Twitter Thread by The Pension War Room



The Pension War Room
@yomeeks

This is your daily pension announcement. Lots of you have heard back from your MLA with the the statement below■. This one is from @JasonCoppingAB, but they are all the same. You need to go back at your MLAs HARD because this is some Stalin level disinformation. #AbLeg #abpoli

As stated in the MO, Section 3.4 the ATRF has control over the investment policy. A concern has been raised about the ability of AIMCo to reject an amendment to the investment policy if it has a material adverse impact on AIMCo's ability to discharge its mandate of scale (3.8). Please note that this type of clause is a standard provision in agreements between AIMCo and other provincial plans. It is designed to protect both the ATRF and AIMCo.

I would like to also point out the rationale for why the decision was made to use AIMCo to manage the ATRF assets. The broader use of AIMCo reflects our commitment to make government more efficient and ensure the best use of taxpayer dollars. This change does not impact your contribution levels or the benefits to which you are entitled. This decision was to simply reduce redundant investment management costs and yield higher investment returns over the long-term.

In the end it is the Alberta Government who holds the liability of the ATRF plan and not the ATA. AIMCo generally performs better over the long term and AIMCo has a consistent record of outperforming their mandated benchmarks and a proven record of responsible corporate behavior and effective corporate governance. We remain confident AIMCo will continue to meet the long-term investment objectives of their clients.

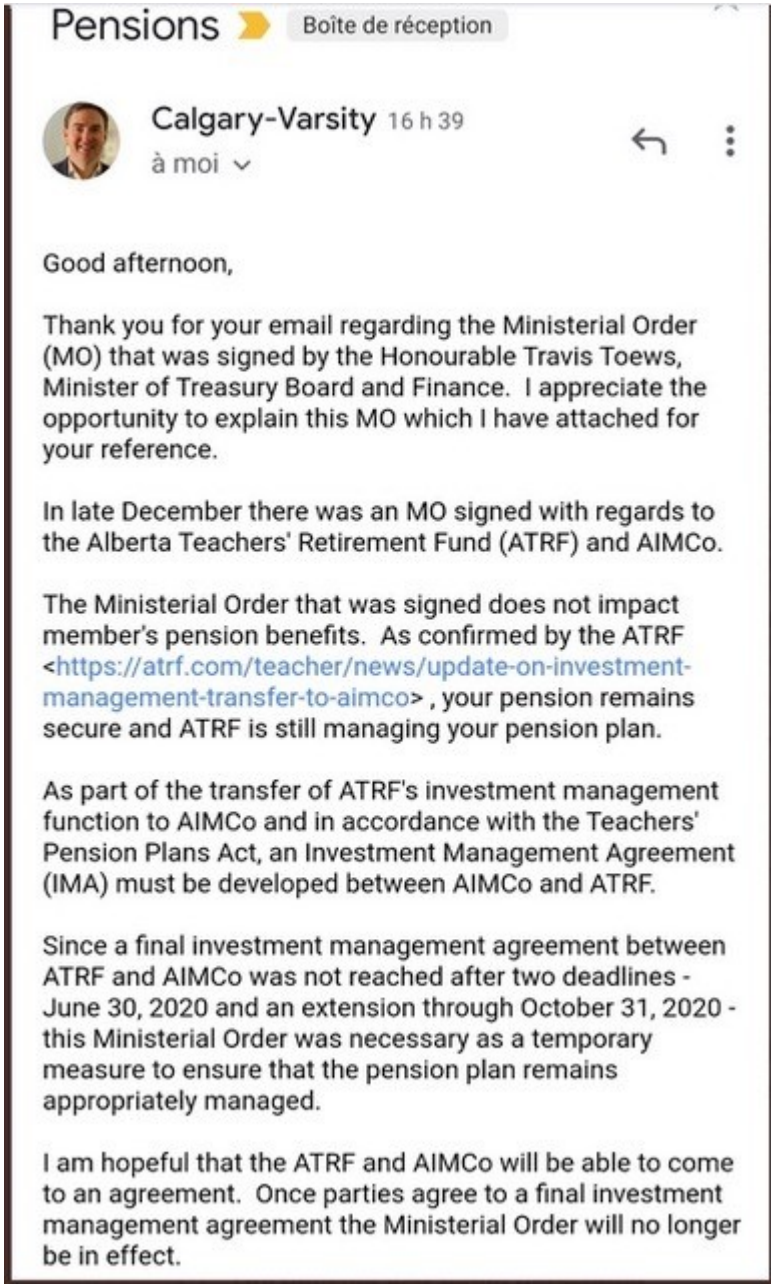
I will reiterate that the board of the ATRF will continue to own the teachers' pension fund and they will set the investment policy for its assets, which is the most critical decision in determining risk and return levels over time.

Sincerely,
Jason Copping, MLA
Calgary-Varsity
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Calgary AB T2M 1E7
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In no particular order I will run through the errors:

1. "the Alberta Government ...holds the liability of the ATRF plan.."

Absolutely, unequivocaly false. Read the Teachers' Pension Plan Act. Any liabilities are paid off 49% by the GOA/51% by the teachers. #AbLeg #abpoli



Pensions Boîte de réception

Calgary-Varsity 16 h 39
à moi

Good afternoon,

Thank you for your email regarding the Ministerial Order (MO) that was signed by the Honourable Travis Toews, Minister of Treasury Board and Finance. I appreciate the opportunity to explain this MO which I have attached for your reference.

In late December there was an MO signed with regards to the Alberta Teachers' Retirement Fund (ATRF) and AIMCo.

The Ministerial Order that was signed does not impact member's pension benefits. As confirmed by the ATRF <https://atrf.com/teacher/news/update-on-investment-management-transfer-to-aimco> , your pension remains secure and ATRF is still managing your pension plan.

As part of the transfer of ATRF's investment management function to AIMCo and in accordance with the Teachers' Pension Plans Act, an Investment Management Agreement (IMA) must be developed between AIMCo and ATRF.

Since a final investment management agreement between ATRF and AIMCo was not reached after two deadlines - June 30, 2020 and an extension through October 31, 2020 - this Ministerial Order was necessary as a temporary measure to ensure that the pension plan remains appropriately managed.

I am hopeful that the ATRF and AIMCo will be able to come to an agreement. Once parties agree to a final investment management agreement the Ministerial Order will no longer be in effect.

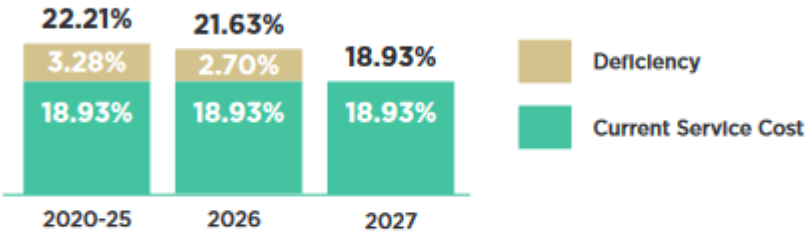
This is a risk shared plan, teachers pick up 51% of the financial risk. This is a benefit to the taxpayers. Not all plans in Canada are risk shared but ATRF sure as hell is.

(even the Fraser Institute admits this) #AbLeg #handsoffmypension

If @JasonCoppingAB would read the latest ATRF Annual Report he would see that we (teachers 51%/49% GOA) are currently paying off a deficiency that is equal to 3.28% of pay. #AbLeg #handsoffmypension

Teachers' Pension Plan Contribution Rates

Effective September 1



These projections assume that all assumptions remain unchanged and will be realized as expected. Actual experience will vary and the actual results recognized in future actuarial valuations can be better or worse than these projections. Therefore, the rates illustrated above may vary.

2. Next false statement: he says that section 3.8(c), giving AIMCo the right to refuse instructions from ATRF, is "a standard provision" in these types of agreements. Nope.
Just nope. #AbLeg #handsoffmypension This is a backdoor overreach into the ATRF's affairs.

Evidence: SFPP, MEPP, and PSPP have used AIMCO for 10 years. None of them had this provision. All of them have refused to sign an IMA with this provision.

ATRF is not a lone dissenting plan. AIMCO has failed to reach agreement with 4 plans, 3 of which are clients. #AbLeg #abpoli

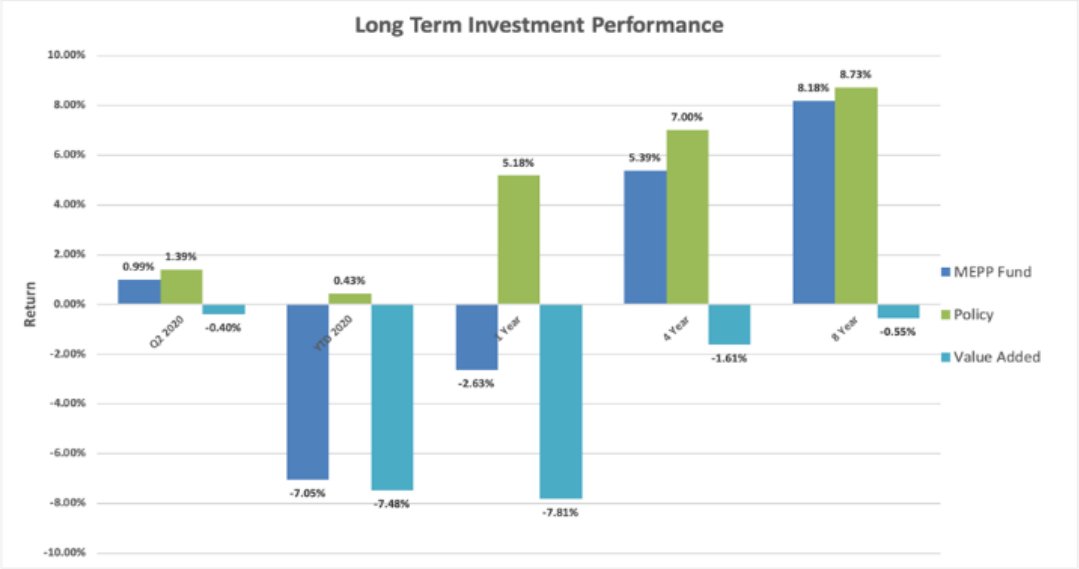
3. Next whopper lie "this change does not affect your contribution levels...". True for today. If AIMCO does not perform well contribution rates will go up as early as next year. #AbLeg #abpoli #handsoffmypension

The benefit is defined in law but the contributions sure are not.

4. Lie: "AIMCO generally performs better over the long term." Nope. Part of the problem here @JasonCoppingAB is the GOA should have done a detailed study (like in ON) into risk adjusted investment return. I don't like shit talking return....but you are making me do it.■

Investment Performance (Unaudited)

The investment performance in Q2 2020 was 0.99%, which was below the policy requirement of 1.39% for a negative value of 0.40%. The long-term investment performance return for the MEPP Fund follows.



- 'MEPP Fund' is the actual investment return for the period
- 'Policy' is the return required by MEPP's Investment Policy
- 'Value Added' is the investment return over or under policy

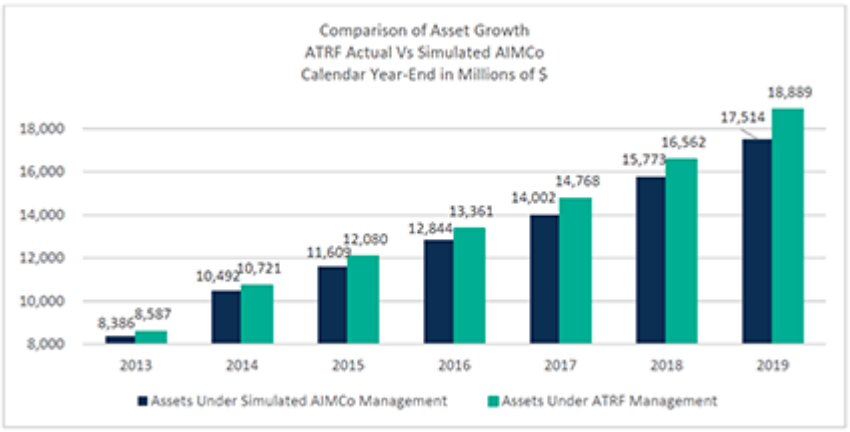
There is a pic of the MEPP (invested by AIMCO) long term (8 year) return at -0.55% of value add. IT SHOULD BE AT LEAST +0.85%.

Here ■ is the news release where (read the whole thing), where AIMCO 10 year return is 8.2%.

https://t.co/0fNy2PTQtc

ATRF 10-year return 9.2%. Just released Available here■.
Because of differences in asset mix and end dates this is the wrong kind of comparison to make. #AbLeg
@JasonCoppingAB should have done their homework. #handsoffmypension
https://t.co/a43TLJdCQk

One organization only has done an accurate risk adjusted return comparison: ATRF. Over the last 7 years (long term) if ATRF had used AIMCO our fund would have been worth $1.3BILLION LESS. And that money would have had to come from increased contributions. #AbLeg #abpoli



Here is a quote from AIMCO client LAPP:
"Between AIMCo's inception and May 31, 2020, the LAPP portfolio returned an annualized 6.18% versus a LAPP policy benchmark return of 6.76%."

Long term my ass. #AbLeg #handsoffmypension

5. Mother of all mistruths: "AIMCO has a consistent record of ....effective corporate governance..." No. Just no. AIMCO has a byzantine governance structure that is not at all in line with the vaunted "Canadian pension model".

AIMCO clients that are (and this is critical) "joint" are picking up half the risk. In any normal reality, @JasonCoppingAB, those multi-billion dollar clients would be represented on AIMCO's Board and in the Director selection process. #AbLeg #handsoffmypension

Go see BCIMC for an example of cutting edge corporate governance structures. Plans need the option of using different asset managers tuned to their need. AIMCO gives cafeteria service when plan members need a full menu. #AbLeg #handsoffmypension

@jasoncopping this is classic example of a false economy. Moving investment employees from ATRF to AIMCO will not save a dollar. In fact , it will cost us $1.3 billion over the next 7 years. 51% will be borne by teachers and 49% by the GOA. #AbLeg #abpoli #AIMCOfail

@JasonCoppingAB you are now getting the GOA sued by two different organizations because of this overreach.

Pension warriors go back to your MLAs. Demand answers, particularly on who carries the liability for a JOINT plan. #AbLeg #abpoli #handsoffmypension