



CEO's 2017 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;
  - Consolidated Plan Text is up-to-date.
- **Employer administration:**
  - Two new employers were welcomed, the Nova College of Social Workers on January 1, 2017 and My Cape Breton Home for Seniors on September 24, 2017.
- **Financial metrics:**
  - Healthy member demographics;
  - Scale – grew from 70<sup>th</sup> largest to 33<sup>rd</sup> 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, 2017 (net of fees)

	1 Year	2 Years	3 Years	4 Years	5 Years	9.25* Years
<b>Canadian Median**</b>	8.6%	7.6%	7.0%	8.1%	9.6%	7.9%
<b>NSHEPP's benchmark</b>	14.0%	10.3%	10.7%	12.7%	11.0%	11.3%
<b>NSHEPP actual</b>	14.0%	10.7%	12.1%	14.3%	12.2%	12.8%

\* NSHEPP's interest rate hedges, and other significant revisions to the Investment Policy became effective October 2008, making 9.25 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

## Investment Policy Reviews in 2017

- Completed Actuarial Valuation;
- Completed Asset/Liability Study to review whether Asset Mix is still appropriate;
- Expect to complete Investment Policy review in 2018.

## Changes to investment managers

- No changes in 2017