PHOTO: JESSE HOLLAND

GETTING TO KNOW ***Chelsea Kittleson***

JOB TITLE: Executive director, the Municipal Pension Plan

JOINED THE MUNICIPAL PENSION PLAN: 2023

PREVIOUS ROLE: Director of client relations, the B.C. Investment Management Corp.

WHAT KEEPS HER UP AT NIGHT: Being on the lookout for trends in a changing world and their impact on the MPP

OUTSIDE OF THE OFFICE SHE CAN BE FOUND: Taking her two young, sporty boys to either the hockey rink or a rugby match, depending on the season

B.C.'S MUNICIPAL PENSION PLAN FOCUSING ON SUSTAINABLE INVESTMENTS

BY BRYAN MCGOVERN

Chelsea Kittleson joined British Columbia's Municipal Pension Plan at a time of change for the investment organization.

The MPP's executive director, who joined the plan sponsor in November 2023, has used her investment and operations background to implement and oversee a three-year strategic plan that includes long-term sustainable investment goals.

"I'm able to leverage my deep experience in the investment world to support the board and to ensure that the plan is set up to be able to continue to provide [plan members with] pensions," she says. "[It's] reinforced for me the important role that investments play in the overall sustainability of the plan."

In addition to having the British Columbia Investment Management Corp. as an investment management partner, Kittleson and her team directly oversee the long-term strategy for the plan's $71.5 billion investment portfolio. According to its 2022 annual report, the plan delivered a 6.7 per cent return over five years, surpassing its 5.2 per cent five-year benchmark.

While the MPP returned negative 3.5 per cent in 2022 — attributed to the impact of rising inflation on public equities and fixed income, as well as slow economic growth in the second half of the year — the plan was able to capitalize on the stability of its private equity assets, which returned 3.9 per cent for the year and achieved a five-year return of 17.5 per cent.

"We have a strong liquidity position in the portfolio, which we're regularly monitoring to ensure that it's adequate and making sure that the portfolio can withstand market volatility."

Through its current strategic direction, the MPP also intends to raise its profile in the responsible investing category by achieving a net-zero portfolio by 2050 and a minimum 55 per cent reduction in carbon emissions by 2030.

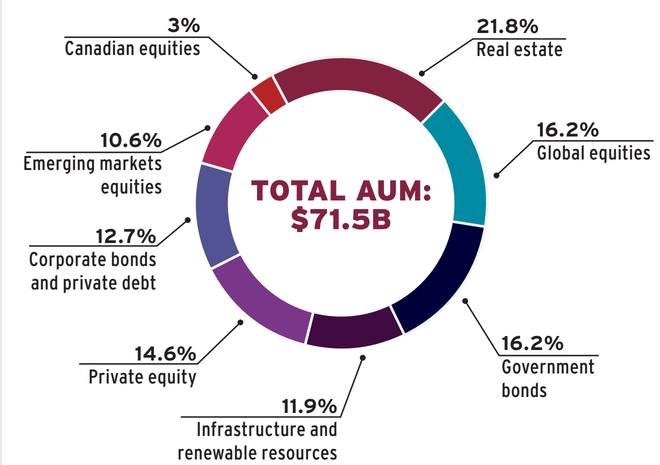
"Environmental, social and governance is such an important focus for the board that it is one of our three strategic objectives, that will take us through to 2026," says Kittleson. "The board has set itself an objective of being a leading responsible investor. I think it's one of those areas where we want to be a leader because we recognize that it's evolving."

Despite working with an investment partner that oversees the daily responsibilities of the fund, she believes regular evaluations that track the health of the plan are essential to ensure long-term success. The plan is fully funded as of Dec. 31, 2021. As part of meeting the increasing financial pressures of higher interest rates, the MPP decided to provide full cost-of-living adjustments to retired members. It also provides a rate stabilization account to help offset future contribution rate increases.

She says the transition into her new role has been seamless due to her previous role as director of client relations at the BCI, in which she provided the MPP with investment management solutions. Indeed, becoming the organization's executive director was a full circle moment for Kittleson.

"I really am connecting with seeing that my mission is to ensure that the plan continues to thrive. It's been around for over 80 years and . . . here in 2024, [I'm thinking], 'What can I be doing in this role to help ensure that the plan continues to thrive and be able to provide that predictable retirement income?'"

THE MUNICIPAL PENSION PLAN IN NUMBERS*



*AS AT DEC. 31, 2022

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