



**MILLWRIGHTS LOCAL 1460
PENSION TRUST FUND
AND
MILLWRIGHTS'
HEALTH & WELFARE
TRUST FUND FOR ALBERTA**

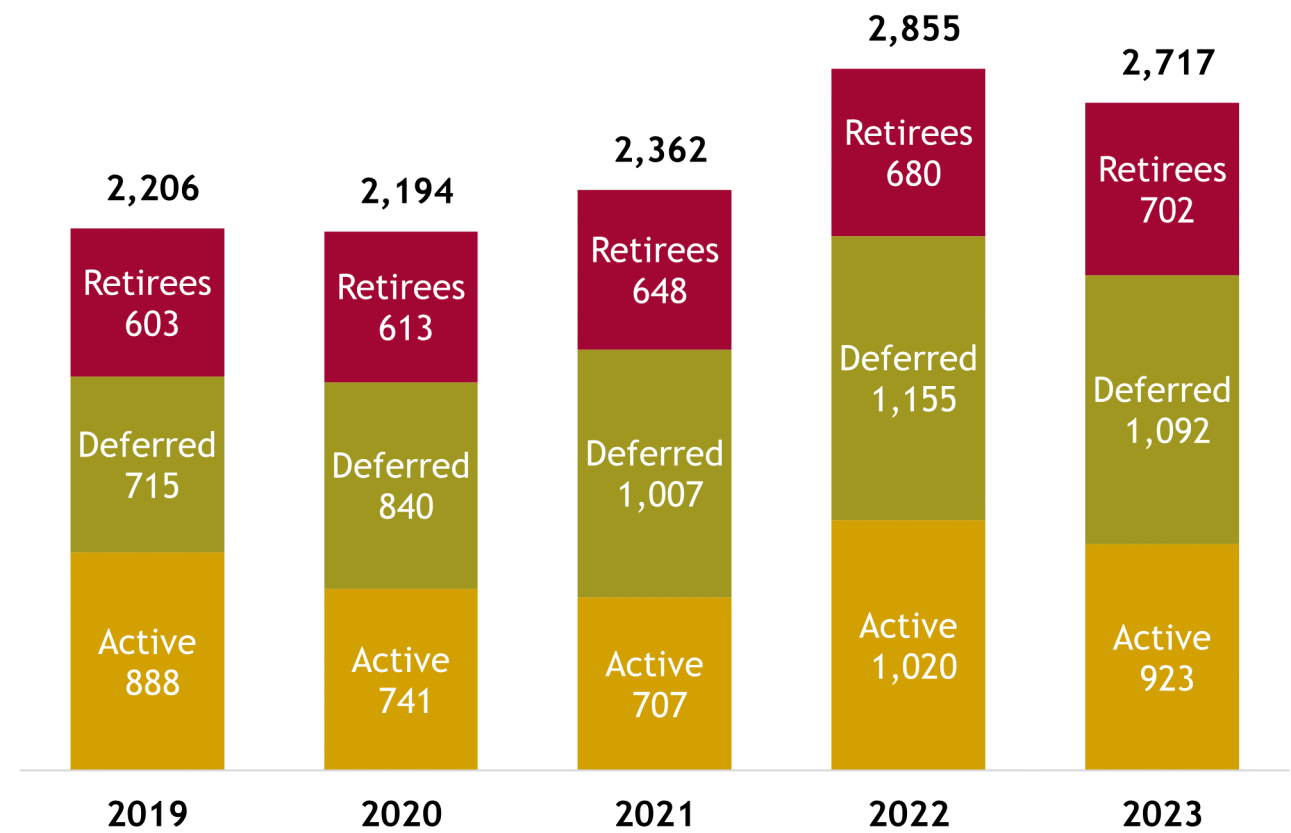
**ANNUAL REPORTS
for the Year Ending
December 31, 2023**



PENSION PLAN MEMBERSHIP

YOUR PENSION PLAN

The Millwrights Local 1460 Pension Trust Fund (the “Pension Plan”) was established in 1972, to provide pension benefits to unionized millwrights in Alberta.



Over the last 50 years, membership in the Pension Plan has fluctuated, but currently has 2,717 members. Of those members, 923 are actively working in the unionized millwrights industry, 1,092 have ceased working and are deferring their pension into the future, and 702 are retirees and beneficiaries currently receiving a pension.

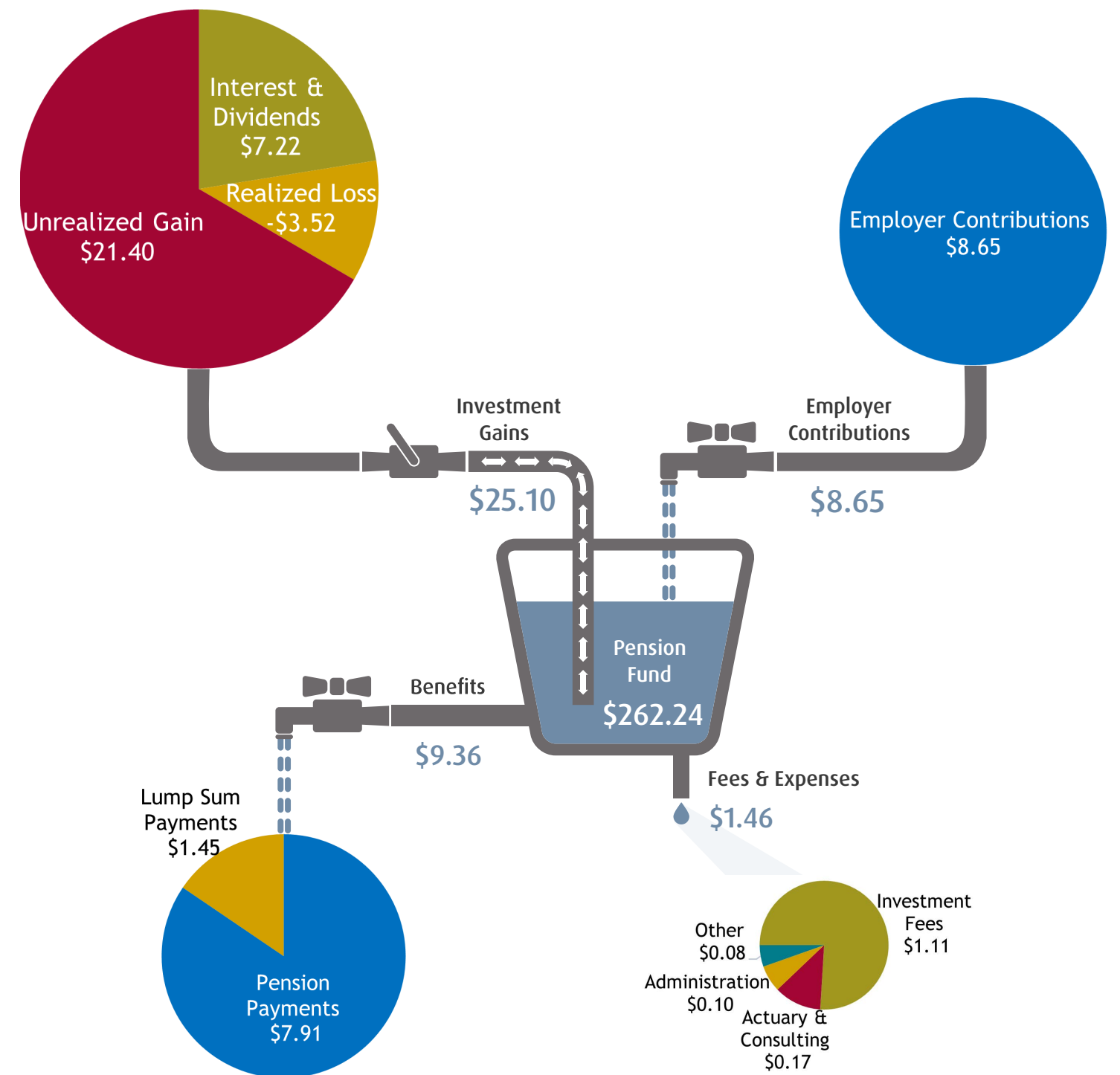
We expect 2024 will see an increase in the number of individuals joining the Union in the hopes of finding rewarding, long-term employment in the millwrights industry.

GROWING THE PENSION PLAN ASSETS

In 2023, participating employers contributed \$8.65 million to the Pension Plan to fund your pension benefits.

The Pension Plan assets increased from \$239.31 to \$262.24 million in 2023. In addition to the employer contributions, there were investment gains of \$25.10 million, benefit payments of \$9.36 million, and \$1.46 million in expenses.

What happened to the Pension Plan in 2023? (\$ millions)



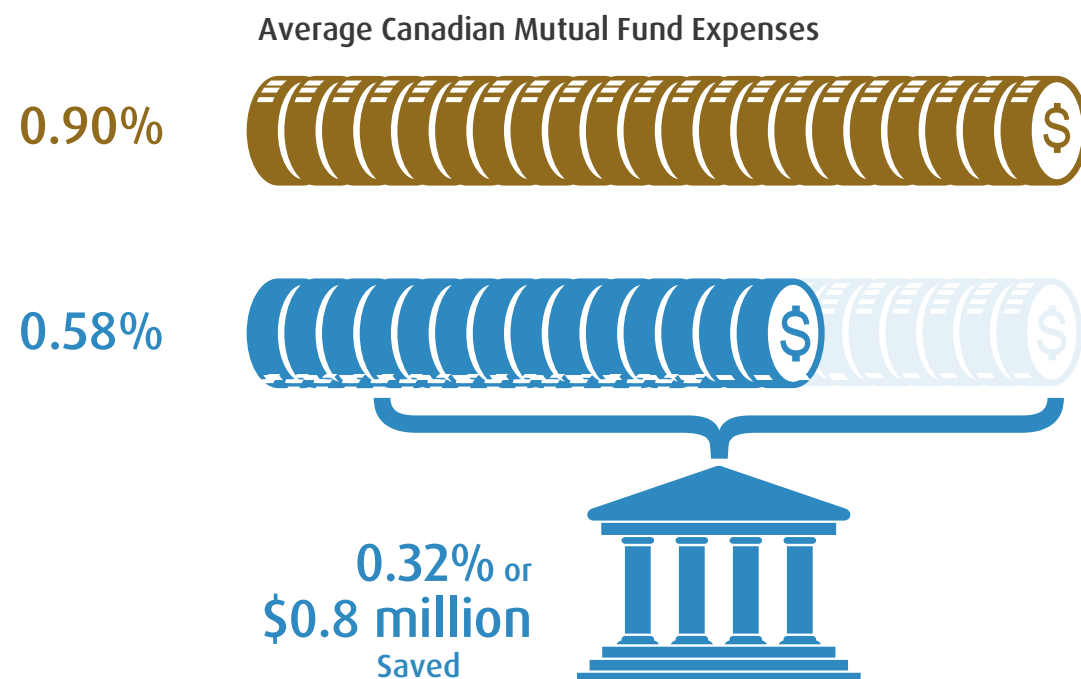
CONTROLLING THE PENSION PLAN EXPENSES

Pension Plan expenses in 2023 were \$1.46 million, up from \$1.28 million in 2022. The 2023 expenses included \$1.11 million in investment manager fees, \$0.17 million in actuarial and consulting fees, \$0.10 million in administration costs, and \$0.08 million in other expenses (such as Trust Fund insurance, Trustee education, auditing, registration, and meeting expenses).

As a percentage of assets, Pension Plan expenses are slightly up from 2022, at 0.58% of assets, due to the investment losses experienced in 2022 leading to a lower market value of assets.

By investing collectively, members benefit from reduced expenses, saving money, and improving the stability of the Pension Plan. The diagram below compares the expenses to the average expenses charged by Canadian Mutual funds.

Expense Comparison



INVESTING THE PENSION PLAN ASSETS

In 2023, Mercer Global Investments (MGI) strategy saw an asset increase of \$22.93 million, which was predominately due to strong performance in Fixed Income & Equity Funds. This is consistent with the overall market performance in 2023.

The Trustees regularly assess the performance of the Pension Plan investment manager. The Pension Plan portfolio with MGI returned 10.55% over 2023 which is below the Plan Benchmark of 11.85% by 1.30%, before fees. Over four years, MGI has enabled the Pension Plan to have an average rate of return of 3.94%.

Investing Plan Assets

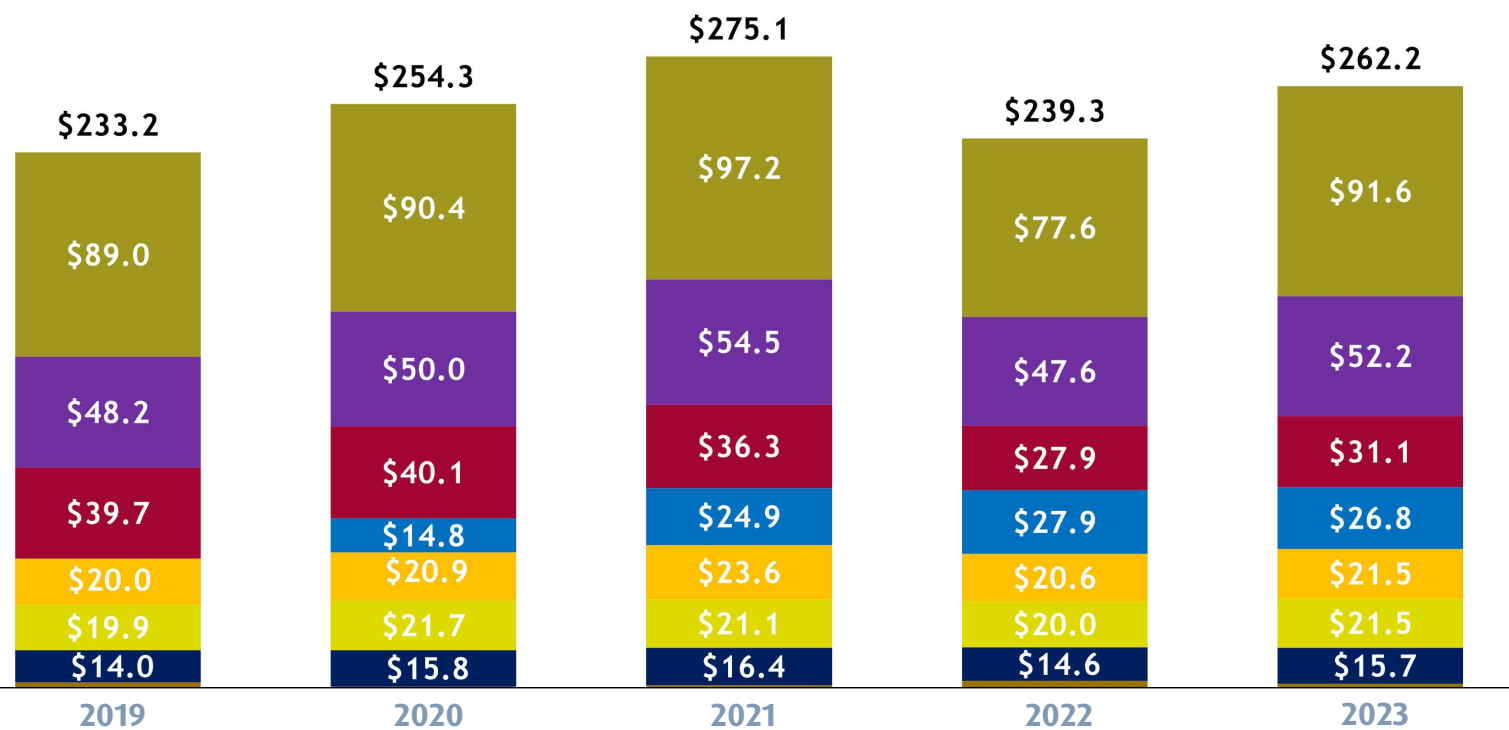
	1 Year	4 Years
MGI	10.55%	3.94%
Plan Benchmark	11.85%	4.14%
Difference	-1.30%	-0.20%

MGI 5-Year Performance

	2019	2020	2021	2022	2023
MGI	15.96%	10.91%	9.11%	-12.74%	10.55%
Plan Benchmark	16.83%	11.99%	8.31%	-13.31%	11.85%
Difference	-1.14%	-1.08%	+0.80%	+0.57%	-1.30%

PENSION PLAN INVESTMENTS (\$ millions)

	2019	2020	2021	2022	2023
Long Bonds	89.0	90.4	97.2	77.6	91.6
Global Equities	48.2	50.0	54.5	47.6	52.2
Canadian Equities	39.7	40.1	36.3	27.9	31.1
Real Estate		14.8	24.9	27.9	26.8
Low Volatility Equities	20.0	20.9	23.6	20.6	21.5
Emerging Markets	19.9	21.7	21.1	20.0	21.5
Global Small Cap	14.0	15.8	16.4	14.6	15.7
Other / Cash	2.4	0.6	1.1	3.1	1.8



VALUING THE PENSION PLAN

At the end of 2022, the Trustees engaged the actuary to perform an actuarial valuation of the Pension Plan. An actuarial valuation is required every three years, at a minimum. Prior to 2022, the last two actuarial valuations were performed at the end of 2016 and 2019.

The Pension Plan's most recent actuarial valuation, as of December 31, 2022. There are two valuations performed:

- The Going Concern Valuation (or long-term funding basis assuming the plan continues indefinitely) indicated a Funded Ratio of 161%.
- The Solvency Valuation (or the basis assuming a hypothetical wind-up of the Pension Plan as of the date the valuation) had a Solvency Ratio of 139%. Since there are many employers contributing to the Pension Plan, the risk of the Pension Plan winding up is low.

FUNDING & BENEFITS POLICY

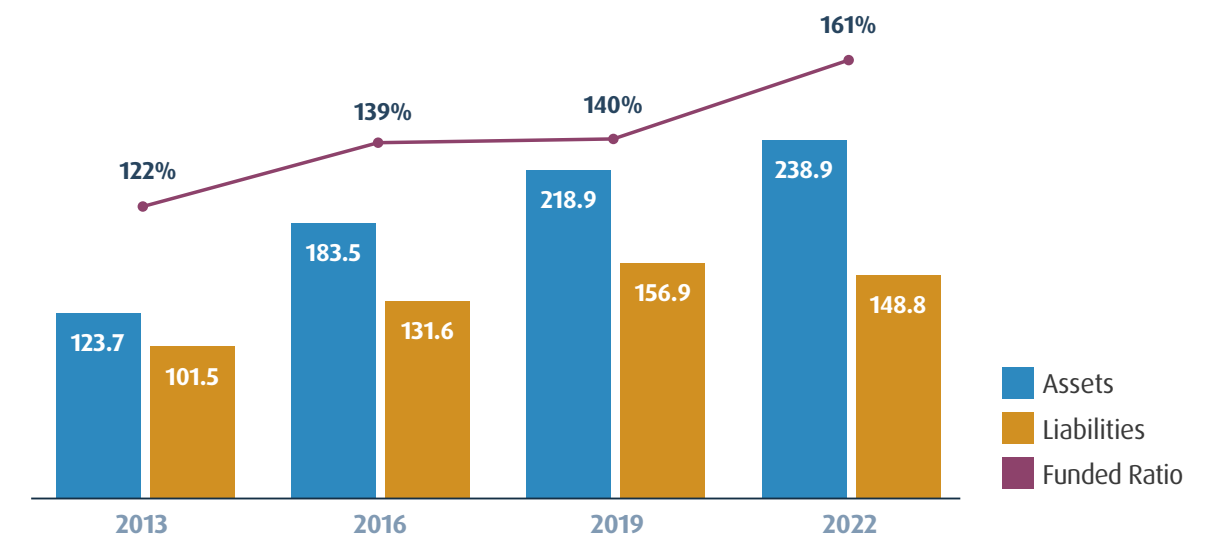
The Trustees have a Funding & Benefits Policy that provides guidance on plan design and benefits. Of the \$7.32 per hour paid to the Pension Plan for hours worked by members, contributions are allocated as follows:

Blended negotiated contribution rate*	\$7.32
Current service cost for hours accrued in year	\$3.21
Provision for adverse deviations	\$0.39
Special payments	n/a
Contingency reserve	\$3.72
Balance	\$0.00

* Apprentices have 75% of the contributions per hour and benefit accrual rate of Journeymen. The contribution rate was \$7.25 for Journeymen, \$5.44 for apprentices prior to May 7, 2023. Effective May 7, 2023, contributions are \$8.00 for Journeymen, \$6.00 for apprentices (\$7.32 combined).

The Trustees review the Pension Plan's funded positions. When it is appropriate to do so, and in accordance with legislation, plan design changes may be made consistent with the Funding & Benefits Policy and in consultation with the actuary.

Going Concern Valuations from 2013 - 2022 (\$ millions)





KEEPING YOUR FAMILY HEALTHY

YOUR HEALTH PLAN

For over 50 years, your Millwrights' Health and Welfare Plan for Alberta (the "Health Plan") has been there, providing financial support to you and your family during periods of medical necessity. The Health Plan is funded by employer contributions, and the Trustees are responsible for providing for the needs of plan members and their families, given the financial resources available. This report provides a snapshot of those efforts.

The Health Plan experienced a 34% increase in paid claims in 2023, which was partially a result of the benefit improvements made to the Health Plan in 2023 and partially a result of an increase in the number of Plan members.

The Health Plan's strong funded position allowed for improvements to be made to the Plan's Mental Health, Dental, Vision, and Medical Equipment coverages in 2023.

Members are encouraged to continue making prudent decisions when it comes to their health care purchases.

The H&W Board has a fiduciary duty to ensure that the Plan is managed appropriately for the benefit of members and gets the best value for the cost of operations.

For this reason, the Board has decided that the Health Plan will be transitioning the adjudication and payment of your health, dental, and short-term disability claims from Manulife to PBAS effective October 1, 2024.

More information on the transition of these services will be shared with you in the coming months.

HEALTH PLAN OPERATIONS

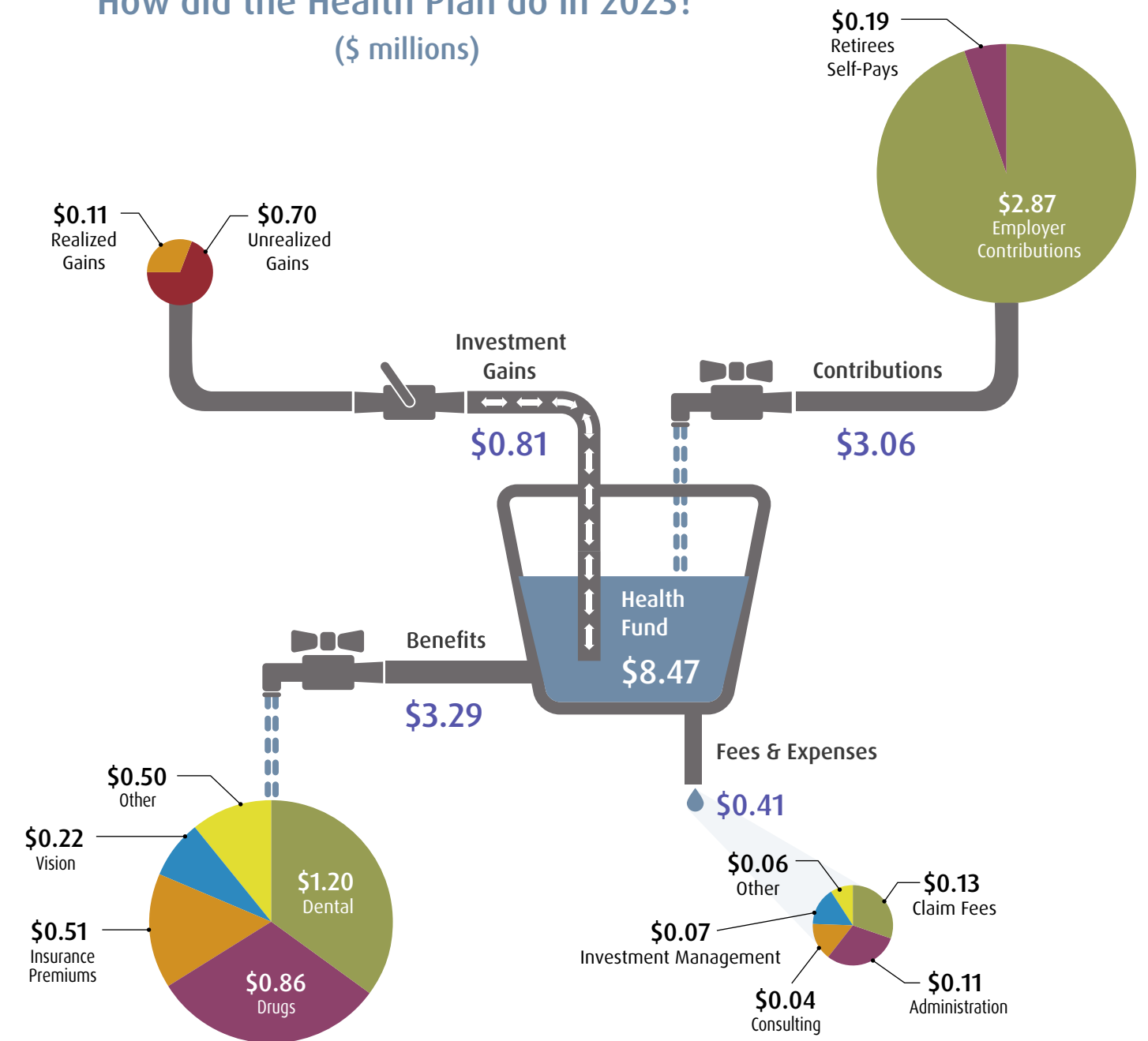
In the 2023 calendar year, the Health Plan received \$3.06 million in contributions from participating employers and self-pays from active and retired members.

The invested assets incurred gains of \$0.81 million in 2023, as a result of market conditions rebounding after difficult conditions in 2022. The investments gains were made up of \$0.11 millions of realized gains (interest & dividends, and the sale of investments) and \$0.70 million in unrealized gains. The Trustees continue to closely monitor the investment

manager to ensure their performance is market competitive and aligns with the goals of the Health Plan.

Fees and expenses in 2023 totaled \$0.41 million. That amount increased from \$0.32 million in 2022. Expense increases were driven by higher administration and claims processing costs, as a result of the increased claims volumes and number of members in the plan in 2023. The Trustees will continue providing affordable benefits given the assets and cash flow available.

How did the Health Plan do in 2023? (\$ millions)



HEALTH PLAN CHANGES

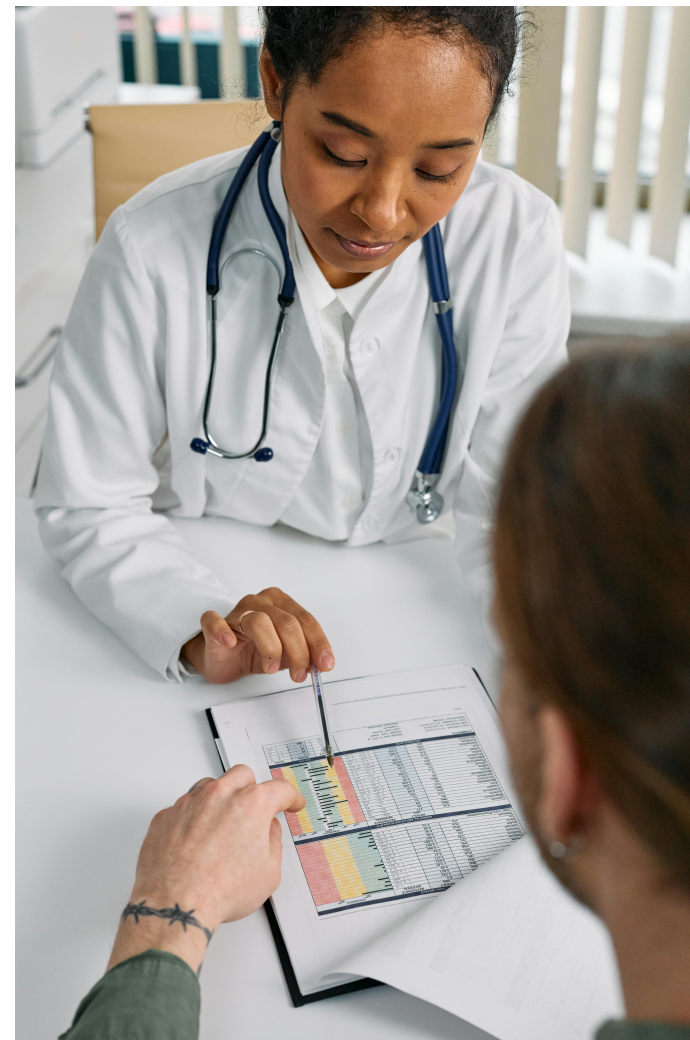
In order to provide members with the best possible coverage, given the available contributions and plan reserves, the Trustees regularly review the financial position of the Health Plan.

On March 17, 2023, the Trustees announced several improvements to the Health Plan effective April 1, 2023. Those changes include:

- Expanding counselling services to include psychologists, social workers, and any licensed, registered, and certified therapist.
- An increase in counselling services reimbursements, from 80% to 100% of costs.
- An increase in counselling services annual coverage amount from \$1,000 to \$5,000 per covered person.
- An increase in basic dental claim reimbursements, from 90% to 95% of the fee guide.
- An increase in major dental claim reimbursements, from 75% to 80% of the fee guide.
- An increase in orthodontic dental claim reimbursements, from 50% to 75% of the fee guide.
- An increase in prescription safety glasses coverage amount (for active members only) from \$300 to \$400 every two calendar years.
- An increase in medical equipment claim reimbursements, including laser eye surgery, from 50% to 80%, subject to certain plan and reasonable and customary expenses limits.

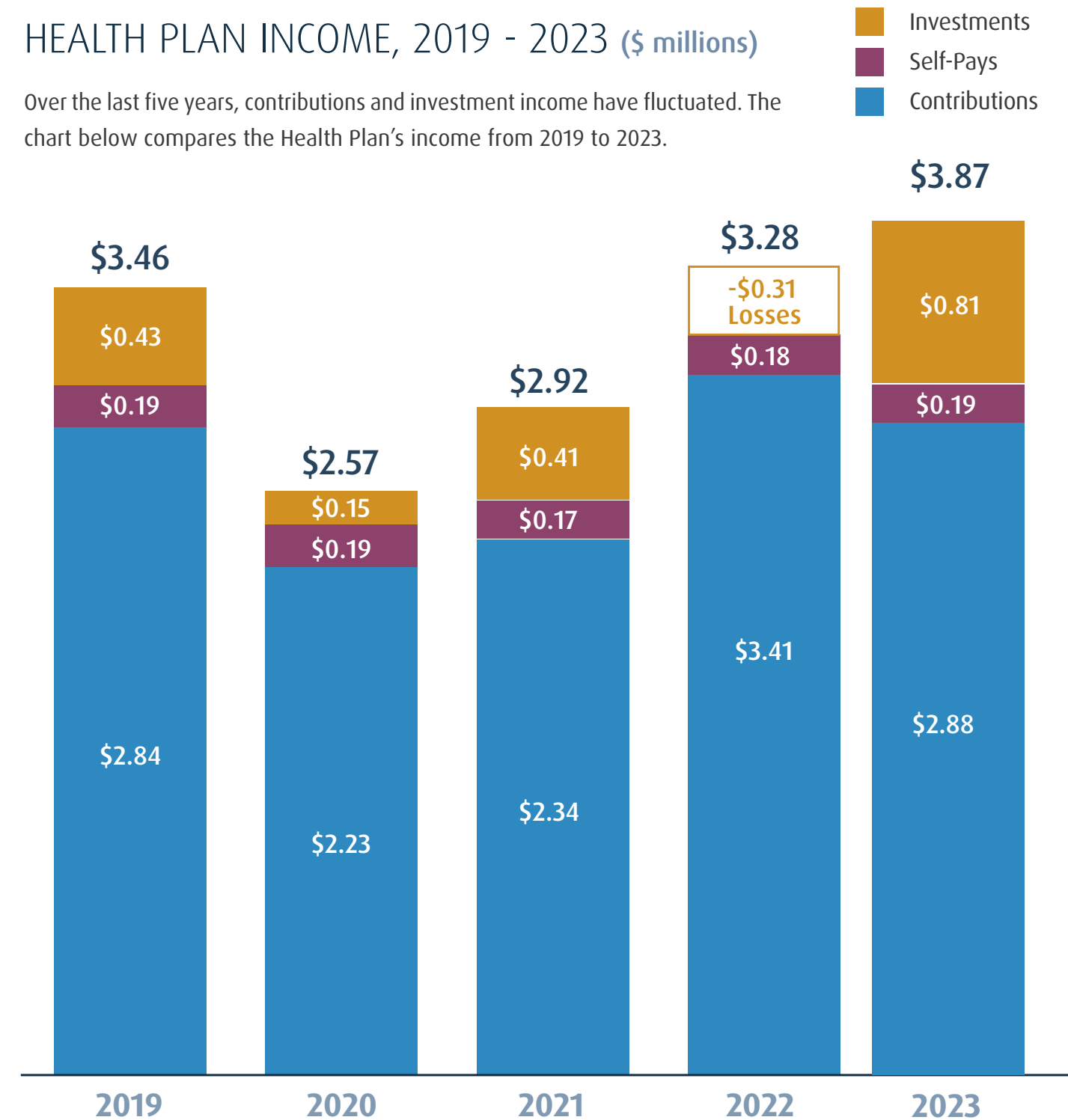
An updated Benefit Booklet, describing your Health Plan benefits, is available from the online member portal.

The Trustees will continue to carefully monitor the financial position of the Health Plan to provide the highest level of benefits, taking into consideration the available contributions, plan reserves, and economic outlook.



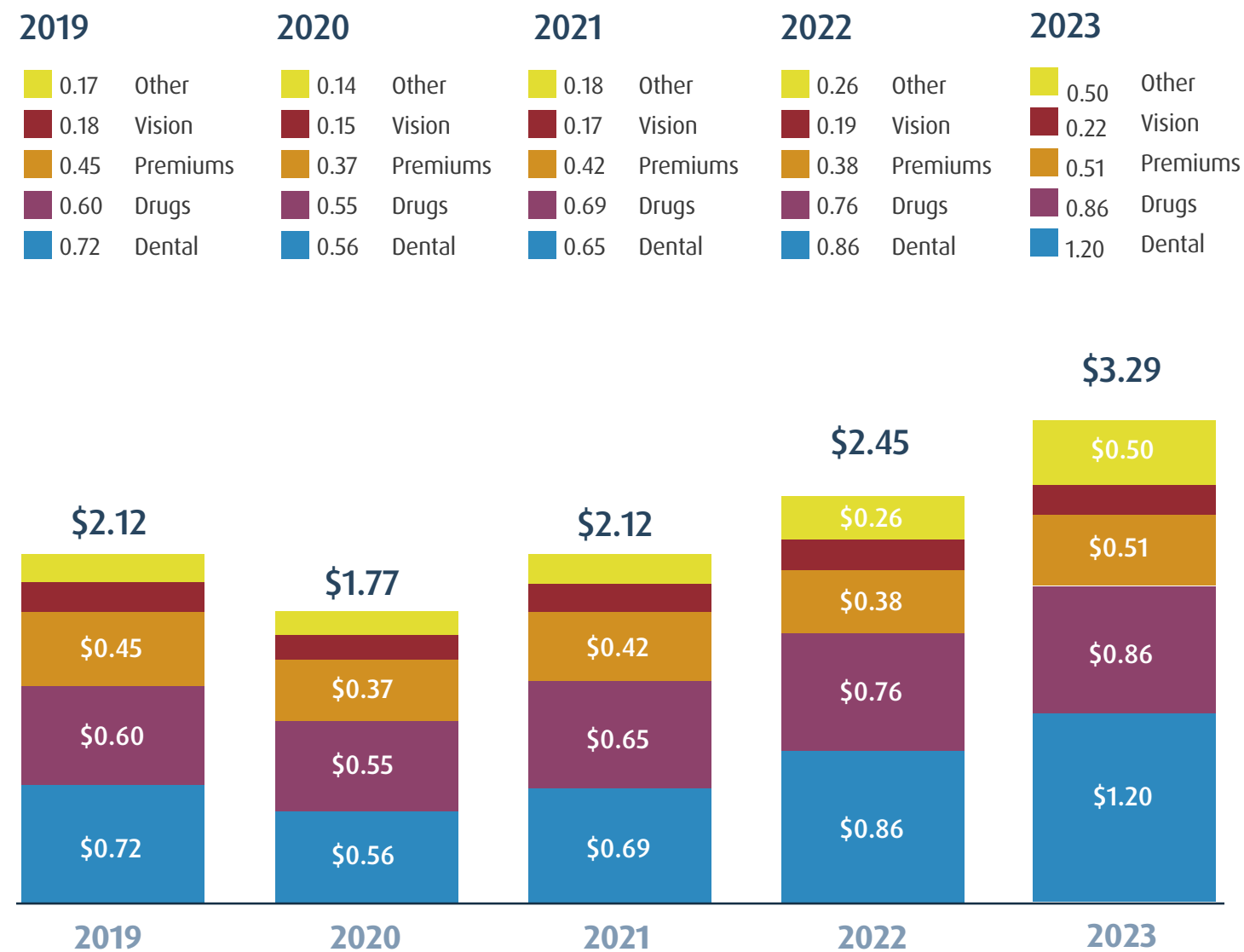
HEALTH PLAN INCOME, 2019 - 2023 (\$ millions)

Over the last five years, contributions and investment income have fluctuated. The chart below compares the Health Plan's income from 2019 to 2023.



HOW WAS THE HEALTH PLAN USED IN 2023? (\$ millions)

The chart below compares the 2019 through 2023 Dental and drug claims represented the number one and two costs of the plan in 2023. premiums and claims paid on behalf of plan members.

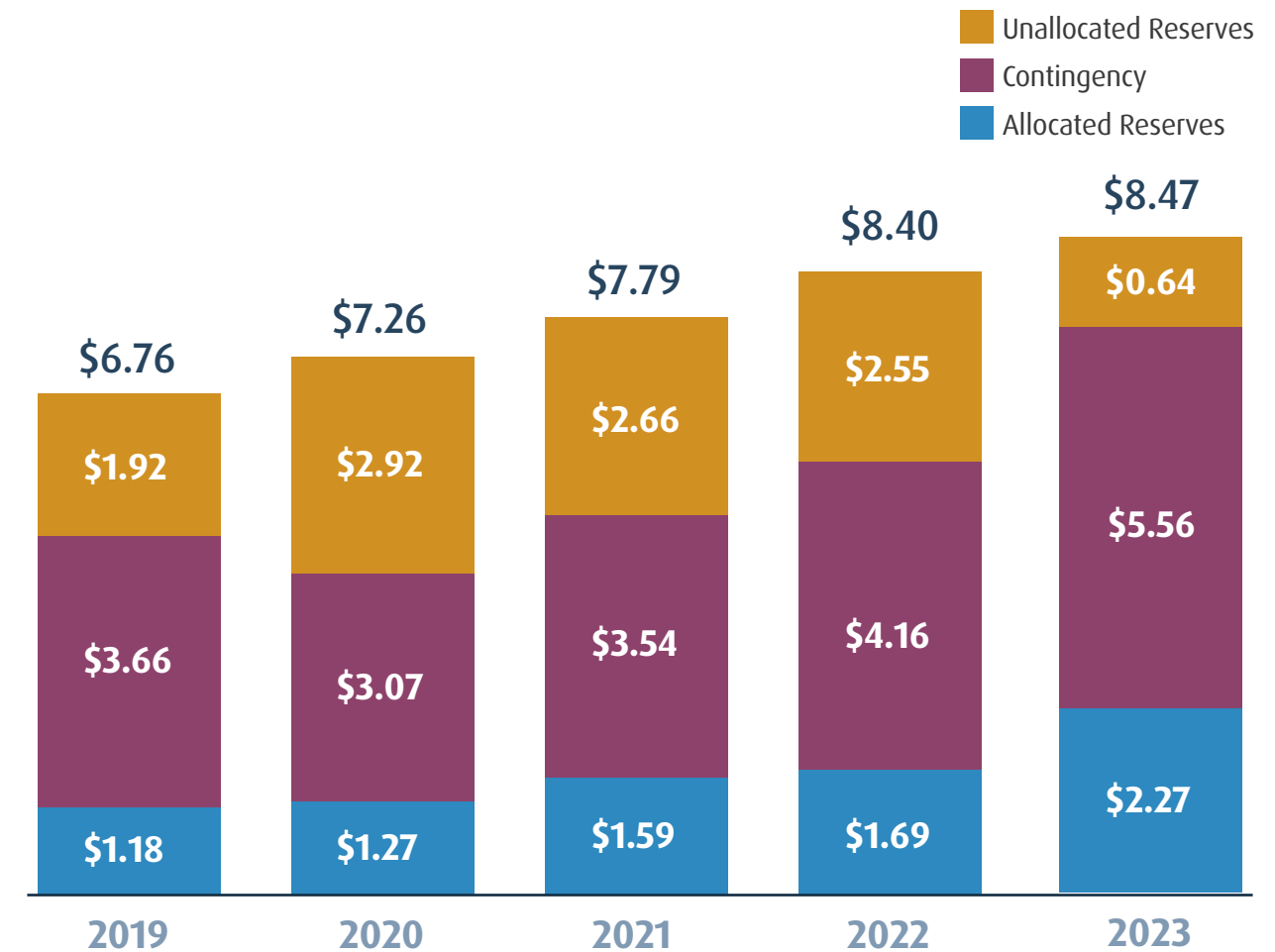


HEALTH PLAN RESERVES (\$ millions)

The Health Plan holds allocated, contingency and unallocated reserves. The purposes of those reserves are as follows:

- Unallocated reserves are held in the plan to be used as a buffer against future claims increases.

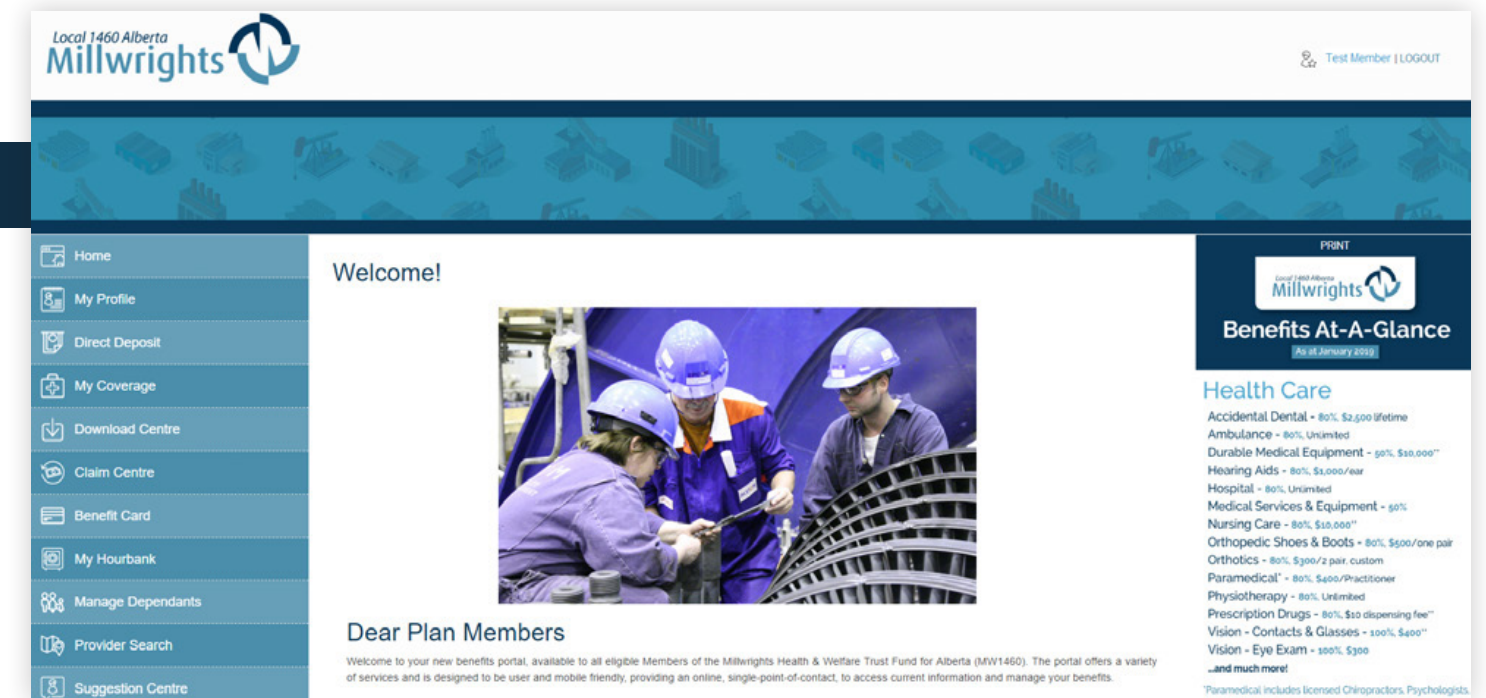
- Contingency reserves are maintained to protect against work slowdowns and unpredictable events.
- Allocated reserves are set aside to cover such things as incurred but not reported claims and hour banks that members have accumulated to provide their families with future coverage.





ACCESSING YOUR HEALTH & PENSION PLAN DETAILS

An online member portal has been available for Health Plan and Pension Plan members. That portal allows you to check your hourbank, manage your spouse and dependant records, change your mailing address, update your beneficiary, access plan booklets and other plan information, print your drug card, submit claims online, access details about your claims history, and more.



You can access the online portal 24 hours a day, 7 days a week to find immediate answers to common questions you may have about the plans as well as receive important notifications.

If you have not yet registered, we encourage you to do so. Once you have finished registering, you can immediately start accessing the member portal.

Prior to registering on the portal, make sure you have your personal information handy. For the Health Plan, you will need your plan certificate number which is the last four digits of a number that starts with 830 on your drug card. For the Pension Plan you will need your Plan Membership Number which is a 12-digit number starting with 100 and can be found on your annual statement. To register, you will be required to

verify your identity, by confirming your name, your date of birth, and your certificate or membership number. You will also need to provide a valid email address and create a secure password. Once you have registered, if you are a member of both the Pension Plan and Health Plan, you will be able to switch between the two plans in the portal.

If you have questions about registering, or how to navigate the portal, call the Administrator at 1-888-525-1460, or email them at mw1460@pbas.ca.

Pension Portal: mw1460.pbas.ca/user/login

Health Plan Portal: mybas.pbas.ca/user/login

Manulife Portal: Manulife.ca/signin

YOUR BOARDS OF TRUSTEES

Two Boards of Trustees oversee your plans. Six Union Trustees and four Employer Trustees share the related governance responsibilities.

Union Trustees



Michael Bohnet
 Co-Chair, Pension



Joe Chambers
 Pension Trustee



Jamie Harju
 Pension Trustee



David Maitland
 Chair, Health & Welfare



Drew Kruger
 Health & Welfare Trustee



David Wilkinson
 Health & Welfare Trustee

Employer Trustees



Jarret Serediak
 Co-Chair, Health & Welfare



Shawn Campbell
 Chair, Pension



Stan Buller
 Health & Welfare and
 Pension Trustee



Cameron Blair
 Health & Welfare and
 Pension Trustee

THE SUPPORTING CAST

In 2023, the Pension Plan and Health Plan were supported by teams of professionals that delivered various services. Some of these professionals are mentioned below.

Your administrator, Prudent Benefits Administration Services Inc. (PBAS), performs the day-to-day administration functions of receiving contributions and maintaining your eligibility records. Effective October 1, 2024, PBAS will begin adjudicating and paying your health, dental, and short-term disability claims. More information on this transition will be shared in the coming months.

Manufacturers' Life Insurance Company of Canada (Manulife), your Health Plan insurer, adjudicates and pays your health benefit claims. Effective October 1, 2024, Manulife will cease adjudicating and paying health, dental, and short-term disability claims but will continue insuring your life and long-term disability coverage.

Donnelly & Company is auditor to the Plans, performing annual audits that are available for review by Plan members.

Two investment managers worked to protect and grow your Plans' assets. Mercer Global Investments (MGI) invests the Pension Plan assets, while Rouleau Investment Group invests the Health Plan assets.

Benchmark Decisions Ltd. provides consulting and actuarial advice on plan design, regulatory compliance, benefit costing, insurance underwriting, confirms the Pension Plan's funding, and files reports with the Alberta government.

OBTAINING MORE INFORMATION

If you are looking for more information about the operation of the Pension Plan or Health Plan, or if you need to contact someone about your benefits, you can contact one of our professionals using the information below.

For Inquiries About the Pension Plan

Prudent Benefits Administration Services Inc.
1-855-250-3534
mw1460@pbas.ca

For General Inquiries About Health Plan Eligibility

Prudent Benefits Administration Services Inc.
1-888-525-1460
mw1460@pbas.ca

For Health Plan Claims Payment Inquiries

Manufacturers' Life Insurance Company of Canada
1-800-268-6195
[Manulife.ca/signin](https://www.manulife.ca/signin)



Millwrights 1460 Pension Trust Fund
1-855-250-3534

**Millwrights' Health & Welfare
Trust Fund for Alberta**
1-888-525-1460

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