



Annual General Meeting

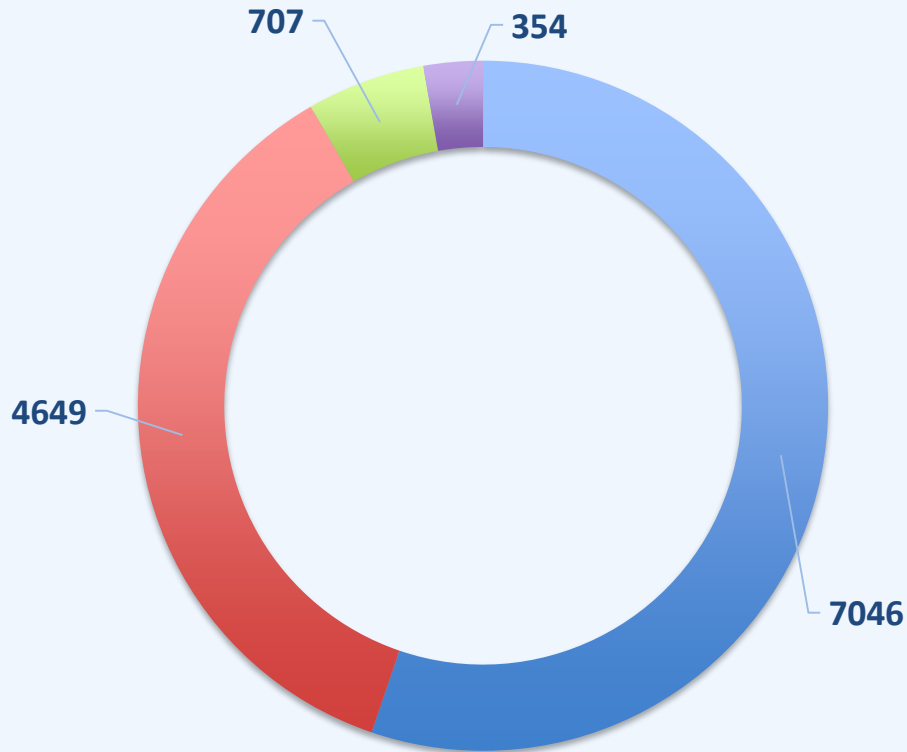
HRM Pension Plan | June 14, 2021

What we'll cover today

- 2020 Year in Review
- COVID-19 Operating Environment
- Looking Ahead – 2021 and Beyond

2020 Year In Review

2020 Year In Review – Plan Membership



■ Active Members

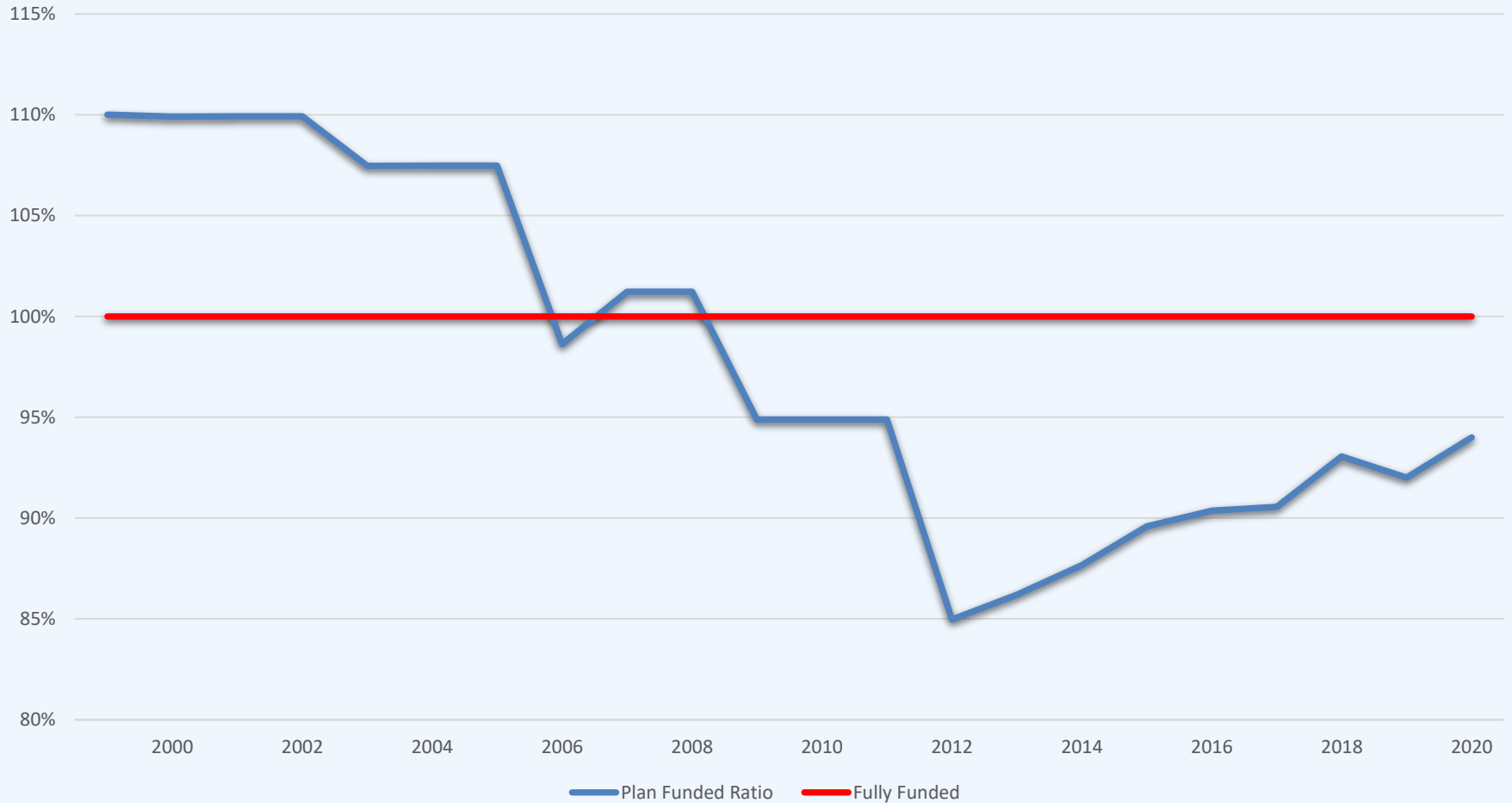
■ Pensioners

■ Deferred Members

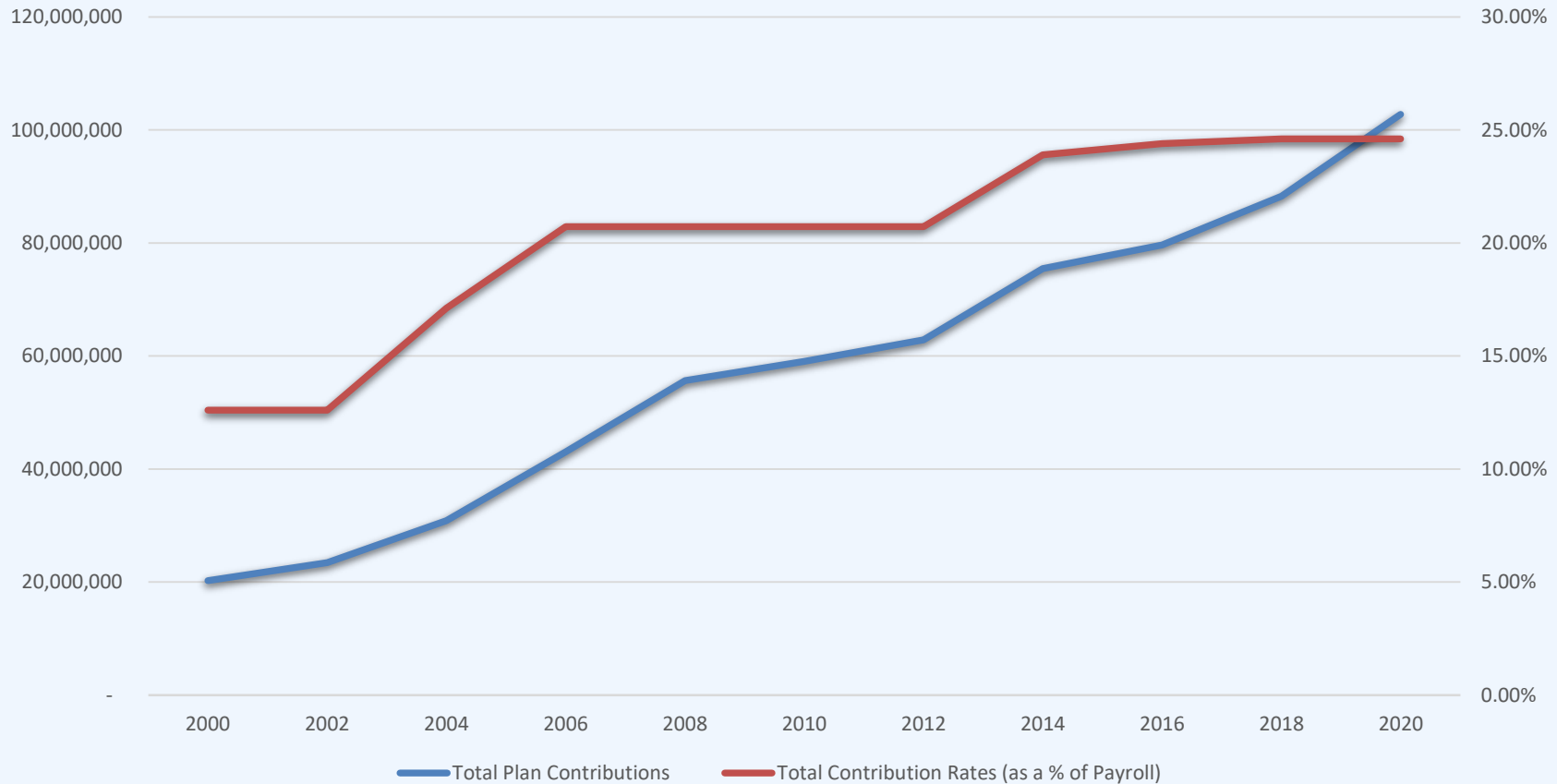
■ Members with Residual Rights

- Total Plan membership 12,756 (vs. 12,188 in 2019)
- 229 new retirees
- 795 new active members
- 61 – average retirement age for members who retired in 2020
- 47 – average active member age

2020 Year In Review – Funded Ratio

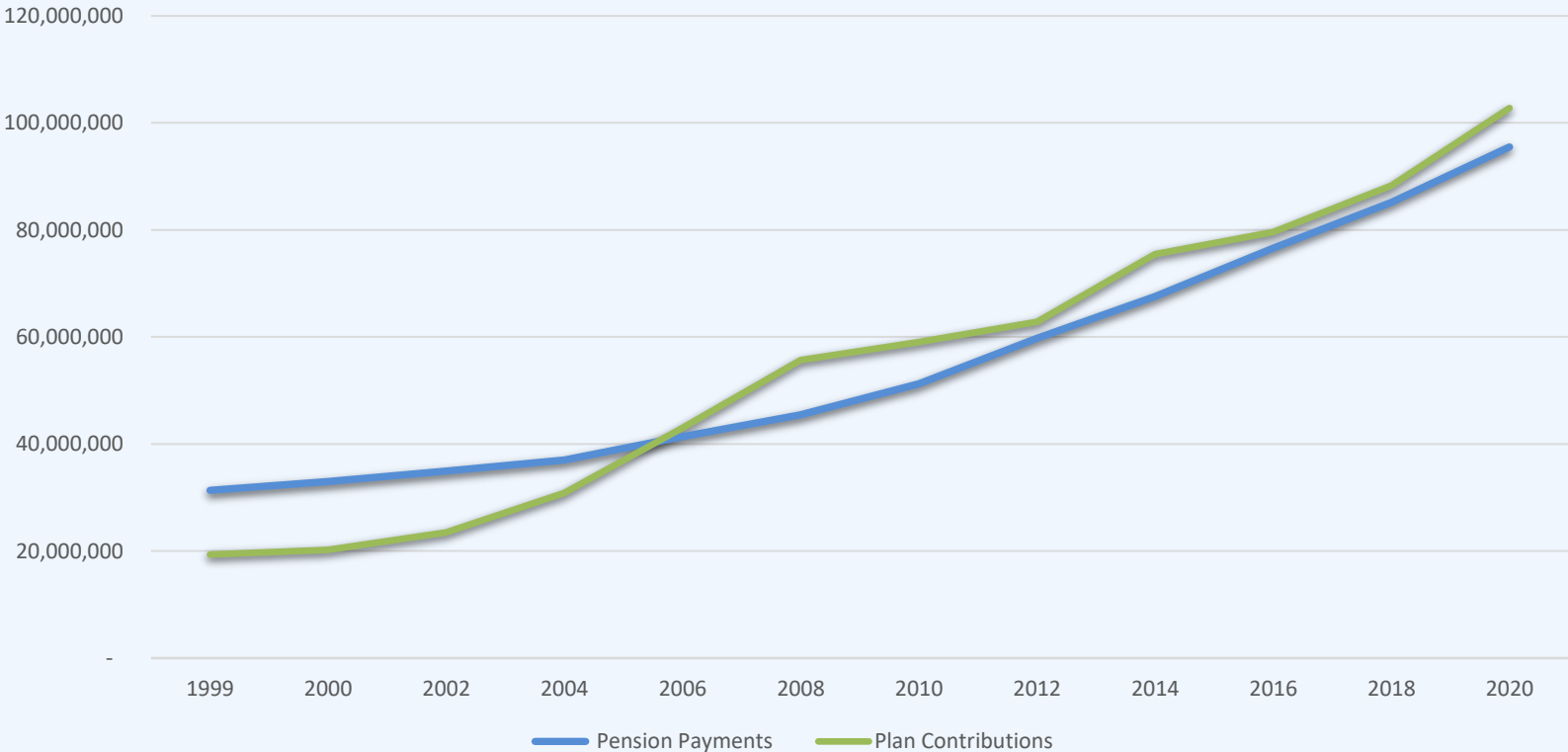


2020 Year in Review – Contribution Rates



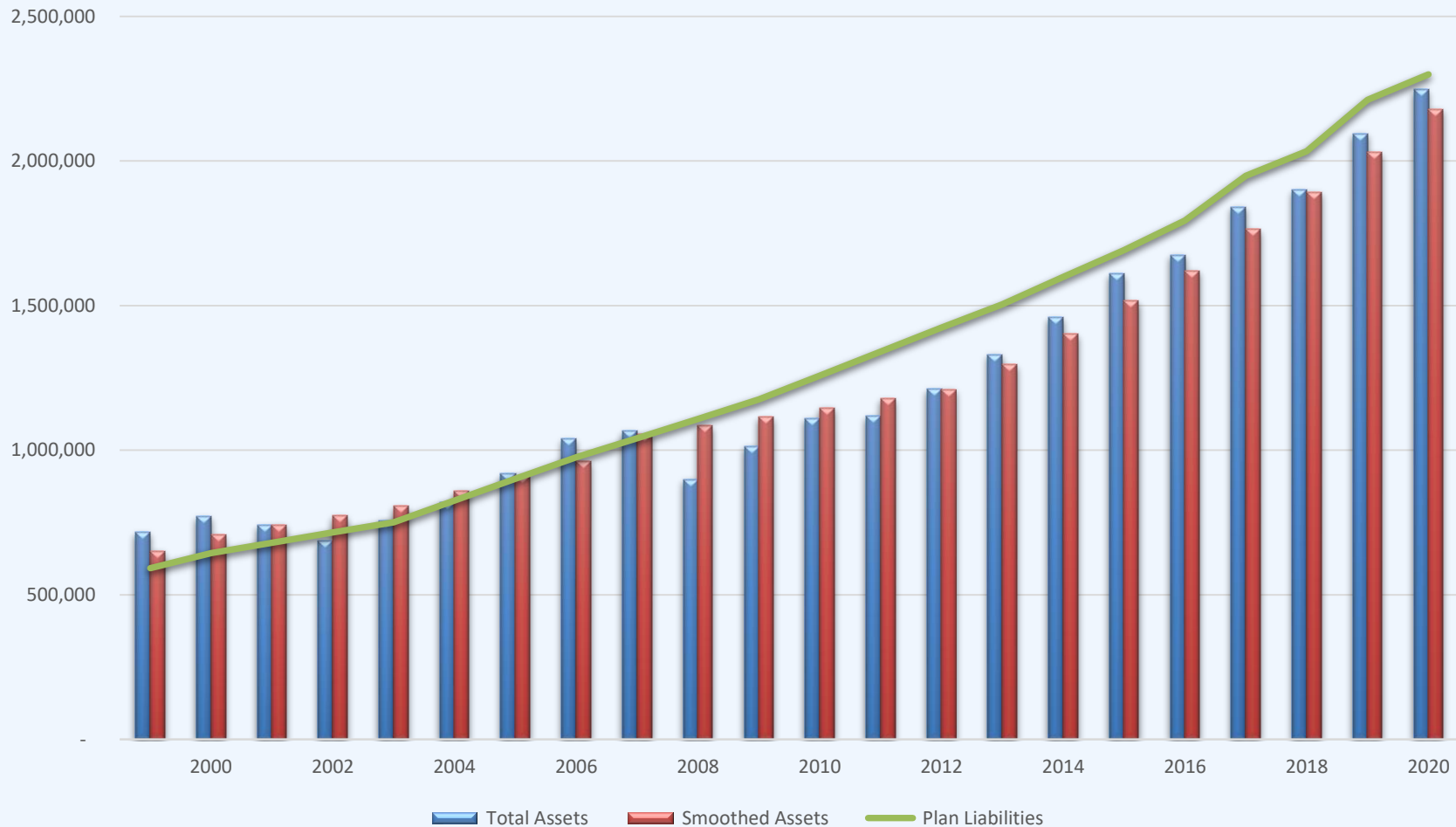
- Total contributions are equal to 24.6% of payroll
 - Current service cost (17.9% of payroll)
 - Special payments to fund the deficit (6.7%)

2020 Year In Review – Contributions & Benefit Payments



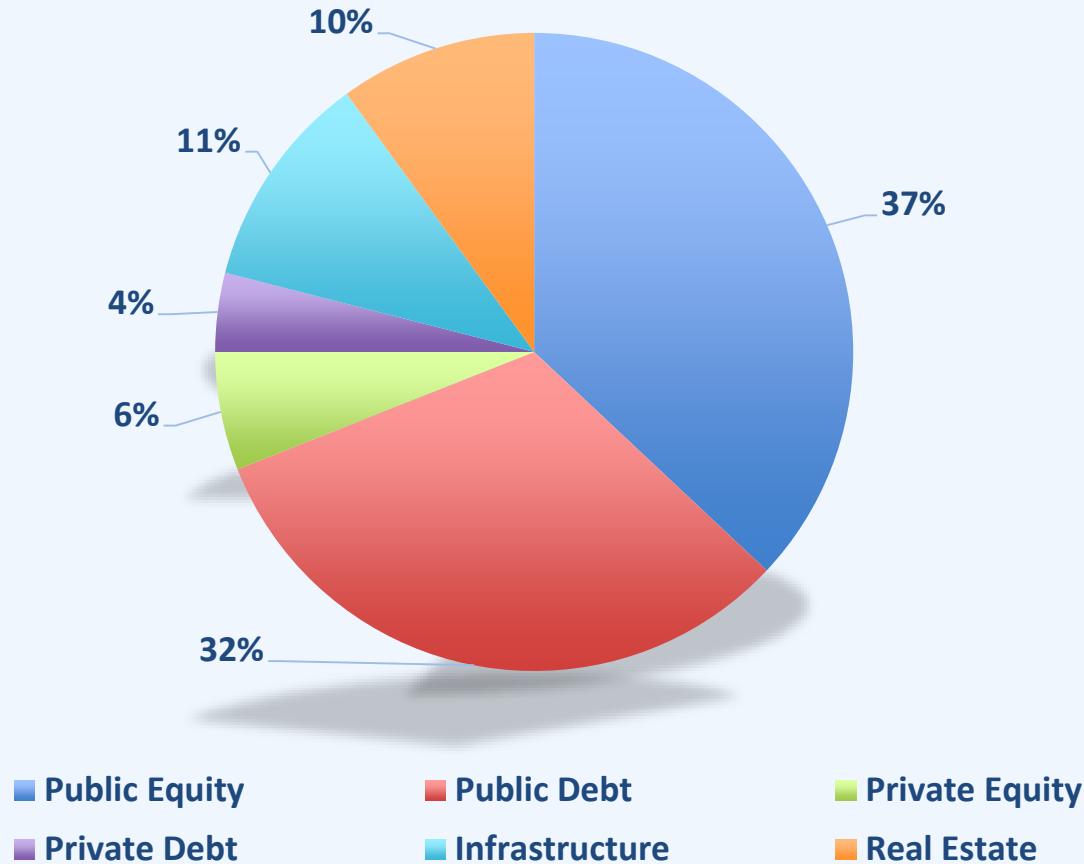
- Current contributions rates for employees and employers:
 - 12.21% for Non-PSO
 - 12.56% for most PSO
- Contributions used to fund the deficit and future benefit accruals
- Contributions to the Plan ~ greater than pension payments from the Plan during the year (does not include transfers out of the Plan)

2020 Year In Review – Plan Liabilities (000's)



2020 Year In Review – Asset Mix

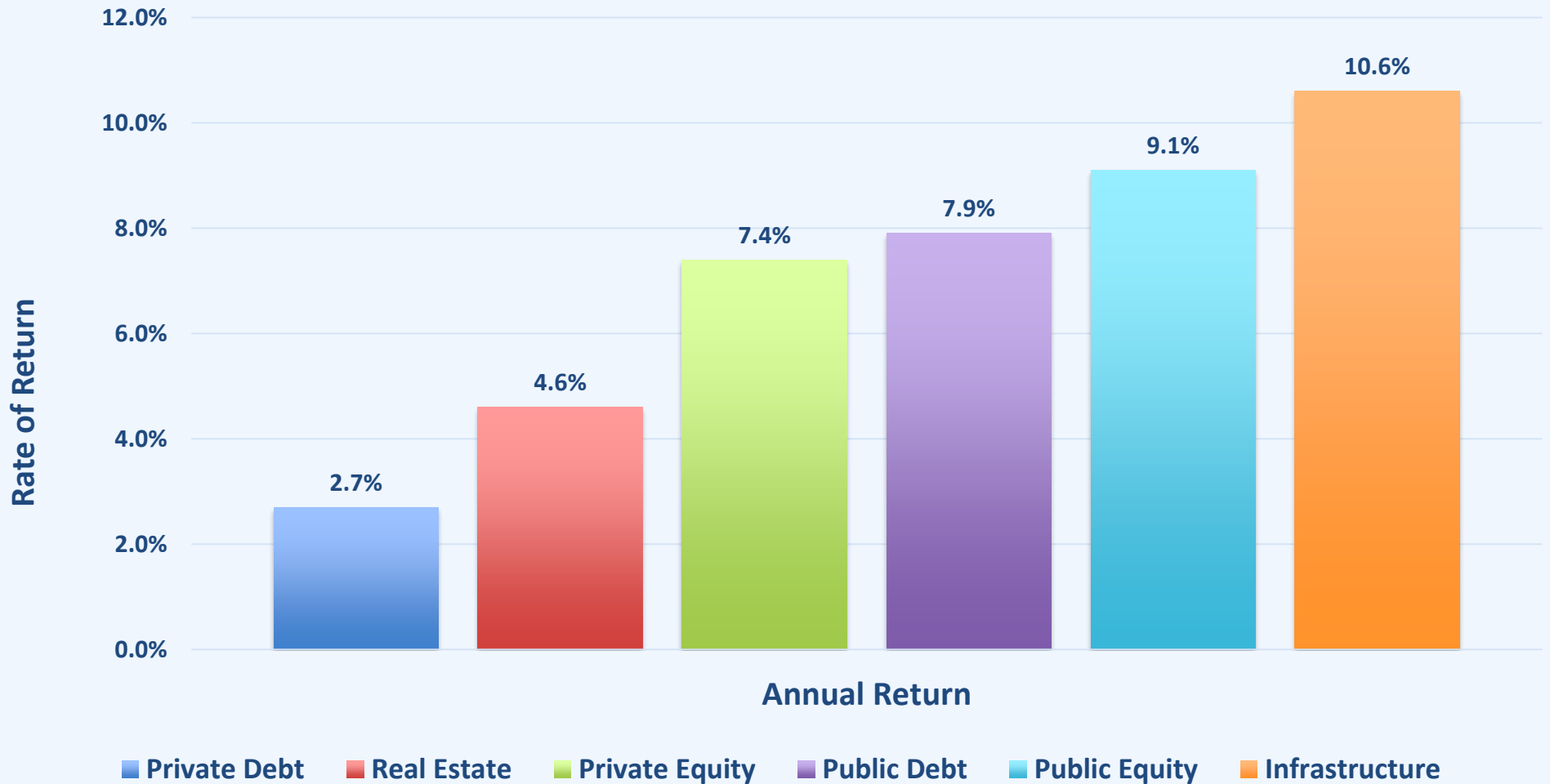
Portfolio Weighting
December 31, 2020



2020 Year In Review – Asset Performance

Asset Class	2020 Net Return	2019 Net Return
Public Equities	9.1%	19.9%
Public Debt	7.9%	4.6%
Private Investments	6.2%	8.4%
Total Portfolio	7.6%	10.7%
Benchmark	7.9%	10.3%
Value Add	(0.3%)	0.4%

2020 Year In Review – Asset Performance



Total Fund Net Returns

As of December 31, 2020

	1 Year	3 Year	5 Year	Since Inception
Plan's Performance	7.6%	7.3%	7.6%	7.2%
Benchmark	7.9%	6.3%	6.6%	5.8%
Value Add	-0.3%	1.0%	1.0%	1.4%

2020 Year In Review – Member Services

- Service Standards
 - 703 calculations were processed (compared to 947 in 2019)
 - Service standards compliance was at 97.7% (compared to 99.5% in 2019)
- 2020 Plan Member Satisfaction Survey
 - Overall rating of 4.48 / 5 = “Excellent”
- Member Engagement
 - Electronic Communication focus
 - Increased number of annual statements sent electronically, over 1,800 in 2020
 - Transitioned pension information sessions to Microsoft Teams platform, and provided 3 virtual information sessions in 2020
 - Launched refreshed Plan website in September 2020. Further enhancements to be made in 2021
 - Moved to paperless transaction system

2020 Year In Review – Plan Governance

- Pension Committee meetings held remotely in 2020, and continuing in 2021
- Held a virtual in-house education day
- Continued focus on Long Term Planning workstream
- Provincial funding regulation changes released in early 2020 and reflected in Plan valuation

COVID-19 Operations

COVID-19 Operations – Pension Plan Office

- The Pension Plan Office has been working remotely since mid-March 2020
 - Continue to process all member-related transactions
 - Very limited interruptions to service standards
 - Continue to meet all legislative filing requirements
- Latest ‘Return to Office’ program suspended in response to sharp increase in local COVID-19 cases
 - Next steps will continue to be guided by all advisory protocols
 - The Office has remained open for critical functions throughout the ‘Work from Home’ stance

COVID-19 Operations – Plan Impact

- Initially, COVID-19 had a major impact on financial markets
- Markets proved to be resilient, with many setting new highs later in 2020
- Long-term impact of the pandemic on our Plan, and the economy as a whole, still to be determined
- Current ‘wall of worry’ includes inflation anxiety, new waves & variants of COVID particularly in less developed countries, vaccine efficacy/durability, labor and manufacturing shortages, and potentially stretched investment valuations

Looking Ahead – 2021 and Beyond

Early 2021 Plan Returns

As of March 31, 2021

	YTD	1 Year
Plan's Performance	1.6%	15.0%
Benchmark	0.9%	14.7%
Value Add	0.7%	0.3%

Looking Ahead – 2021 Focus

- Continue to deliver
 - Exceptional member service
 - Strong investment performance
- Continue to support Pension Committee & Stakeholders
 - Long-term viability of Plan
 - Engagement and education
- Continue to support Our People
 - Engagement and development opportunities
 - Return to Office planning

Looking Ahead – 2021 Key Initiatives

- Continued focus on delivering service remotely while also developing 'Return to Office' program
- Build out investment program that addresses Asset Liability Study recommendations
- Establish formal enterprise risk management framework
- Implementation of portfolio reporting & analytics tool
- Improve member digital experience

Looking Ahead – Longer Term Themes

- The long-term viability of the Plan remains the primary focus of the Pension Committee
 - Elimination of the deficit and development of a margin of safety, while maintaining Plan affordability for sponsors and members
- At the Pension Office:
 - Improved member digital experience
 - Continued staff engagement and targeted skill development
 - Greater use of technology and tools
 - Continued focus on investment performance and risk management

Contact

HRM Pension Plan Office

Phone: 902-490-6213 or 1-888-490-6213 (toll-free)

Email: HRMpension@halifax.ca

Visit us at www.hrmpensionplan.ca

A copy of the 2020 Annual Report can be accessed on the website – www.hrmpensionplan.ca

Select '*About Us*' in the top menu bar, then '*Plan Documents*' on the left-hand side of the page, then select the '*Annual Report*' link.

Questions?

