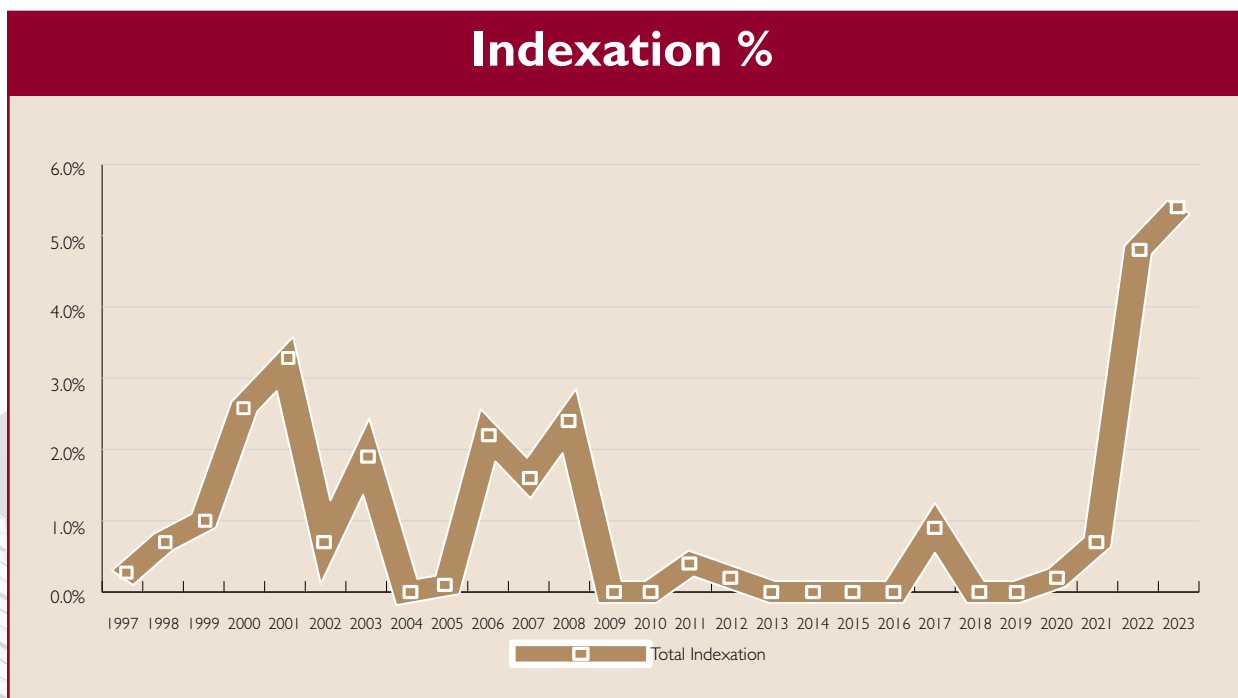


	Value	%Tile	Value	%Tile	Value	%Tile	Value	%Tile	Value	%Tile	Value	%Tile	Value	%Tile	Value	%Tile				
Maximum	15.63	4.72	8.72	8.96	10.30	8.77	9.88	9.74	9.66	9.92										
25th Percentile	11.90	2.29	5.27	6.53	7.91	6.63	7.29	7.12	7.05	7.58										
Median Percentile	10.48	1.20	3.87	5.15	6.68	5.67	6.39	6.36	6.31	6.80										
75th Percentile	9.31	-0.94	1.24	3.36	5.30	4.12	4.91	4.93	5.34	6.04										
Minimum	1.33	-7.59	-4.47	-0.87	2.00	1.71	2.37	2.65	2.71	3.66										
# of Portfolios	58	55	53	49	46	46	46	45	43	41										
● Total Fund Hedged Non-Lagged	2.75	98	2.24	27	6.49	13	7.72	10	8.44	19	7.44	9	7.31	25	7.18	25	7.45	14	7.76	21

Universe Source: The Bank of New York Mellon Corporation; Universe Status: Final

Investments (cont'd)

Furthermore, the Plan's capacity to provide indexation on pensions is directly tied to both the performance of the fund and its ability to protect capital, in combination with inflation factors. The strong results achieved and the successful preservation of capital in 2022 allowed the Plan to pay the highest indexation of the last 27 years in 2022 and 2023, despite volatile markets, as can be observed on the following graph:



RESPONSIBLE INVESTMENT PROGRAM

In early 2022, the Pension Committee formally approved the evolution of the “2009 Responsible Investment Policy” to a “Responsible Investment (RI) Program” intended to guide and provide the orientation for the decision-making of the Pension Plan’s Investment Policy. The RI Program further bolsters the prudent oversight of the Pension Committee’s fiduciary responsibilities in addressing the Plan’s resiliency, in an integrated manner, against global material considerations, including environmental, social and governance (ESG) factors in the Committee’s investment management. The RI Program is comprised of four key components:

- Process Standards** that determine the level of care and integration of responsible investing processes to be carried out as part of our current Integrated Due Diligence (IDD) Program.
 - This includes the expansion of our Due Diligence Questionnaire and the development of the portfolio manager assessment rating framework based on recommendations by the Task Force on Climate-related Financial Disclosures (TCFD¹) framework.
 - This also includes a plan to include recommendations by the Task Force on Nature Related Financial Disclosure (TNFD²) to measure the level of responsible investment commitments, while considering performance results and the investment strategy in relation to the whole portfolio.

¹ TCFD was established in 2015 by the G20’s Financial Stability Board (FSB) (a nongovernmental international body that monitors and makes recommendations about the global financial system) <https://www.fsb-tcfid.org/>.

² Inspired by TCFD this integrated risk management and disclosure framework focuses on biodiversity risks and opportunities, specifically businesses’ biodiversity footprint <https://tnfd.global/>.

Investments (cont'd)

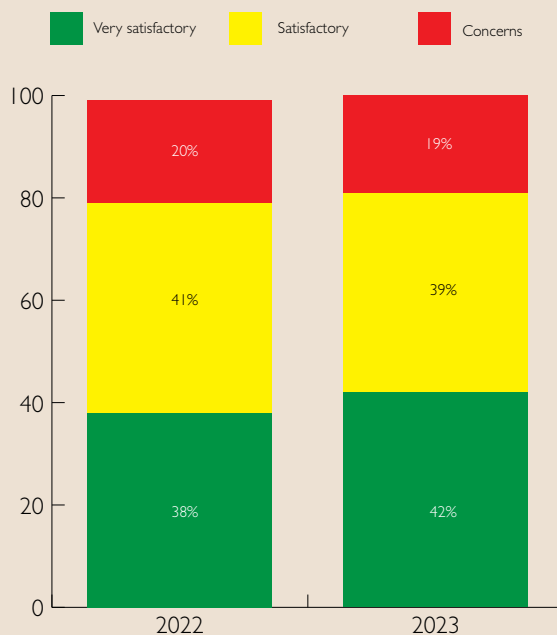


2. **Systemic Risk Framework** that aims at assessing the probability of a major disruption of financial services or the collapse of an entire system.
 - This includes scenario planning to measure and evaluate such risks and their global impact on the investment strategy, the individual portfolio manager's risk exposure and the overall value of the Pension Plan.
3. **Measurement Metrics** that serve to quantify substantial and material risk indicators (such as the Plan's carbon footprint) and other statistics for analysis.
4. **Active Engagement** that fosters responsible investment considerations with portfolio managers and underlying positions through engagement with stakeholders and collaborative initiatives.

As such, the Responsible Investment Working Group (RIWG) began developing and implementing the Responsible Investment (RI) Program with an enhanced Due Diligence Questionnaire and a new model to rate our portfolio managers. The process of improving the rating system has now been finalized. The scoring is comprised of five key criteria (firm and culture, process, risk, engagement, reporting) and uses colour-coded ratings.

Our second report card, prepared in 2023, generated results showing at least 80% of our investment managers with average or above-average practices relative to others in the portfolio, which is an improvement compared to the results of the prior year, as illustrated in the charts below.

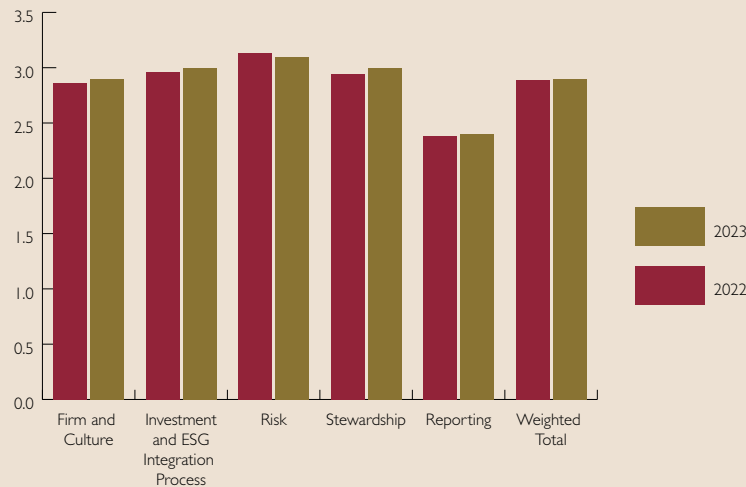
Portfolio Ratings



Investments (cont'd)



Ratings Breakdown



The Measurement Metrics component has begun with the selection of two data providers, and we are currently in the process of calculating the carbon emission of the Plan's investment portfolio, which is expected to be completed by the end of 2024. Furthermore, as at December 31, 2023, the Plan had a 1.16% allocation to the Carbon Underground 200³, which is considered a negligible climate risk exposure.

Subsequently, when all four components have been finalized and approved by the Pension Committee, the Committee's revised scope of fiduciary obligations will include the following:

- a.** Incorporating environmental, social and governance (ESG) issues into investment analysis and decision-making processes, consistent with their investment time horizons;
- b.** Encouraging high standards of ESG performance in the companies or other entities in which our portfolio managers invest;
- c.** Reporting on how our portfolio managers have implemented these commitments; and
- d.** Supporting the stability and resilience of the financial system.

We look forward to reporting our continuing progress again as part of our 2024 report. The below is what we are projecting to have completed in the next two years.

1. Operationalizing our systemic risk framework;
2. Continue developing our measurement program in addressing industry wide challenges of data accuracy; and
3. Formalizing our engagement program, including collaborative initiatives and proxy voting.

³ Listing of top 200 public companies ranked by the carbon content of their fossil fuel reserves
<https://www.ffisolutions.com/the-carbon-underground-200-500/>.

Funding Policy

In 2018, Concordia University's Board of Governors adopted a new version of the Funding Policy for the Plan. An earlier version of the policy had been adopted by the Pension Committee in 2011, after a complete enterprise risk management assessment exercise of the Plan was performed. The Committee was ahead of most plans in adopting a formal Funding Policy as early as 2011.

The Funding Policy was later updated following the adoption of Bill 29 – An Act to amend the Supplemental Pension Plans Act mainly with respect to the funding of defined benefit pension plans by the government of Quebec in 2015. This legislation mandated the adoption of a Funding Policy for all defined benefit pension plans in Quebec, to be implemented by the governing body with the authority to amend the plan, which, in this case, is Concordia's Board of Governors.

The revised Funding Policy adopted in 2018 contains all the elements required under the Act.

The Funding Policy outlines clear funding objectives for the Plan, namely:

- Maintain the Plan fully funded at a stable and sustainable cost over both the short and long term;
- Preserve equity amongst generations by minimizing volatility in contributions and the risk of facing a funding shortfall, and by ensuring the continuity of the Plan in its current form, including the security of benefits to be provided and the payment of indexation to retirees.

An important section of the policy is about identifying the main risks associated with the funding of the Plan. The most impactful risk was identified under the investment risks category as being the loss of invested capital that could result from the occurrence of a major financial crisis. Among other economic risks identified are inflation and increases in pensionable earnings that would be higher than expected. Longevity risks and other demographic risks such as an increase in the average age of active members and a trend in retirements occurring at an earlier age than expected are risks also relevant to note.

Another important section of the policy describes the risk management measures that are in place. The most significant risk management measure is the innovative Investment Policy adopted in 2013. Among other particularities, the asset allocation is designed to meet the investment return objective, which corresponds to the rate at which the Plan liabilities are valued, currently at 5.9% annually. Furthermore, the Investment Policy is designed with the following characteristics:

- With a risk-adjusted focus in order to provide the ability to meet the Plan's target investment return at the lowest possible level of portfolio risk;
- It is allocated based on funding objectives as opposed to specific asset classes;
- It prioritizes absolute and skill-oriented strategies as opposed to relative or passive investment products;
- The asset allocation is composed of complementary strategies that have different behaviors, i.e., that do not move in the same direction in given market conditions;
- The concentration of all investment-related risks is limited.

Other funding strategies identified include the frequency of actuarial valuations. This strategy enables the Pension Committee to file actuarial valuations before they are required according to legislative requirements, if it turns out to be beneficial for the funding of the Plan. Another key section of the Funding Policy provides clear directions on the management of funding surpluses, funding shortfalls and margins.

Funding Policy (cont'd)

On an annual basis and/or at each periodic actuarial valuation, the Pension Committee proactively monitors several key indicators that have an impact on the funding status of the Plan to ensure that they remain in good standing. The table below shows some of these indicators and their evolution over the last three years:

Funding Indicator	2023	2022	2021
Total Plan cost for post-2015 period ¹	18.2%	18.2%	18.0%
Pension Payments / Contributions	98.8%	94.5%	88.0%
Industry Benchmark: < 100%			
Liabilities / Pensionable Payroll	440%	431%	412%
Industry Benchmark: < 500%			
Plan maturity ¹	Actives: 48.8%	Actives: 48.8%	Actives: 48.5%
Industry Benchmark:			
Liabilities of Active members > 50% / Liabilities of Non-Active members < 50%	Pensioners & Deferred: 51.2%	Pensioners & Deferred: 51.2%	Pensioners & Deferred: 51.5%
Active members – Average age	47.7	47.2	47.1
Active members – Average age at retirement	Academic: 66.4 Non-Academic: 64.2	Academic: 66.3 Non-Academic: 63.4	Academic: 65.0 Non-Academic: 63.4
Pensioners – Average age	74.9	74.2	74.3
Pensioners – Average age at death	84.5	84.7	84.8

¹ These figures can only be updated when an actuarial valuation is performed – the figures shown for 2021 are from the actuarial valuation as at December 31, 2019 and those for 2023 are from the actuarial valuation as at December 31, 2022.

As reported in last year's annual report, the Pension Committee created a special working group in 2022 named the Longevity Management Working Group (LMWG). The LMWG's mandate was to review, analyze and develop a formal risk management framework around the longevity risks that the Plan is facing, which is becoming a topic of growing concern for pension plans in general with the expected future improvements in longevity. In 2023, the mandate of the LMWG was enhanced to include the review of other major funding risks outlined in the Funding Policy, with the exception of investment risks that are already closely monitored via the Integrated Due Diligence Program, under the oversight of the Investment Sub-Committee. In addition to longevity risks, the LMWG is looking at other economic and demographic risks with an aim to ensure that they remain manageable and in alignment with the objectives of the Funding Policy. The working group has made progress on its mandate thus far by conducting interviews on best industry practices, reviewing studies and performing simulations. It is expected to table the framework resulting from its work in late 2024 or early 2025.

Financial Status of the Fund

The following table details the fund's financial activities in 2023 and 2022, as well as the net asset value at the end of those years, based on the market value.

Changes in net assets available for benefits	(in thousands of dollars)	
	2023	2022
Market value at the beginning of the year	1,475,502	1,456,453
Plus		
Employee's contributions	26,407	25,312
University contributions	38,084	37,658
Transfers-in from other plans	913	169
Investment income	38,406	23,391
Total increases	103,810	86,530
Minus		
Pension payments	65,385	59,689
Transfers-out to other plans	1,026	229
Other lump-sum refunds	3,683	5,118
Operating expenses	2,353	2,445
Total decreases	72,447	67,481
Market value at the end of the year	1,506,865	1,475,502

EXPENSES PAID BY THE PENSION FUND

Below is an overview of the operating expenses paid by the Pension Fund:

- Investment management fees invoiced by investment managers and paid by the fund, which, in 2023, represent approximately 0.02 of one percent of the total net assets available at year end (0.02 in 2022);
- Custodial fees, including costs for the external custody of all Plan assets, for investment performance measurement services and for benefits payment services, such as the issuance of pension payments and refunds to terminated members;
- Actuarial services, including consulting, support for day-to-day administration of members' benefits and pension administration system;
- External audit fees for the certification of financial statements;
- Other consulting and professional fees, such as investment consulting, legal fees and fiduciary insurance for Pension Committee members;
- Fees for the financial management of the Plan by the Office of the Treasurer of Concordia University, as delegated by the Pension Committee;
- Annual registration fees to Retraite Québec;
- Administrative expenses such as printing, mailings and meeting expenses.

In 2023, total expenses paid by the Pension Fund were slightly below \$2.4 million and represented 0.16 of one percent of the total net assets available at December 31, 2023 (0.17 of one percent in 2022).

The handling of employee requests and recordkeeping of members' files is covered internally by the University's Pension Services unit, under the Department of Human Resources. Costs for these services are subsidized by the University.

Actuarial Valuation



At least once every three years, the actuary reviews the Plan's assets and liabilities to ensure that there is enough money in the fund to provide the benefits promised by the Plan. This review is called an actuarial valuation.

An actuarial valuation was completed to establish the financial position of the Plan as at December 31, 2022. The results of the valuation are indicated below. The actuarial valuation report was finalized and filed with Retraite Québec and the Canada Revenue Agency in September of 2023 and set the employee and employer contribution rates for calendar years 2024 to 2026. The valuation examines the Plan's status on two bases: ongoing and solvency.

FUNDING ON AN ONGOING BASIS

The ongoing basis examines whether the Pension Fund has sufficient assets to pay all accumulated and projected benefits as at the valuation date, assuming the Plan will be maintained indefinitely. In accordance with government regulations, liabilities are compared to the actuarial value —or market value —of assets.

Funding Results (ongoing basis) as at December 31, 2022	(in thousands of dollars)		
	Pre-2016 Period ¹	Pre-2015 Period ¹	Total
Actuarial value of assets ²	1,065,114	409,972	1,475,086
Liabilities	1,021,272	360,286	1,381,558
Funding surplus (shortfall) before reserve	43,842	49,686	93,528
Funding ratio before reserve	104.3%	113.8%	106.8%
Reserve ³	129,083	31,606	160,689
Funding surplus (shortfall) after reserve ⁴	(85,241)	18,080	(67,161)
Funding ratio after reserve	91.7%	105.0%	95.1%

¹ The coming into force of Bill 13, An Act respecting the restructuring of university-sector defined benefit pension plans and amending various legislative provisions, imposed the mandatory sharing of costs pertaining to post-2015 service between the active plan members and the University. The funding status is therefore tracked separately for the pre-2016 period, which cost is entirely assumed by the University, and the post-2015 period, for which 45% of the cost is assumed by active members and 55% by the University.

² Excluding the value of insured annuity contracts established at \$416,000 as at December 31, 2022.

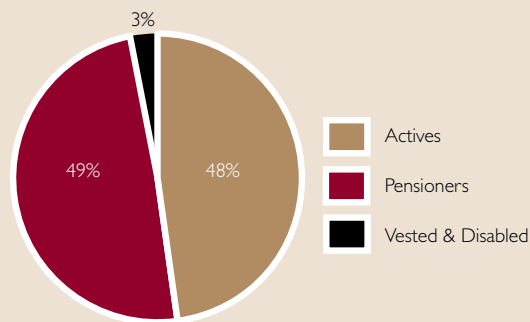
³ The mandatory establishment of a reserve was introduced by legislation in 2010, with the purpose of ensuring a greater level of stability in the funding of pension plans. The reserve is made up of actuarial gains determined during complete actuarial valuations and accumulates until it is equal to the amount of the provision for adverse deviation (determined by a formula based on the Investment Policy, the plan's maturity and the duration of the plan liabilities and of the bonds held in the fund). It is used to cover 50% of amortization payments that are required to liquidate a funding shortfall.

⁴ The funding shortfall after reserve is the one that is relevant for funding purposes, i.e., for the determination of the required funding shortfall amortization payments.

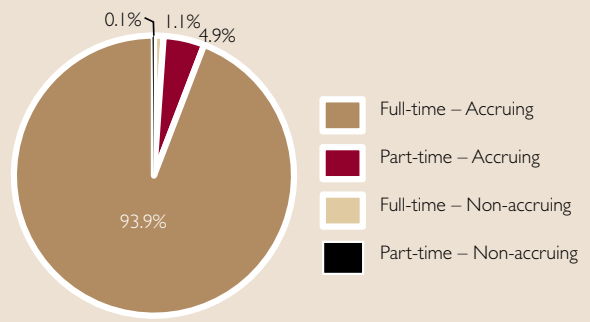
Actuarial Valuation (cont'd)



Breakdown of total liabilities as at December 31, 2022 per type of members



Breakdown of liabilities for active members as at December 31, 2022 per participation status



FUNDING ON A SOLVENCY BASIS

The solvency basis examines whether the Pension Fund would have had enough assets to pay all accumulated benefits had the Plan been terminated on the valuation date.

Funding Results (solvency basis) as at December 31, 2022	(in thousands of dollars)
Market value of assets (net of termination expenses)	1,473,102
Liabilities	1,617,611
Solvency shortfall	(144,509)
Solvency ratio	91.1%

Following the adoption of a regulation applicable to pension plans sponsored by Quebec universities on December 31, 2006, the requirement for the University to contribute towards a solvency shortfall was eliminated.

Actuarial Valuation (cont'd)



COST SHARING FOR THE POST-2015 PERIOD

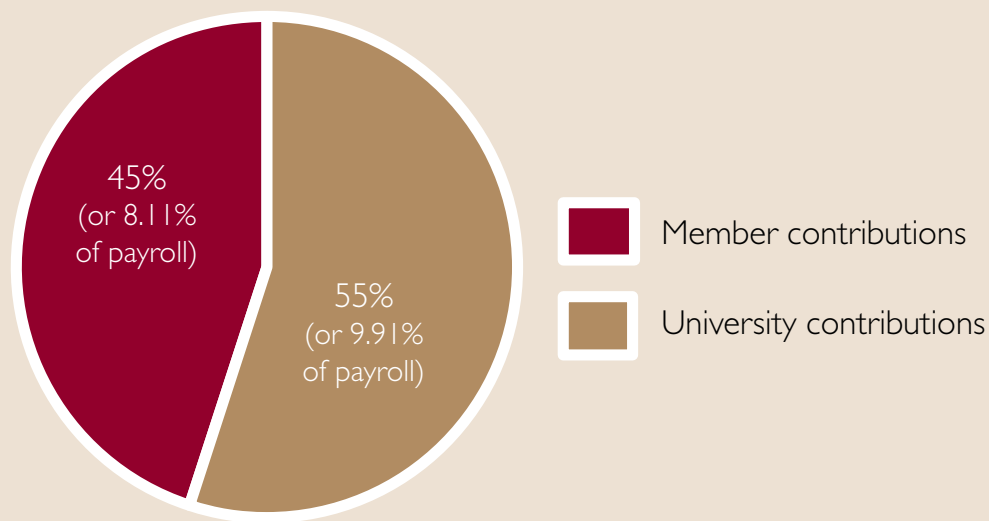
Following the coming into force of Bill 13, An Act respecting the restructuring of university-sector defined benefit pension plans and amending various legislative provisions, since January 1, 2018, total Plan costs for the post-2015 period are shared in the proportion of 45% by active members and 55% by the University. Total Plan costs consist of the following elements:

- Current service cost;
- Stabilization contributions, equal to 10% of the current service cost without margins; and
- Any amortization payment required to fund a shortfall for the post-2015 period.

Amortization payments related to a funding shortfall for the pre-2016 period remain fully at the charge of the University. The Plan was not formally split in two separate components for the pre-2016 and post-2015 periods, however mechanisms were put in place in order to accurately establish the funding status pertaining to each period, and hence the cost attributable to each period.

As per the actuarial valuation as at December 31, 2019 and applicable for the calendar year 2023, the total cost of the Plan for the post-2015 period (constituted by the current service cost, or normal cost and the stabilization contributions) was 18.02% expressed as a percentage of the total pensionable payroll. As at December 31, 2019, there was no funding shortfall attributable to the post-2015 period, hence the 2023 cost and contributions did not include any amortization payment component.

In 2023, the total cost was shared between members accruing service and the University in the following manner:



Actuarial Valuation (cont'd)

UNIVERSITY'S CONTRIBUTION REQUIREMENT

In accordance with Plan provisions and legislative requirements applicable since January 1, 2018, the University's contributions are equal to 55% of the cost related to the post-2015 period, plus 50% of the amortization payments that are required to liquidate the funding shortfall for the pre-2016 period over 15 years. The other 50% of the amortization payments is covered by the actuarial reserve. As per legislative requirements that took effect on January 1, 2018, the cost of any funding shortfall related to the post-2015 period is to be shared between active members who are accruing service under the Plan and the University. The following table shows the University's contribution requirements for years 2021 to 2024, established by the most recent actuarial valuations performed:

Year	Contributions Determined by Actuarial Valuation as at	Current Service Cost as a Percentage of Pensionable Payroll ¹	Funding Shortfall Amortization Payments (in thousands of dollars)
2021	December 31, 2019	9.91%	\$4,753
2022	December 31, 2019	9.91%	\$4,753
2023	December 31, 2019	9.91%	\$4,753
2024	December 31, 2022	9.94%	\$3,057

¹Including stabilization contributions required since January 1, 2018.

Since the Plan's solvency ratio is less than 100%, the University also opted to remit special contributions to the Plan when lump-sum payments are made for refunds following termination prior to January 1, 2018, or for death benefit payments, in order to allow for the payments to be made in full.

University Contributions in 2023	(in thousands of dollars)
Regular contributions	\$33,022
Funding shortfall amortization payments	\$4,753
Special contributions	\$309

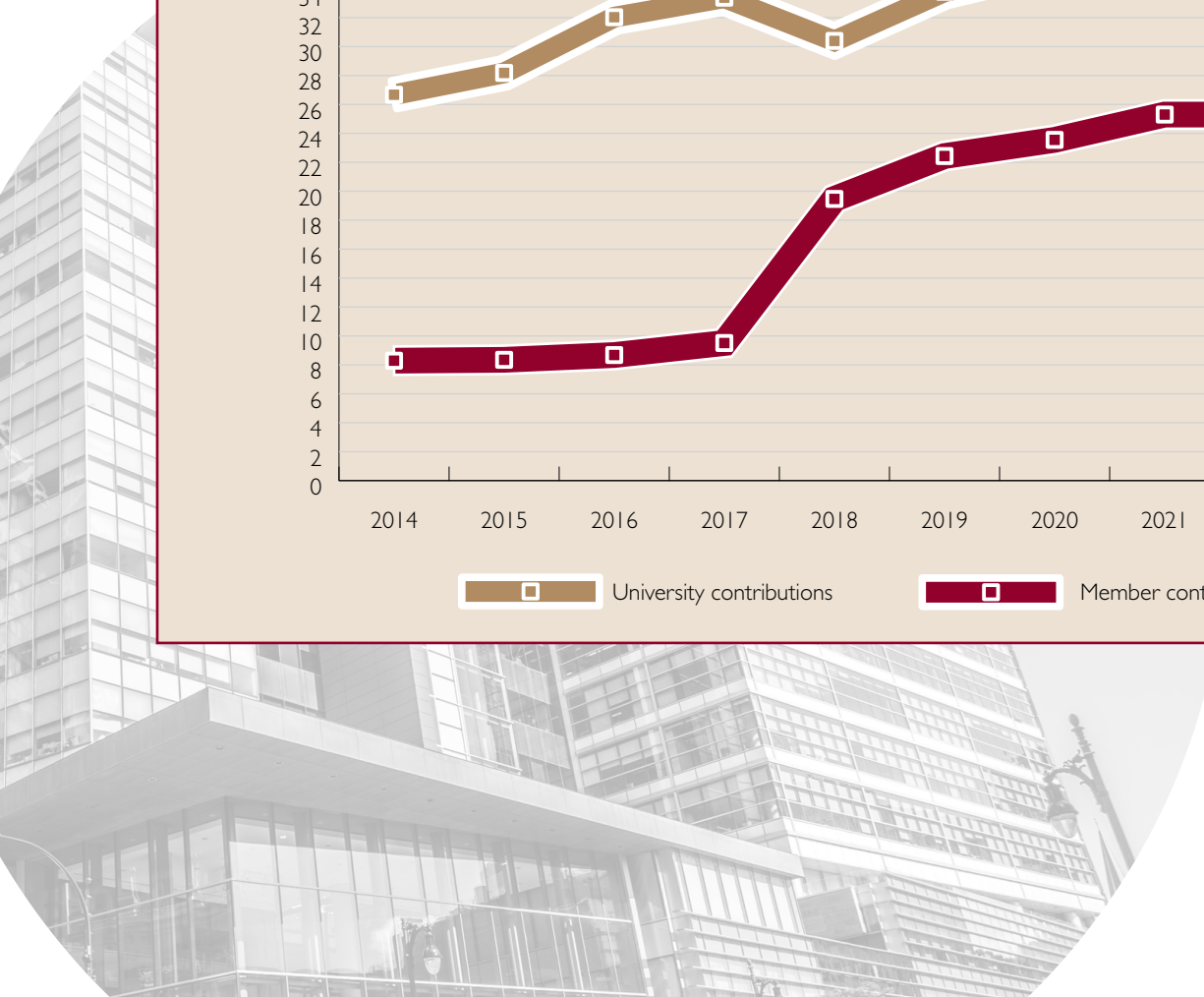
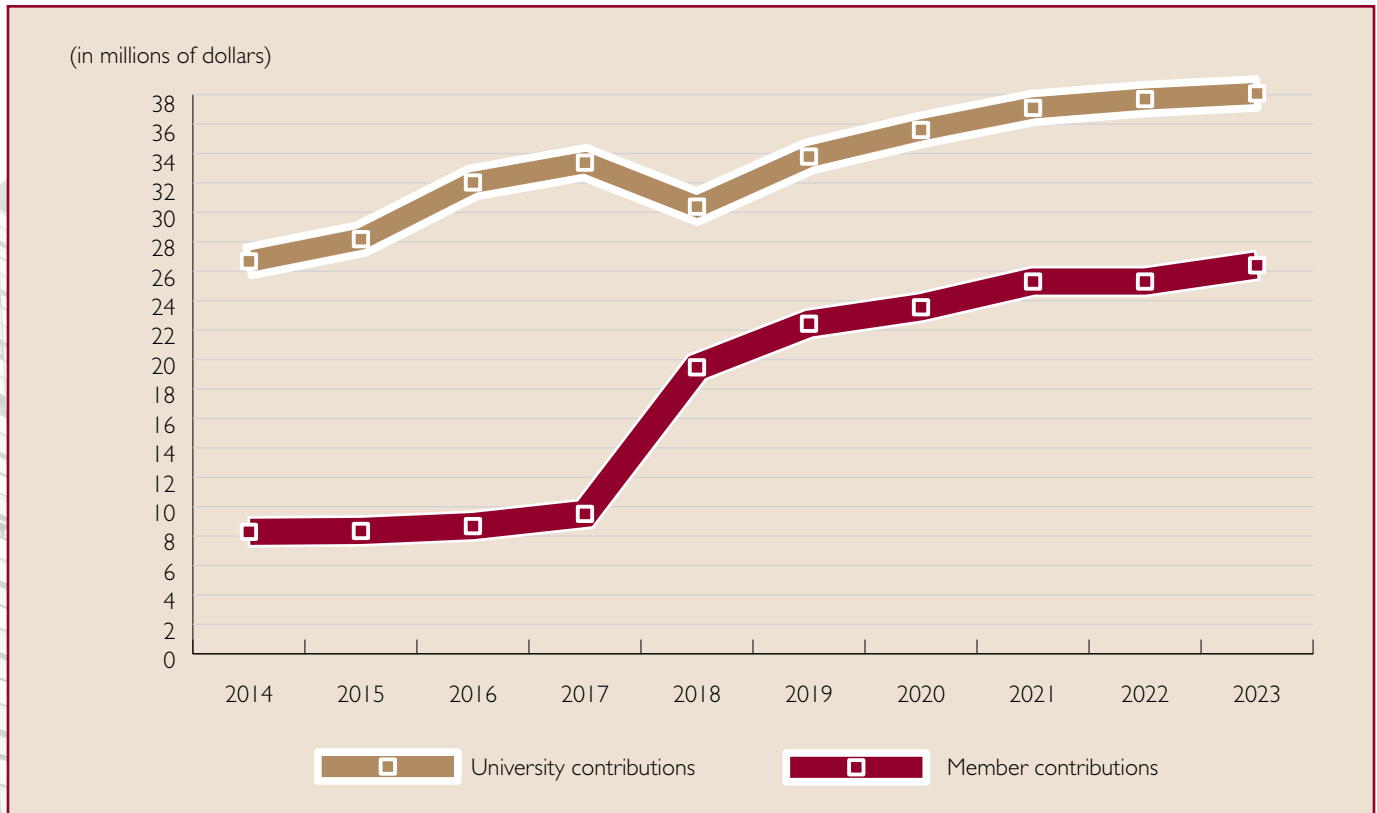
The University does not remit special contributions to the Plan when lump-sum payments are made for refunds following termination on or after January 1, 2018.

Actuarial Valuation (cont'd)

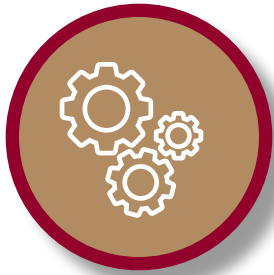


EMPLOYEES' CONTRIBUTION REQUIREMENT

Since January 1, 2018, employees' contributions are equal to 45% of the cost pertaining to the post-2015 period, as described on page 22. The total cost includes the current service cost, or normal cost, the stabilization contributions and the cost of any amortization payment required to fund a shortfall related to the post-2015 service. The employees' share of the cost is translated into a percentage of earnings using a two-tiered formula; the contribution rate is lower on earnings up to the level covered by the Quebec Pension Plan, i.e., the Yearly Maximum Pensionable Earnings (YMPE). In 2023, members who are accruing service contributed 7.5% of their earnings up to the YMPE and 9% of their earnings in excess of the YMPE, when any. Over the last 10 years, the members' and University total contributions to the Plan were as follows:



Plan Management



PENSION COMMITTEE

The Pension Committee is a legally autonomous body comprised of employee and employer representatives that is responsible for the administration of the Plan. At the time of printing this report, the Pension Committee members were:

Members of the Board of Governors and University Representatives (6)

- Mr. Jeff Bicher, Chair, appointed by the Board of Governors
- Mr. Sam Reda, Vice-Chair, appointed by the Board of Governors
- Mr. Gary Chateram, appointed by the Board of Governors
- Mr. Denis Cossette, designated by the Chair of the Board of Governors — CFO of Concordia University
- Ms. Sophie Cournoyer, designated by the University's President and Vice-Chancellor
- Mr. Michael Di Grappa, ex-officio member — Vice-President, Services and Sustainability of Concordia University

Members' Representatives and Independent Member (7)

- Mr. Douglas Chananda, Administrative & Support Staff Representative
- Mr. Brian Cooper, Administrative & Support Staff Representative
- Dr. Michel Magnan, Academic Staff Representative
- Dr. Ian Rakita, Academic Staff Representative
- Dr. Harald Proppe, Non-active Members' Representative
- Mr. Garry Milton, Alternate Non-active Members' Representative
- Mr. Christian Rousseau, Independent Member

Non-voting Members (2)

- Ms. June Riley, Part-time Employee Groups Representative (acquires voting rights in the absence of any of the other four active members' representatives)
- Mr. Marc Gauthier, Principal Administrator of the Pension Plan for the Employees of Concordia University and Secretary of the Pension Committee



Plan Management (cont'd)



PROCESS FOR SELECTING MEMBER REPRESENTATIVES

By law, at the Annual Information Meeting, the Active members' group and the Non-active members' group may each designate two representatives (one with voting rights and the other without voting rights) to the Pension Committee.

However, at Concordia, this requirement was extended to include seven representatives for Plan members, as follows:

- Five representing the Active Members:
 - Two members designated by the Electoral College;
 - Two members designated by CUFA;
 - One member designated by the Part-time Employee Groups, who acquires voting rights in the absence of any of the other four Active members' Representatives.
- Two representing – and elected by – the Non-active members:
 - One regular Representative;
 - One alternate Representative who acquires voting rights in the absence of the regular Representative.

PENSION COMMITTEE RESPONSIBILITIES

The role of the Pension Committee is to protect the rights of all Plan members and to maintain and grow the Pension Fund assets.

The Pension Committee's tasks include:

- Ensuring the Plan complies with provincial and federal legislation;
- Maintaining Plan and members' records up to date;
- Keeping Plan members informed by ensuring they receive a personal statement on an annual basis and by holding an annual information meeting;
- Verifying that contributions are remitted to the Pension Fund and are in accordance with the latest actuarial valuation report, applicable legislation and Plan provisions;
- Making sure that benefits are paid in accordance with Plan provisions and applicable legislation;
- Overseeing the payment of Plan expenses;
- Overseeing the Pension Fund's investments, including the adoption and periodic review of an appropriate Investment Policy, the selection of investment managers and monitoring of returns;
- Adoption and periodic review of the Responsible Investment Program;
- Ensuring that audited financial statements are prepared at every year end and that the Plan's Annual Information Return is prepared and filed with Retraite Québec (RQ); and
- Ensuring that actuarial valuations are prepared and submitted to RQ at least once every three years.

In carrying out these tasks, Pension Committee members must:

- Act prudently, diligently, skillfully, honestly and loyally;
- Act in the best interests of all Plan members and beneficiaries; and
- Avoid any conflicts of interest.

The Pension Committee's sole responsibility is the administration of the Plan. Any recommendations for Plan changes are made by the Benefits Committee and must be approved by the University's Board of Governors.



Plan Management (cont'd)



INVESTMENT SUB-COMMITTEE

In 2013, the Pension Committee modified its governance structure to establish a permanent Investment Sub-Committee (ISC). This committee is delegated by the Pension Committee to monitor the investment managers and investment results and to conduct searches for new investment managers. The ISC reports back regularly to the Pension Committee. All decisions are voted upon at the Pension Committee level.

At the time of printing this report, the members of the ISC were the following:

- Mr. Sam Reda, Chair of the ISC
- Mr. Marc Gauthier
- Mr. Douglas Chananda
- Ms. Sophie Cournoyer
- Dr. Michel Magnan
- Mr. Garry Milton
- Dr. Harald Proppe
- Mr. Christian Rousseau

RESPONSIBLE INVESTMENT WORKING GROUP

In 2021, the Pension Committee created a Responsible Investment Working Group (RIWG), assigning it the mandate to update the Plan's Responsible Investment Program and to design and elaborate its various components, including their integration within the Investment Policy. As described earlier in this report, the design of the RI Program is now complete. For the next phase, which consists of implementation and operationalization of the program, the responsibility and oversight of the RI Program was transferred to the ISC during the first half of 2024. This decision was made due to the high connectivity with the Investment Policy and to ensure the proper integration of all of the related components within the Integrated Due Diligence framework.

LONGEVITY MANAGEMENT WORKING GROUP

The Longevity Management Working Group (LMWG) is an ad-hoc sub-committee set up by the Pension Committee in 2022 with a mandate to perform an in-depth analysis of the longevity risk that the Plan is exposed and to develop a formal risk management framework around it. In 2023, its mandate was enhanced to include the assessment of other major funding risks of economic or demographic nature, except for investments, which are already closely monitored.

At the time of printing this report, the members of the LMWG were the following:

- Mr. Christian Rousseau, Chair of the LMWG
- Mr. Marc Gauthier
- Mr. Gary Chateram
- Ms. Sophie Cournoyer



Plan Management (cont'd)



AUDIT COMMITTEE

Based on best governance practices, the Pension Committee established a formal Audit Committee (AC) in 2021. This committee is delegated by the Pension Committee to meet with the external auditors to establish the audit plan before the audit work for a given fiscal year begins. Furthermore, the AC receives and discusses the audit findings report with the external auditors and reviews the audited financial report before recommending it to the Pension Committee for final approval.

At the time of printing this report, the members of the AC were the following:

- Dr. Michel Magnan, Chair of the AC
- Mr. Douglas Chananda
- Ms. Sophie Cournoyer
- Mr. Jonathan Ngo
- Mr. Marc Gauthier (non-voting)

CONCORDIA UNIVERSITY OFFICE OF THE TREASURER

The financial management and daily oversight of the Plan are delegated by the Pension Committee to the Office of the Treasurer, which operates within the Financial Services Department of Concordia University.

The employees of the Office of the Treasurer who are involved with the management of the Plan are the following:

- Mr. Marc Gauthier, University Treasurer and Chief Investment Officer and Principal Administrator of the Plan
- Ms. Janice Wong, Executive Assistant
- Mr. Boni Abdel Chabi-Yo, Director of Investments
- Mr. John Boyronikos, Financial Analyst
- Ms. Inesse Kao, Investment Advisor
- Ms. Maha Fakh, Advisor, Sustainability and Investment
- Ms. Maryse Picard, Senior Administrator, Benefits Portfolio
- Ms. Aileen Ziga-Kearney, Financial and Compliance Advisor, Benefits Portfolio
- Ms. Florence Kwan, Financial Accountant, Benefits Portfolio
- Mr. Nazib T. Ahmed, Accounting Assistant

MAIN DECISIONS AND ACCOMPLISHMENTS IN 2023

In addition to the regular tasks listed above, the duties of the Plan have been fulfilled by completing the following in 2023:

Governance

- Preparation and filing of an actuarial valuation report as at December 31, 2022.
- A mortality study based on the Plan's own experience was conducted. Subsequently, a revised mortality assumption with adjustment factors specific to the Plan's own experience was adopted.
- The mandate of the Longevity Management Working Group (LMWG) was enhanced to include the assessment of other funding risks in addition to longevity.
- Two half-day educational sessions were held for Pension Committee members, which included presentations on the RI Program, life sciences, AI and its impact on longevity, natural resources and geo-political risks.
- Presentation, review and discussions around legislative changes and issues and initiatives in the industry.



Plan Management (cont'd)



Investments

- Approval of the three-fold action plan tabled at the ISC in 2022.
- The Responsible Investment Working Group (RIWG) completed the design of the four components of the Responsible Investment Program, namely the systemic risk framework, the level of care and related rating assessment, measurement and engagement. The implementation phase has subsequently begun.
- Hiring of two providers for the carbon footprint measurement program, for public and private investments.
- Continued progress on the implementation of the Investment Policy changes adopted in 2020 including divestment from one manager and additional allocations to new vintages of current private equity managers.

Operations

- Launch of a new SharePoint site for Pension Committee members.
- Holding of the fourth virtual Annual Information Meeting and survey conducted among participants.
- Compliance monitoring of the Plan text with no issues reported to the Pension Committee.

OTHER KEY PLAYERS

While the Pension Committee is responsible for various tasks, it has the right to delegate some of its duties and to hire experts as service providers.

In 2023, the Committee oversaw the work of the following key players, in addition to that of the investment managers listed earlier in this report:

Fund Custodian	CIBC Mellon
Auditors	KPMG
Consulting Actuary	TELUS Health (formerly Lifeworks)
Day-to-day Administrator	Concordia University Pension Services
Plan Financial Management and Governance	Concordia University Office of the Treasurer



What's Ahead



The Pension Committee has several projects planned for 2024 and 2025 to ensure continued improvement of the Plan management and its future sustainability. These special projects include the following:

Governance

Requests for proposals (RFP) for actuarial consulting services and external auditing services.

Preparation of an actuarial valuation report as at December 31, 2024 and related work required for the conversion of the "Reserve" into a "Stabilization Fund" as rendered possible under the new funding rules that came into effect in February 2024.

Completion of the work undertaken by the Longevity Management Working Group (LMWG) and tabling of the resulting risk management framework.

Tabling of the Plan's compliance program and of the related reporting.

Review and update of the Internal Management Rules including the conflict of interest declaration process.

Review and update of the Plan's Funding Policy following the adoption of revised funding rules by the Government of Quebec in February 2024.

Investments

Responsible Investment Program: operationalization of the systemic risk framework and of the carbon footprint measurement program.

Integrated Due Diligence: search for a market update provider and due diligence partner.

Searches for investment mandates in life sciences private debt and natural resources critical minerals.

Review of the dynamic currency hedging program and of the required level of liquidity.

Update of the Investment Policy document and drafting of all documentation related to the Responsible Investment Program.

Operations

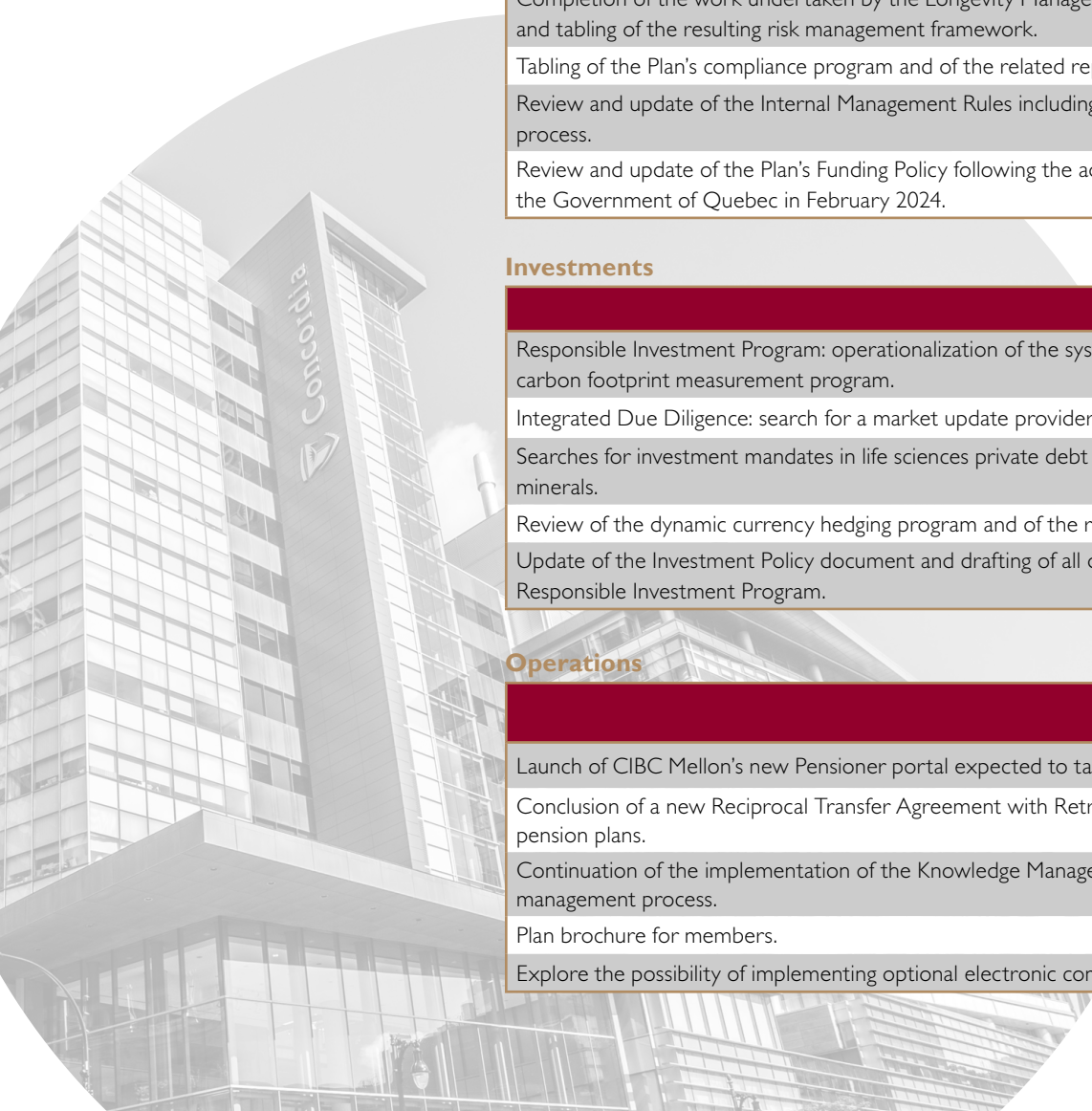
Launch of CIBC Mellon's new Pensioner portal expected to take place in September 2024.

Conclusion of a new Reciprocal Transfer Agreement with Retraite Québec for the public sector pension plans.

Continuation of the implementation of the Knowledge Management System and of the related management process.

Plan brochure for members.

Explore the possibility of implementing optional electronic communications to pensioners.



Resources for Members and Retirement Planning



The pension plan offered by Concordia is a key element in your financial planning for retirement. It is a defined benefit pension plan and as such, it guarantees the amount of pension you will receive, based on a formula set forth in the Plan text. It is the role of the Pension Committee to make sure that the Plan is managed rigorously and in compliance with the applicable legislation and best governance practices. For more information on the Plan, we invite you to visit the following links:

- Information about the Pension Plan:
<https://hub.concordia.ca/carrefour/services/hr/benefits/pension.html>
- Short video overview of the Pension Plan:
<https://hub.concordia.ca/carrefour/services/hr/benefits/pension/video.html>
- Contribution estimator tool available to active Plan members:
<https://hub.concordia.ca/carrefour/services/hr/benefits/pension.html>
- Employee web tool, pension@ccess, which provides access to your personal annual statements, allows you to make pension projections under various scenarios and provides additional information: concordia.pension.hroffice.com
- If you have retired from or left the University and as such do not have access to Carrefour or to the employee web tool, some information on the Plan is available on Concordia's general website, under the Human Resources section:
<http://www.concordia.ca/hr/benefits/pension.html>

The members of the Pension Services team at Human Resources are available to provide support and address any questions you may have regarding your pension file and benefits. They can be reached by e-mail at pensions@concordia.ca. If you are planning to retire, it is recommended that you get in touch with them at least three months in advance of your retirement date in order to allow sufficient time for the required steps.

Ce document est également disponible en français.

**PENSION PLAN FOR THE EMPLOYEES
OF CONCORDIA UNIVERSITY**