



# Annual General Meeting

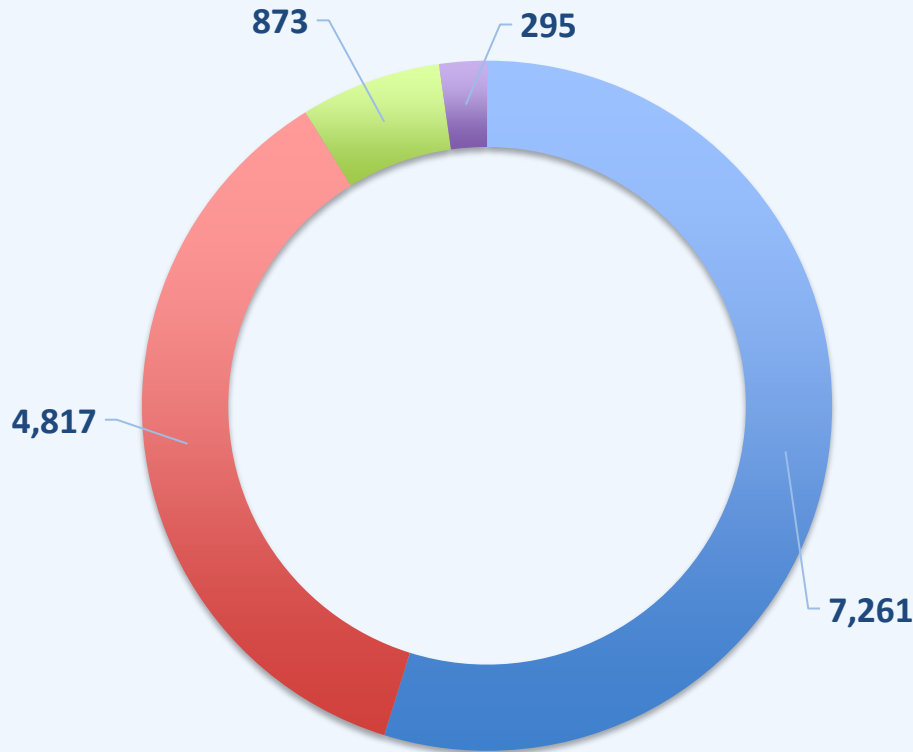
HRM Pension Plan | June 13, 2022

# What we'll cover today

- 2021 Year in Review
- COVID-19 Operations
- Looking Ahead – 2022 and Beyond

# 2021 Year In Review

# 2021 Year In Review – Plan Membership



■ Active Members

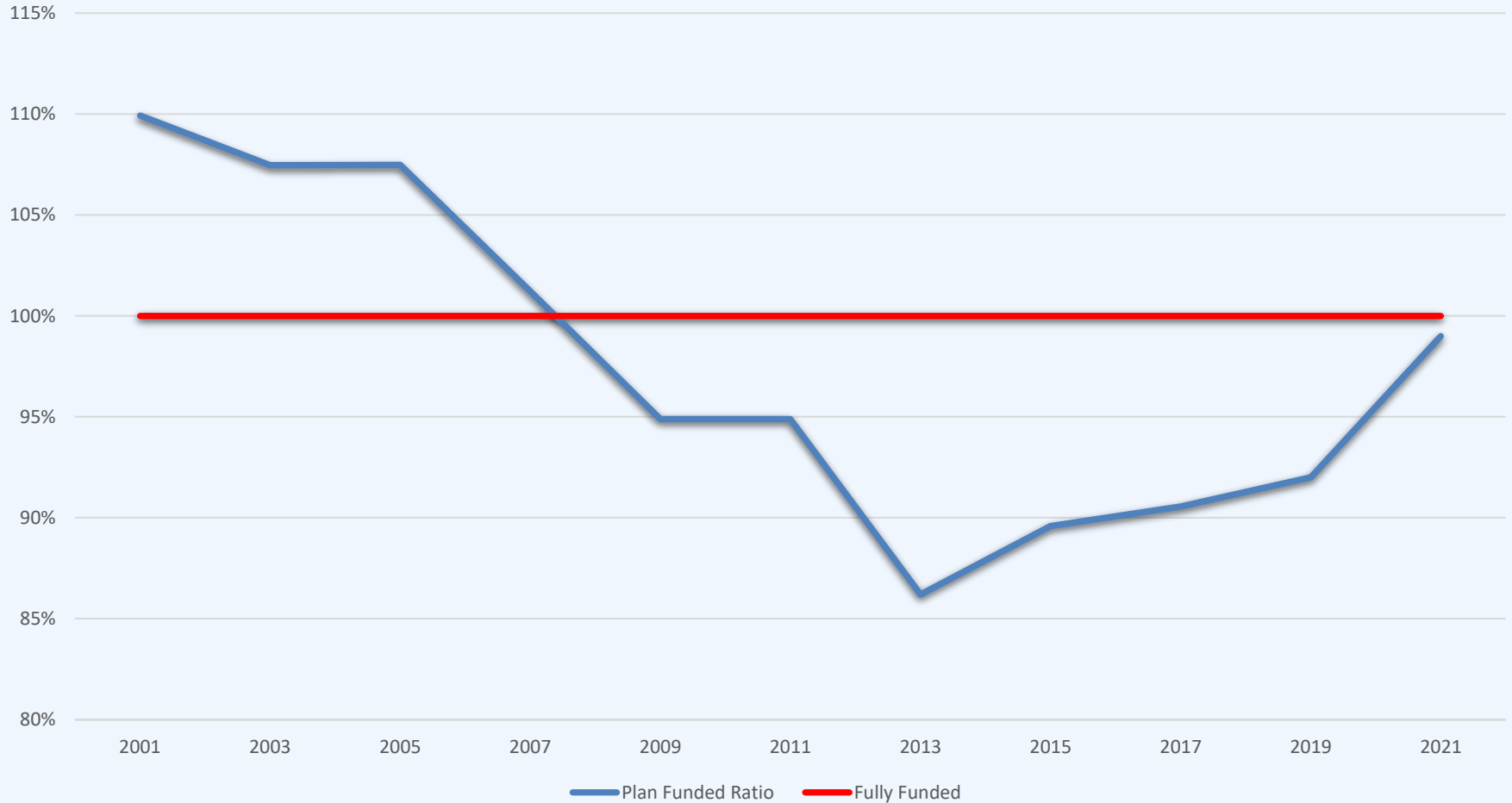
■ Pensioners

■ Deferred Members

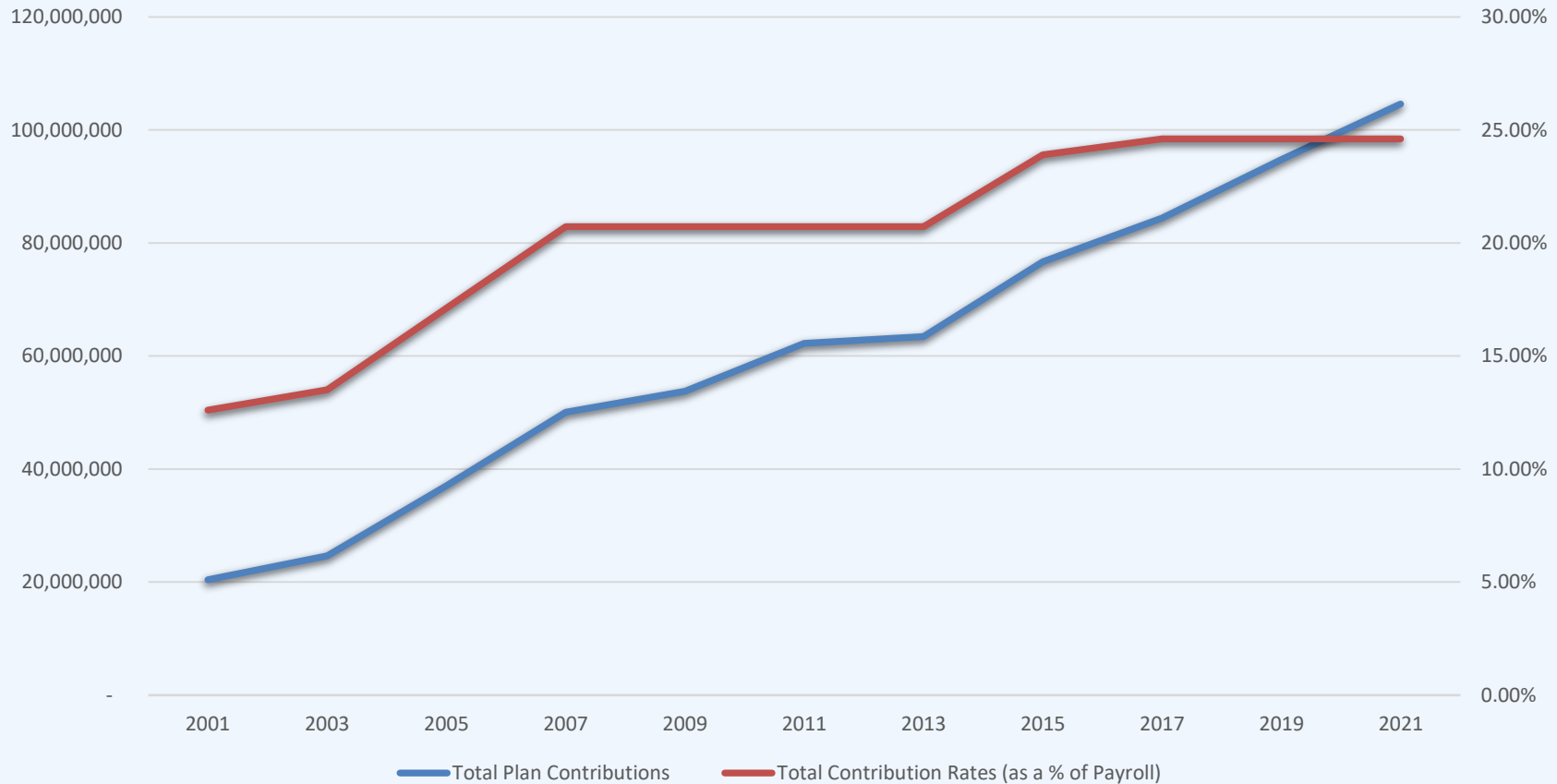
■ Members with Residual Rights

- Total Plan membership 13,246 (vs. 12,756 in 2020)
- 243 new retirees
- 827 new active members
- 61 – average retirement age for members who retired in 2021
- 47 – average active member age

# 2021 Year In Review – Funded Ratio

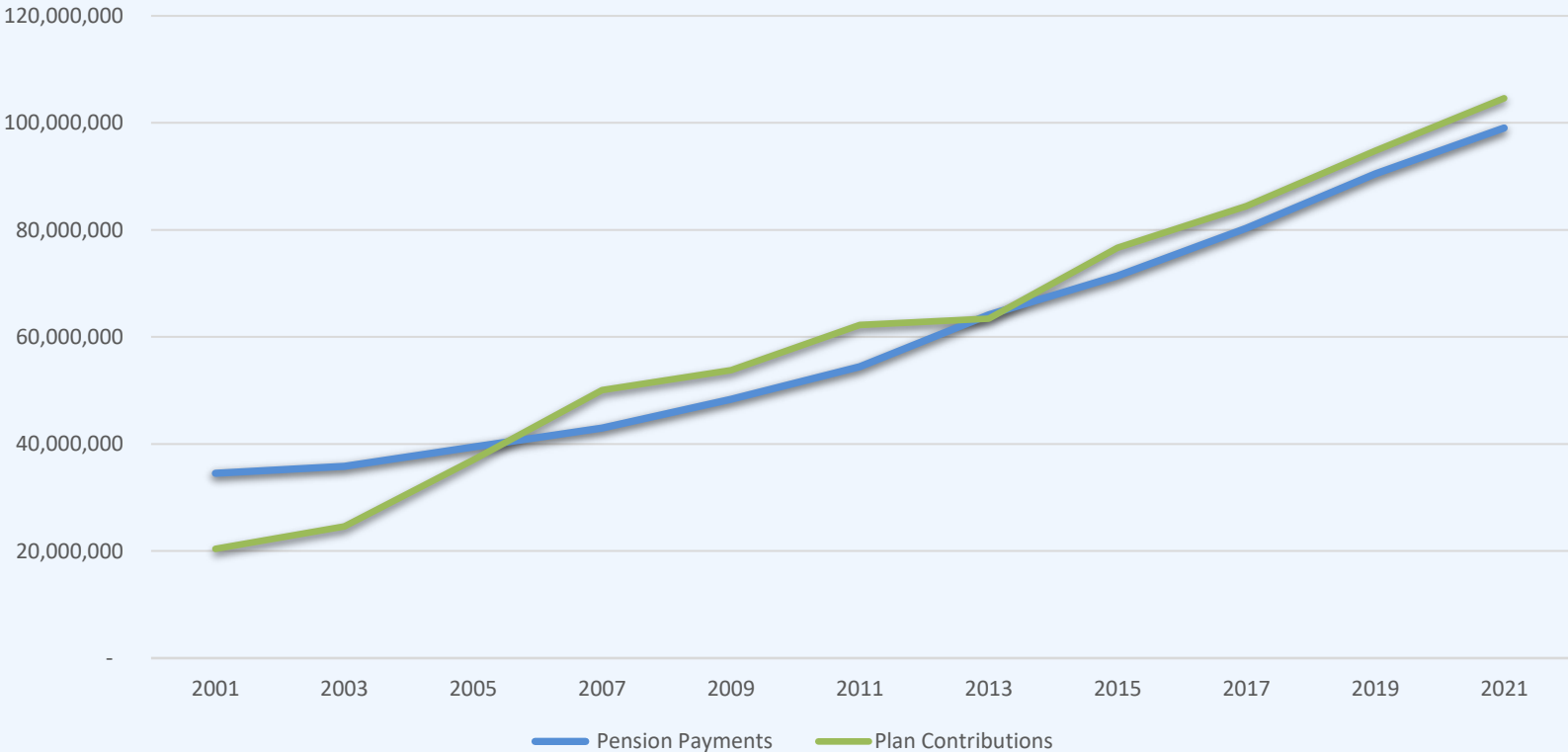


# 2021 Year in Review – Contribution Rates



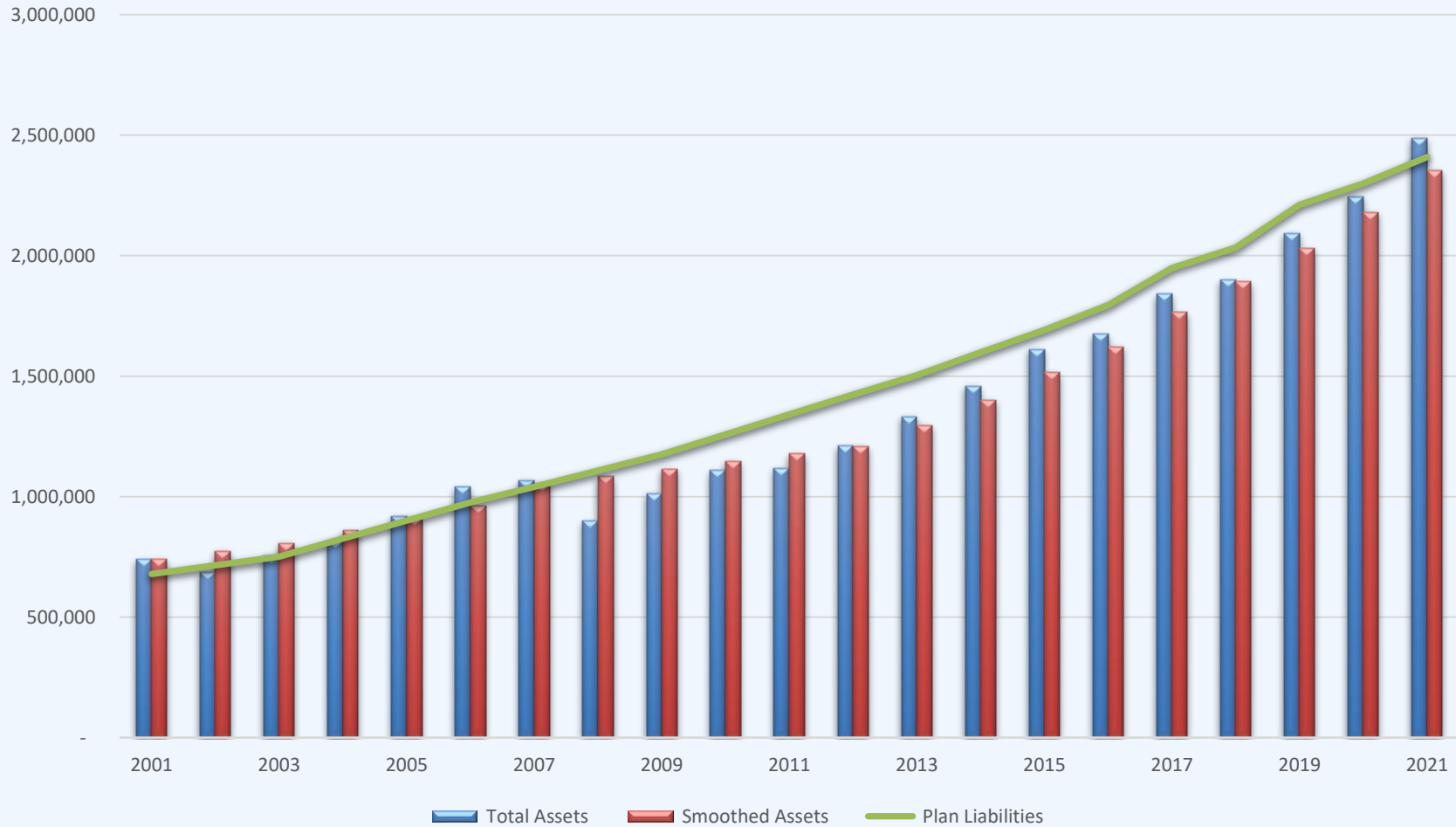
- Total contributions are equal to 24.6% of payroll
  - Current service cost (17.9% of payroll)
  - Special payments to fund the deficit (6.7%)

# 2021 Year In Review – Contributions & Benefit Payments



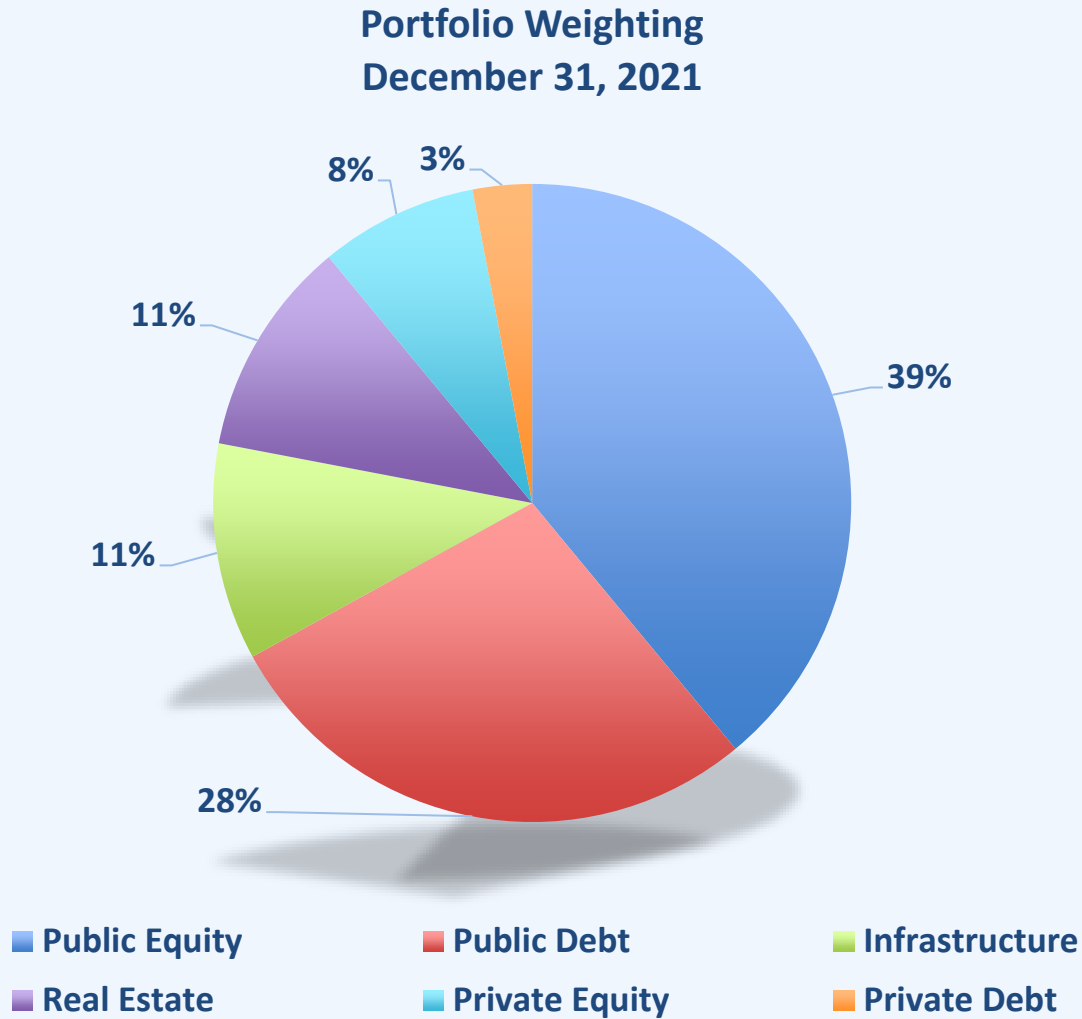
- Current contribution rates for employees and employers:
  - 12.21% for Non-PSO
  - 12.56% for most PSO
- Contributions used to fund the deficit and future benefit accruals
- Contributions to the Plan ~ greater than pension payments from the Plan during the year (does not include transfers out of the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

# 2021 Year In Review – Plan Liabilities (000's)





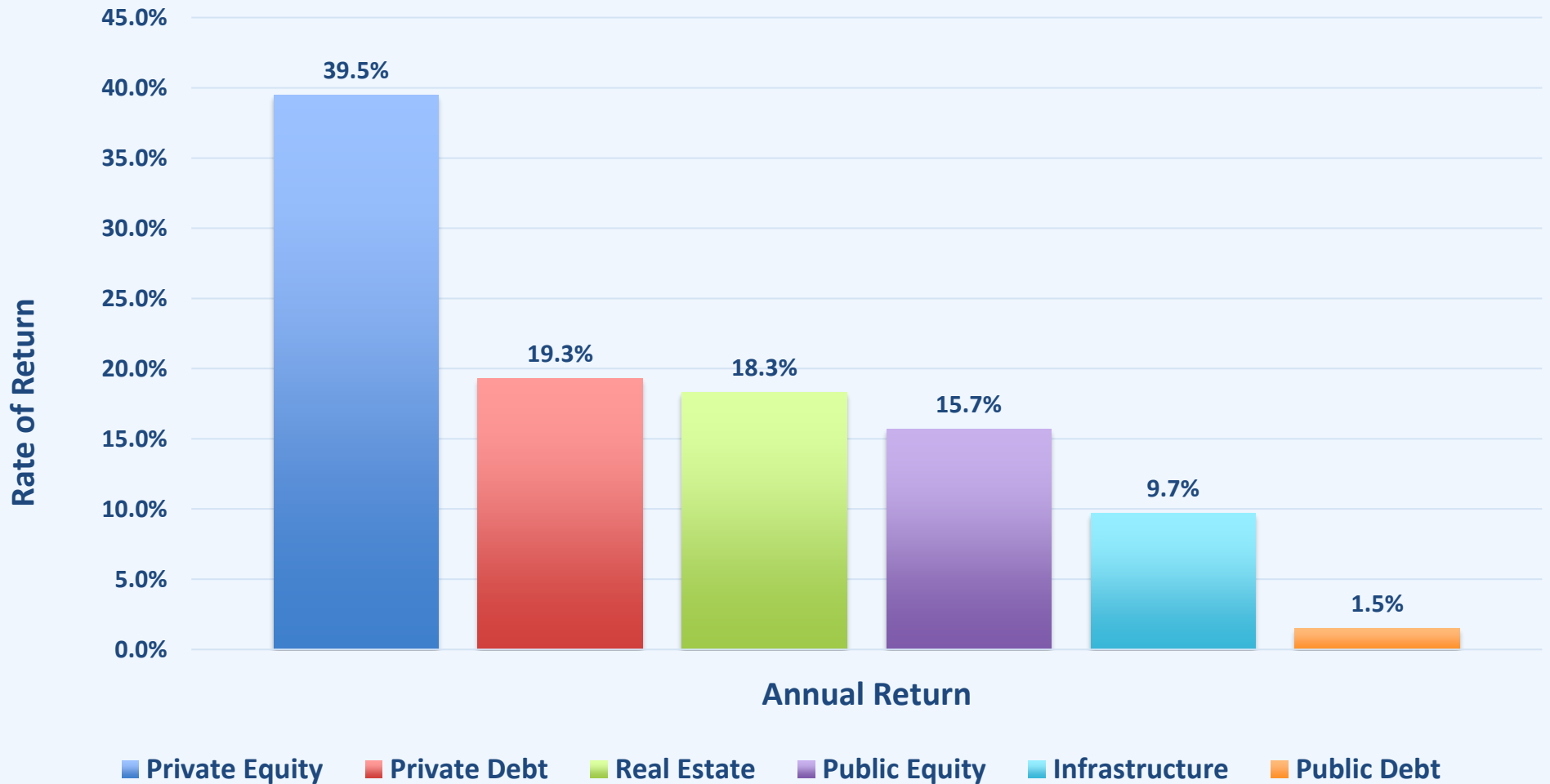
# 2021 Year In Review – Asset Mix



# 2021 Year In Review – Asset Performance

Asset Class	2021 Net Return	2020 Net Return
Public Equities	15.7%	9.1%
Public Debt	1.5%	7.9%
Private Investments	19.9%	6.2%
<b>Total Portfolio</b>	<b>12.0%</b>	<b>7.6%</b>
Benchmark	6.9%	7.9%
<b>Value Add</b>	<b>5.1%</b>	<b>(0.3%)</b>

# 2021 Year In Review – Asset Performance



# Total Fund Net Returns

As of December 31, 2021

	1 Year	3 Year	5 Year	Since Inception
Plan's Performance	12.0%	10.0%	9.0%	7.4%
Benchmark	6.9%	8.3%	6.9%	5.9%
Value Add	5.1%	1.7%	2.1%	1.5%

# 2021 Year in Review - Member Services

- Service Standards
  - 877 calculations were processed (compared to 703 in 2020)
  - Service standards compliance was at 99.7% (compared to 97.7% in 2020)
- 2021 Plan Member Satisfaction Survey
  - 4.31 / 5 overall score = “Excellent”
- 5 Virtual Pension Information Sessions were held
  - Feedback from virtual sessions continues to be positive

# COVID-19 Operations

# COVID-19 Operations – Pension Plan Office

- ‘Return to Office’ program re-initiated April 2022
- Access for members and other visitors followed starting May 2022
  - We continue to encourage members to book appointments and, where possible, to rely on virtual meetings and/or telephone calls
- We continue to meet all service level standards and have met all due dates for key deliverables
- Strategic initiatives/projects continue to progress well

# Looking Ahead – 2022 and Beyond



# Early 2022 Plan Returns

As of March 31, 2022

	YTD	1 Year
Plan's Performance	-2.9%	7.0%
Benchmark	-2.9%	2.9%
Value Add	0.0%	4.1%

# Early 2022 Investment Markets

- Since the end of Q1 2022, capital markets have continued to be volatile, with a downward trend in asset values.
- The market's 'Wall of Worry' has grown steeper.
- High equity valuations and low interest rates left markets very susceptible to a shift in the global economic storyline.
- Consensus expectations centre on slowing global growth and investment returns that are lower than those achieved in the last 5+ years.

# Looking Ahead – 2022 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 implementation

# Looking Ahead – 2022 Key Initiatives

- Refine approach to Environmental, Social and Governance matters.
- Continue to build out investment program towards strategic asset mix targets.
- Improve member digital experience.
- Further progress portfolio reporting/analytics and enterprise risk management framework.

# 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

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A copy of the 2021 Annual Report can be accessed on the website –  
[www.hrmpensionplan.ca](http://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?

