

Providing pension peace of mind

2022 Highlights

While 2022 presented many challenges for investors, including HOOPP, we remained focused on keeping the Plan strong and pensions secure for our members. We invite you to learn about our Plan performance and highlights from across the organization.

A message to members from our President & Chief Executive Officer

The ongoing effects of the COVID pandemic, rising prices and higher interest rates, continue to have a significant impact on our daily lives. For investors, 2022 was especially turbulent, with soaring inflation and historic declines in both public equity and fixed-income markets.

HOOPP was impacted by these market challenges and posted a negative investment return for the year. While we don't like to see this kind of result, it does not affect your pension. That's because your pension is based on a formula, not annual investment returns.

As a pension provider, we stay focused on our mission to pay pensions over the long term. And we remain in an excellent position to do that. Despite the challenging markets and economic environment over the last few years, we've kept the Plan strong with a funded status of 117% as at Dec. 31, 2022. In other words, the Plan has \$1.17 in assets for every \$1 that is owed in pensions. This is one of the most important indicators of the Plan's overall health and ability to pay pensions, today and in the future.

The Plan's continued strength was a key factor in giving our Board the flexibility to approve benefit improvements effective Jan. 1, 2023, which helps increase retirement security for active members. Read on to learn more about this and other progress we made to further strengthen the Plan. I hope this information gives you peace of mind that your pension is secure.

On behalf of HOOPP, I want to thank you for everything you continue to do for our communities. We are proud to serve you.

Regards,

Jeff Wendling

President & Chief Executive Officer

Plan performance

The Plan remained fully funded with more assets than it owes in current and future pensions. HOOPP's funded status has consistently exceeded 100% since 2009.

Funded status: 117%

Net assets: \$103.7 billion

2022 investment return: -8.6%

10-year annualized rate of return: 8.35%

All reported figures in this document are as at December 31, 2022.

Pension peace of mind

Being a member of HOOPP means having confidence that the pension you have earned will be there for you when you need it. Here's why:

- Your pension is based on a formula. It is calculated using your earnings and years of service in the Plan, so you don't need to worry about market volatility.
- Your pension is secure. When you're ready to retire, your pension will be there for you.
- You will not outlive your pension. Once you start receiving your pension, you will receive a predictable retirement income for the rest of your life.

You can learn more about how HOOPP is managing climate risk and investing in climate opportunities by reading our climate change strategy, available on hoopp.com.

Investments

In 2022, we faced a unique environment with historic declines in fixed-income and public equity markets. This had a significant impact on our portfolios, particularly our bond holdings, and led to our first negative annual return since 2008.

While it was a challenging year, our Liability Driven Investing (LDI) approach has served our members very well for many years and we believe it will continue to do so. Our LDI approach is a long-term strategy that focuses on Plan assets in relation to liabilities (in other words, the pensions owed to members). This approach focuses on ensuring that the long-term growth of our investment portfolio meets or exceeds the growth in our pension obligation to members.

We continue to take a dynamic approach to LDI, adapting our investment activities based on our outlook and shifting economic environment.

Sustainable investing

We remain firmly committed to our sustainable investing strategy, including our pledge to achieve net-zero carbon emissions in our portfolio by 2050. In 2023, we released our climate change plan, which sets out interim targets to reach this commitment while continuing to deliver on our pension promise. These targets:

- encourage companies to adopt transition plans to reduce greenhouse gases
- increase the capital available for green investments
- prioritize real-world emissions reductions rather than selling assets to reduce our portfolio carbon footprint

Members and employers

The ongoing strength of the Plan made it possible to improve benefits and provide additional support for members. In 2022, our Board took steps to:

- increase pensions for active members through a benefit improvement; this builds on previous enhancements approved by the Board in 2018 and 2021
- help pensions keep up with rising prices by providing retired and deferred members with cost-of-living adjustments of 4.8%, effective April 1, 2022, and 6.3%, effective April 1, 2023
- keep the Plan affordable for members and employers by keeping contribution rates unchanged until at least 2024

We also continued to expand the pension education and digital services we provide for members. This included:

- redesigned annual statements for active and deferred members that highlight the most important information in a more modern and easy-to-read design
- new and improved retirement planning resources on hoopp.com such as the Expert Corner and Planning for Retirement sections
- new online retirement feature on HOOPP Connect that gives members a convenient new way to choose their retirement options and submit banking information securely
- **option to make electronic payments for** buybacks and transfers to help members simply and conveniently maximize their pension

During the year, our membership and the number of employers that offer the Plan increased.

Our membership

Total number of members: 439,630

Our employers

Total number of employers: 646



We want to hear from you!

Let us know what you think of our *2022 Highlights* by completing a short survey. You'll be entered into a draw for a chance to win a Dyson V8 Absolute cordless vacuum. Go to hoopp.com/2022survey to complete a short survey.

Thank you and good luck!

For more information on all our results, view our 2022 Annual Report on hoopp.com.

Before you go – are you registered for HOOPP Connect?

As a HOOPP member, getting connected to your pension offers many benefits. HOOPP Connect is your one-stop online pension resource where you can:

- explore different retirement scenarios using various ages, dates, and salaries.
- access your pension details and documents – online and all in one place.
- update your contact and beneficiary information conveniently.
- communicate with HOOPP and send attachments quickly and easily.

Get connected. It's easier than you think.

First-time users: [register here](#)