

2014

HOOPP YEAR IN REVIEW



HOOPP
Healthcare of Ontario
Pension Plan



“

*Thank you for my pension. It has
allowed me to be where I am today.* ”

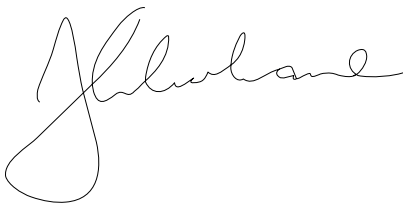
Delivering on the pension promise

Everything we do at HOOPP is driven by a single purpose — ensuring stable and reliable pensions for the 295,000 Ontario healthcare workers who rely on us.

Remaining favourably funded is our main focus. That means benefits for every member are fully covered, backed by assets in the HOOPP Fund. It also means HOOPP can keep contribution rates stable for members and employers, as it has since the start of 2004.

Every day at HOOPP, we are committed to the future as we continue to find innovative and forward-thinking ways to deliver the HOOPP pension, and that means focusing on providing value to members across all aspects of our business in the most cost-effective way possible.

This is central to our main mission: remaining favourably funded and pointed firmly towards the future.

A handwritten signature in black ink, appearing to read 'J. Keohane', with a large, stylized loop at the end.

Jim Keohane
President & CEO

The background of the entire page is a solid blue color with a subtle, intricate pattern of white and light blue lines that resemble the veins of a leaf. These lines are most prominent in the lower half of the image, creating a textured, organic feel.

01

Financial Results

Strong investment returns propel HOOPP to a new record

For another year, HOOPP's funded status remained strong and thanks to strong investment returns, its net assets have reached record levels.

17.71%

Investment returns of 17.71%
versus 8.55% in 2013

\$60.8

BILLION
Total Plan net assets

115%

Funded status

In 2014, HOOPP's investment returns were 17.71% versus 8.55% last year, bringing total Plan net assets to \$60.8 billion. Our commitment to the pension promise also remained strong with a funded status of 115%.

At the core of the HOOPP pension model is a focus on our liabilities — our pension obligation to our members. Each and every one of our investments is made with those liabilities in mind. Unlike many investors, HOOPP doesn't measure its success through comparisons with external benchmarks. Instead, our yardstick for investment success is keeping the Plan favourably funded.

This is called liability driven investing and this means the only measure of

investment success comes from our ongoing ability to pay the pensions we've promised to our members.

Our long-term approach to investing, coupled with our financial success, has attracted the attention of global benchmarking company CEM, which recognized HOOPP for the following in 2014:

**The highest 10-year net returns
out of 124 global funds**

**The highest five-year net return
rate in CEM's database of
Canadian peer funds**

**The fifth highest five-year net
return out of 209 global funds**

Our investment approach

The primary focus of HOOPP's in-house investment team is to achieve the best returns while balancing the level of risk for our members. We believe that investing in organizations that effectively manage environmental, social and governance risks will, over the long term, generate better financial returns. This approach to responsible investing is one we follow with each investment decision.

Liability driven investing, which has two main components — a liability hedge portfolio and a return seeking portfolio — is at the root of our investment approach. Each portfolio comprises different assets:

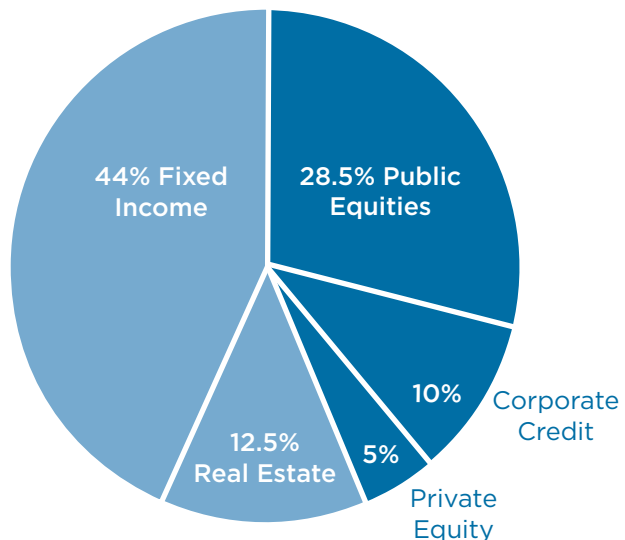
LIABILITY HEDGE PORTFOLIO

Invests in assets, such as bonds and real estate, which are designed to avoid the major risks of our liabilities, such as inflation and interest rates

RETURN SEEKING PORTFOLIO

Invests in assets and strategies that are expected to increase returns while balancing risk

TARGETED INVESTMENT PORTFOLIO



2014 REAL ESTATE INVESTMENTS



Fredericton, CA



Copenhagen, DK



Winnipeg, CA



Saint John, CA



Hanover, DE



Chemnitz, DE

A close-up photograph of a red leaf with a prominent network of veins, serving as the background for the entire page.

02

**Member and
Employer Services**

An all-time record for client satisfaction

Exceptional service is a tradition at HOOPP. Access to clear and timely information is integral to delivering the pension promise.

During the year, we reached a key milestone: HOOPP achieved an all-time high on our Client Satisfaction score, continuing the positive trend since tracking began in 2008. Of those surveyed, 95% reported they were either satisfied or extremely satisfied with their service experience.

Here's what some of our members, pensioners and employers are saying about HOOPP:

"No matter who answers the phone or who I deal with at HOOPP, you are always the nicest and friendliest people. It is a rare experience when compared to other organizations."

- HOOPP Member

"My last day at work was the 30th. My pension was in the bank the next morning, the 1st. Thanks, HOOPP, for making my transition to retirement so smooth."

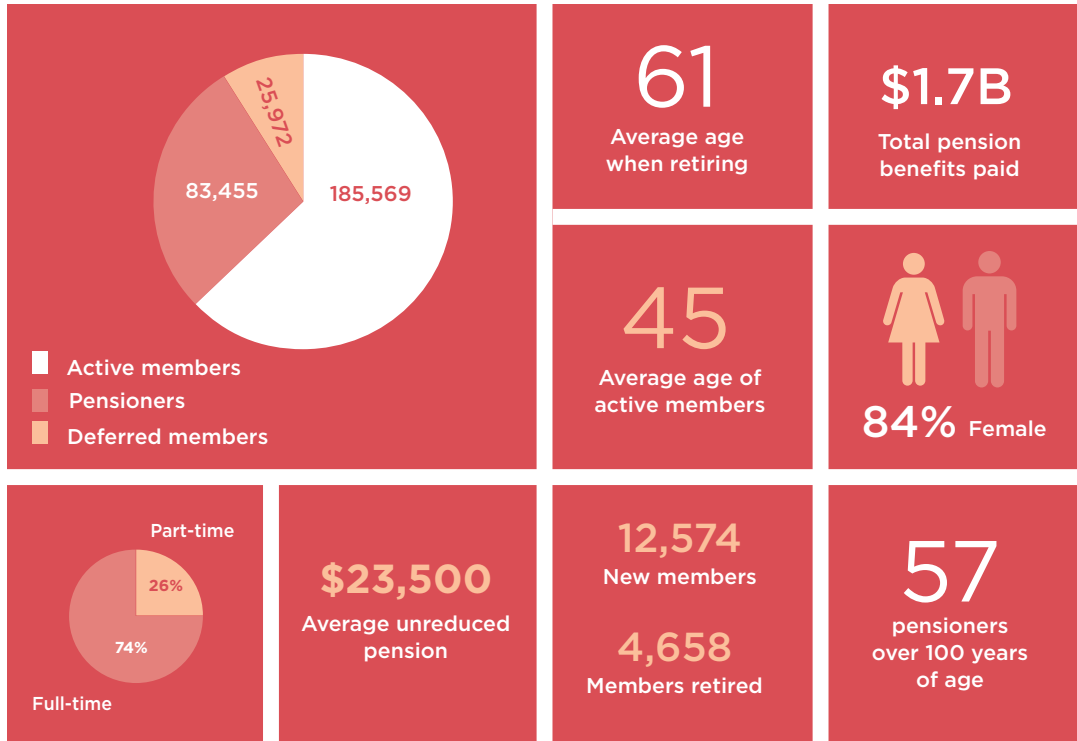
- HOOPP Pensioner

"I have received amazing customer service from our HOOPP representative. As I get accustomed to the new Member Data Collection report, she has been patient and courteous and helped me in a prompt manner."

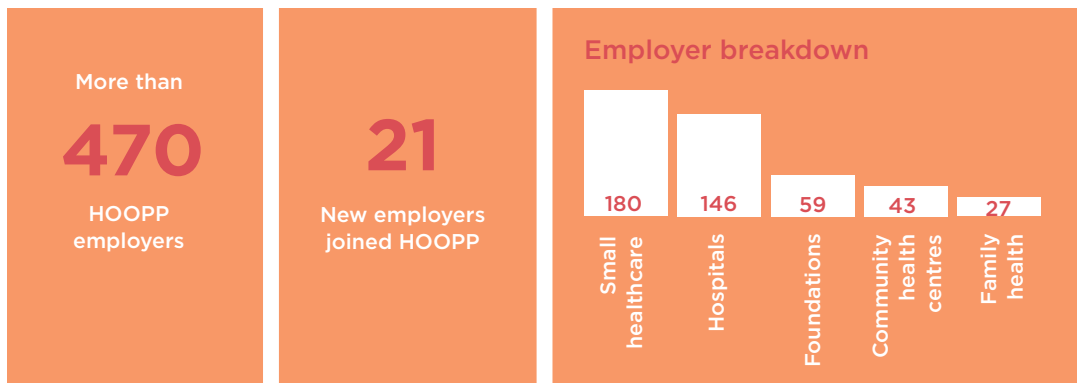
- HOOPP Employer

2014 quick facts

Members



Employers



MEMBER INITIATIVES IN 2014

To better serve our members, in 2014 HOOPP:

- enhanced the member enrolment experience with revised communications and materials;
- provided two cost of living adjustments to pensions and deferred pensions, helping maintain their buying power;
- redesigned the pension statements for retired and deferred members to help them understand the value of their pension; and
- introduced a pension seminar series offering an opportunity to better understand pension details such as survivor benefits and inflation protection — over 1,600 retired members attended.

EMPLOYER INITIATIVES IN 2014

Across the province, over 470 employers work in partnership with HOOPP to administer the Plan for their staff. Key administration activities provided by employers include:

- remitting member and employer contributions;
- providing year-end salary and service data for each member; and
- helping to arrange onsite meetings and presentations.

In 2014 HOOPP:

- implemented an online member data collection tool to automate the data collection process;
- launched online Statement of Account reports to streamline the remittance process; and
- continued to provide onsite and offsite training and education sessions.



Making contact

A top priority for HOOPP, one that has become part of our culture, is connecting with our members every day. In 2014, we had more than 200,000 client interactions that included telephone calls, emails, onsite presentations, one-on-one meetings and more.

For many HOOPP members, the HOOPP pension is the largest financial asset they have.

That's why our goal is to ensure that our members have all the information they need to make informed decisions about their benefits, whether it be about joining the Plan as a part-time member, getting ready for retirement or learning about defined benefit (DB) pensions.



Looking to the future

At HOOPP, we take great pride in the service we provide our clients and we recognize that sustainable service needs to keep pace with the future. With every service enhancement we undertake, we strive to strike the right balance between the investment required and the value to our membership.

As part of this commitment, HOOPP is making long-term investments to improve its pension administration

system and service experience so that we can better manage the organization's ability to deliver value-added service. These improvements will allow for greater efficiencies and flexibility for HOOPP to change along with the needs of our membership and the organization in the future. The result will be an increased capacity to serve our members and employers over the long term.



03

**Retirement
Security**

Speaking out on the importance of pensions

Pensions are top of mind for most Ontarians. Throughout 2014, President & CEO Jim Keohane had the opportunity to speak about the efficiency and effectiveness of the DB model in various speeches and media interviews.

The key message in these discussions was that plans like HOOPP can provide a guide to building a better pension solution for others in Ontario.

In 2014 Jim was invited by Premier Kathleen Wynne to provide expertise on the design of the newly proposed Ontario Retirement Pension Plan — an initiative that would see broader access to a DB pension plan for all Ontarians.

“Without major reforms, a wave of retirees will require social assistance, becoming a burden on taxpayers . . . You can pay now or you can pay later, but the cost of paying later is much higher.”

– Jim Keohane

Research study shows:

64%

of Ontarians worry they won't have enough money at retirement

86%

of Ontarians say a retirement crisis is brewing in Canada

\$27B

Ontario's 1.3 million pensioners contribute \$27 billion in annual consumer spending back to the economy

**Only
10% to 15%**

of DB plan members need the taxpayer-funded GIS* compared to 45% to 50% of those with other retirement savings arrangements

“It's not fair that I have a pension and others don't. I want to help in any way I can.”

- HOOPP member

“I'm very happy to be part of HOOPP. I'm retired today and appreciate having a pension. I was very happy to see that HOOPP is getting in touch with its members and providing information about the Defined Benefit Advocacy Program.”

- HOOPP pensioner

For the full research report, please visit hoopp.com.

**Guaranteed Income Supplement*

Creating Ambassadors

As part of our DB Advocacy efforts, in 2014 we reached out to our members and asked them to help us show support for the importance of workplace pension plans in Ontario. Members were given the opportunity to be part of the discussion by joining the DB Ambassador Program. The Program's goal is to encourage members to take an active role in support of the HOOPP DB model so that they too can spread the word about the advantages it has over alternative savings arrangements.

Key Program messages include:

1.	Members will never outlive their pension — they receive it for life.
2.	The pension is based on earnings and years of service, which means members can estimate what their future retirement benefit will be — regardless of market fluctuations.
3.	By sharing investment returns and risk with other members and employers, savings are secure and costs are kept very low.
4.	Members are not required to make complex investment decisions, like when to buy and when to sell; all investments are managed by HOOPP's in-house investment experts.

In 2014, over 2,000 members, pensioners and members of the public signed up to be an Ambassador!

If you would like to get involved, please visit hoopp.com/getinvolved or follow us on **Twitter @HOOPPD**

Representing members and employers

Since November 1993, HOOPP has been governed by a Board that features equal representation from members and employers. Half of the 16 Trustees are appointed by the Ontario Hospital Association and the other half by four unions that appoint two Trustees each.

The Board is responsible for all funding, investment and Plan design decisions. All Trustees have a fiduciary responsibility to act in the best interests of the membership.

Ontario
Hospital
Association
(OHA)

Ontario
Nurses'
Association
(ONA)

Canadian
Union of Public
Employees
(CUPE)

Ontario
Public Service
Employees Union
(OPSEU)

Service
Employees
International
Union (SEIU)



First row (seated): Marlene Puffer, Jon Clark, Martin Reid, Julie Giraldi

Second row (standing): Sue McSheffrey, Adrian Foster, Jim Flett, Dr. Kevin Smith, Louis Rodrigues, James Sanders, Helen Fetterly, Bryce Walker, Dan Anderson, John Oliver, Linda Haslam-Stroud, Yves Shank, R. Wayne Gladstone, Terry McCarthy



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See your future. Now.