



NOVA SCOTIA HEALTH EMPLOYEES' PENSION PLAN

CEO's 2018 Report
Annual General Meeting

Presenter: Stefan Cowell

This presentation is not complete without the presenter's commentary.

- **Initiation of Systems Modernization Project:**
 - To improve customer service to members and employers. Expected completion in 2020.
- **Member administration:**
 - Consistent 99+% compliance with competitive service standards;
 - Expenses that are well below size-adjusted median.
- **Employer administration:**
 - No new Employers joined the Plan in 2018.
- **Financial metrics:**
 - Healthy member demographics;
 - Scale – grew from 70th largest to 33rd largest since 2005; (Benefits Canada rankings)
 - Enviably investment track-record;
 - Funded ratios are unusually stable.

- Board that is experienced, engaged and collegial.
- Internal staff who are engaged, exceptionally low staff turn-over.
- Support by external providers:
 - EY – Audit
 - Eckler – Pension Administration and Plan website
 - Mercer – Investments and Actuarial

Investment returns to Dec. 31, 2018 (net of fees)

	1 Year	2 Years	3 Years	4 Years	5 Years	10.25* Years
Canadian Median**	-2.8%	2.4%	4.2%	4.5%	5.6%	6.9%
NSHEPP's benchmark	-1.8%	5.8%	6.1%	7.5%	9.7%	10.0%
NSHEPP actual	-0.5%	6.5%	6.9%	8.8%	11.2%	11.5%

* NSHEPP's interest rate hedges, and other significant revisions to the Investment Policy became effective October 2008, making 10.25 years a period of interest.

**Source: Mercer median of balanced pooled funds universe, net of 30bps assumed investment management fees.

Compliance with Investment Policies

- Risk Budget
- Target Asset Allocation
- Rebalancing Policy
- Liquidity Policy

Changes to investment managers

- No changes to Investment Managers in 2018
- Committed \$100 million in a Real Estate Office Fund
- Committed \$225 million in an European Infrastructure Fund