



CEO MESSAGE

The year 2021 was a good investment year for our **Canadian Forces Non-Public Funds Employees Pension Plan**.

The growth achieved in 2021 has increased our solvency funded status to 99.9%, the highest it has been in over a decade. With investment returns of over 11 percent and a lump-sum catch-up of solvency payments made by the employer, the market value of our pension fund has reached the \$500 million mark for the first time in CFMWS' history. Improvement in our solvency funded status reduces our solvency special payments in 2022. The plan's funding – our ability to honor the pension promise for each member – remains healthy.

Our investment strategy is to make sure that we receive the best yield for our fund over the long term as safely and as reliably as possible.

The investment outlook for 2022 is challenging in terms of growth. Factors at play include the ongoing pandemic, inflation and the geopolitical unrest in Europe which is slowing global economic growth.

Despite these challenges, you can take comfort in having a defined benefit pension managed by professionals using the best available information to keep the pension fund wisely invested – this means that you can depend on a set monthly amount when you retire despite market volatility.

We continue to be proud to offer a defined benefit pension to our employees for their years of valued service.



Sean N. Cantelon

CEO, Staff of the Non-Public Funds, Canadian Forces

GETTING TO KNOW YOUR PLAN

It is not too early to start planning

Curious about your pension? There are many resources available to help you understand your pension plan and how it is managed.

Visit CORE: Employee Essentials > My Career > My Pension

Visit the CFMWS Retiree website for pension tools and resources specific to retired members: www.cafconnection.ca/cfmwspension

Are you receiving pension payments?

Did you know that pensioners are to complete a Declaration of Survival form every 2 years? All pensioners with a retirement date prior to 2022 will be receiving a Declaration of Survival for completion from Coughlin & Associates in July 2022. Completion of the form is mandatory and failure to return the completed form may result in an interruption of your pension payment.

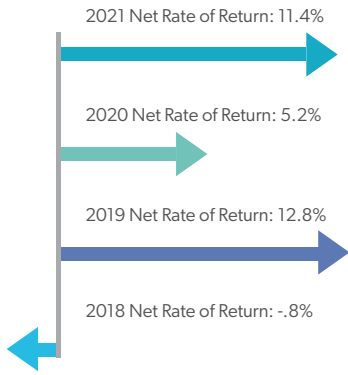
Are you preparing for retirement?

Your primary planning tool is the Pension Estimator available on CORE under My Pension (Members > Your Pension Tools > Tools and Resources for Members).

If you have lost or forgotten your portal access code or password, just contact Coughlin at nppension@coughlin.ca.

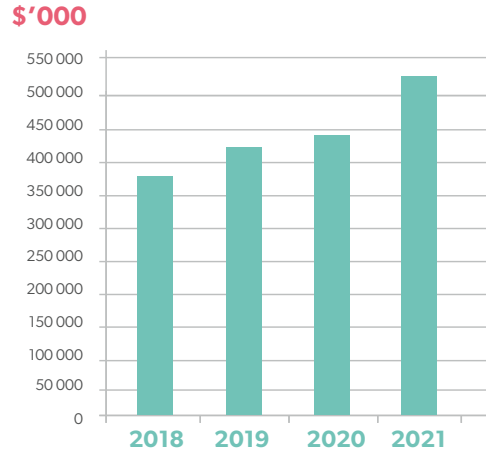
CORE has other valuable resources available to you, such as a link to Service Canada's Canadian Retirement Income Calculator to help you determine your total estimated retirement income. Be sure to check out all the external resources to help you prepare.

Investment Results



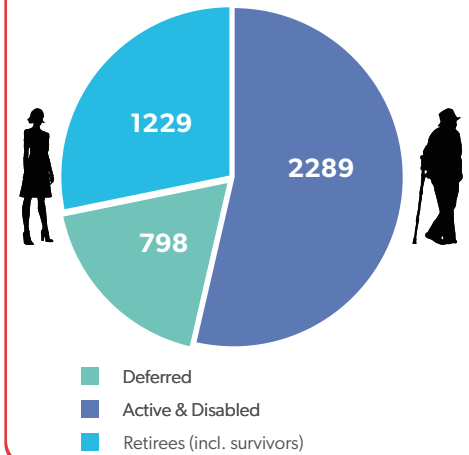
Plan Funding

Net Assets

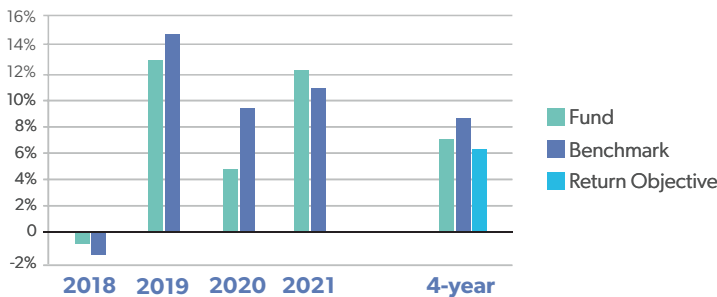


Membership

Average age of active member = 44.2 yrs
Average age of retiree = 72.2 yrs

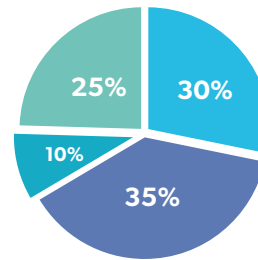


Pension Investment Performance



Investment Allocation

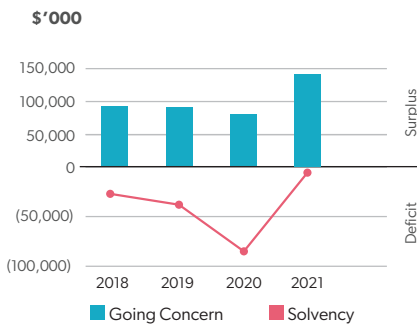
(current as of end 2021) in percentage



The Pension Board determines the Investment Policy allocations, which are implemented by the Pension Investment Committee.

- Fixed Income
- Global Equities
- Canadian Equities
- Alternatives

Annual Valuation



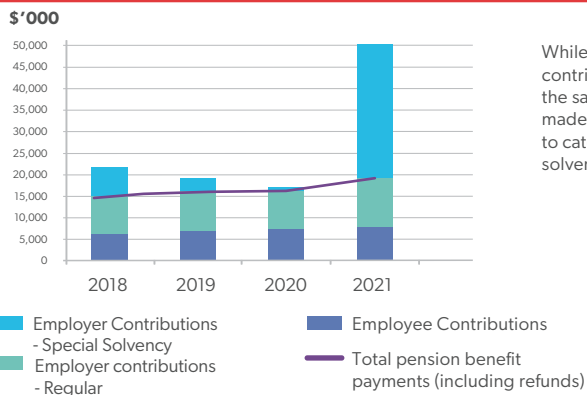
GOING CONCERN EXPLAINED:

If the pension plan continued indefinitely, it would be able to pay for plan members' pensions as they retire over time. This shows that our plan is in very good health.

SOLVENCY DEFICIT EXPLAINED:

If the pension plan closed tomorrow, it would not be able to pay all of the benefits it owes to the plan's members. From this perspective, we are in a deficit and the employer continues to make deficit payments each year. We are currently 99.9% solvent (up from 84% last year).

Contribution vs Pension Benefit Payments



While the employee contribution has remained the same, the Employer made a lump-sum payment to catch-up on special solvency payments.

DOES SOMETHING LOOK ODD ON YOUR ANNUAL PENSION STATEMENT?

If so, contact Coughlin and Associates immediately by email at nppension@coughlin.ca or call toll-free at 1-888-613-1234.

For general questions, contact your local HR representative or email pensionplan@cfmws.com.

STAY IN TOUCH

To ensure you're receiving information about your Pension Plan, it's very important to keep your contact information up to date with your employer or Coughlin. Employees can contact their local HR representative. Retirees can contact Coughlin and Associates by email at nppension@coughlin.ca or call toll-free at 1-888-613-1234.