



NOVA SCOTIA HEALTH EMPLOYEES' PENSION PLAN

CEO's 2019 Report
Annual General Meeting

Presenter: Stefan Cowell

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

- Work continued on Systems Modernization Project:
 - To improve customer service to members and employers. Expected completion early 2021.
- 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 2019.
- Financial metrics:
 - Healthy member demographics;
 - Scale – grew from 70th largest to 30th largest since 2005; (Benefits Canada rankings)
 - Enviable investment track-record;
 - Funded ratios are 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, 2019 (net of fees)

	1 Year	2 Years	3 Years	4 Years	5 Years	11.25* Years
Canadian Median**	15.0%	5.5%	6.5%	6.8%	6.3%	7.6%
NSHEPP's benchmark	16.7%	7.1%	9.3%	8.7%	9.2%	10.6%
NSHEPP actual	16.5%	7.7%	9.8%	9.2%	10.3%	11.9%

* NSHEPP's interest rate hedges, and other significant revisions to the Investment Policy became effective October 2008, making 11.25 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 2019
- Committed \$300 million in a Global Infrastructure Fund