

Providing pension peace of mind

2023 Highlights

Despite continuing uncertainty in the global economy, in 2023 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

September 2023 marked my 25th year at HOOPP. In that time, our organization has continued to evolve, and we have seen many changes and challenges in the economy and financial markets. Through it all, what has stayed constant is our commitment to providing members with the secure pension that they've earned.

I'm pleased to tell you that 2023 was no exception. The Plan remains strong with a funded status of 115%, as of the end of the year. In other words, the Plan has \$1.15 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 was also able to provide a cost-of-living adjustment (COLA) for retired and deferred members and keep contribution rates stable for active members. I invite you to keep reading to learn more about our highlights from the year.

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

Regards,

Jeff Wendling

President & Chief Executive Officer

Plan performance

At the end of 2023, the Plan remained fully funded with more assets than it owes in current and future pensions. Net assets rose as a result of a strong one-year return.

Funded status: 115%

Net assets: \$112.6 billion

2022 investment return: 9.38%

10-year annualized rate of return: 8.43%

All reported figures in this document are as at December 31, 2023.

In addition to keeping pensions secure, in 2023 we took steps to continue supporting members and strengthening our organization for the future.

We were pleased to:

- provide a cost-of-living adjustment (COLA) of 6.32%, effective April 1, 2023, and 3.40%, effective April 1, 2024, for retired and deferred members, to help pensions keep up with rising prices
- announce that contribution rates will remain unchanged until at least the end of 2025; HOOPP's contribution rates have not changed since 2004 – that's more than 20 years of stability for members and employers

Investments

In 2023, there was considerable economic uncertainty as a result of persistent inflation and unsteady global growth. That, combined with the ongoing conflicts in various parts of the world, created volatile conditions for investors.

Through these challenges, we posted a return of 9.38%. Our long-term investment strategy is designed to weather all kinds of market conditions and prioritize the Plan's funded status. We believe this approach will continue to serve our members well.

2023 highlights include:

- strong gains in our private equity and private credit investments
- strong gains in Canadian, U.S. and international public equities
- increased exposure to real-return bonds, to help protect our portfolio against inflation

Investing at home

Canada continues to be a core market for HOOPP across asset classes. It offers attractive investment opportunities in a safe and stable environment. Currently, more than \$60 billion of HOOPP's assets are invested in Canada.

Sustainable investing

We continued our journey toward achieving net-zero portfolio emissions by 2050, as outlined in our climate strategy. Our approach is built on the belief of doing what's good for our pension plan and our planet.

Key areas of focus for 2023 were:

- increasing the percentage of our portfolio reporting carbon emissions and developing credible transition plans
- continuing to increase our green investments, with more than \$10 billion invested as of year end

You can learn more about our approach by reading our climate change strategy, available on hoopp.com.

Members and employers

As a trusted partner, we help members make informed decisions related to their HOOPP pension and their retirement. The support we provide, along with guidance and education, continues to evolve in response to our members' needs.

2023 highlights include:

- **launching an updated digital experience for those joining the Plan**, with the goal of increasing satisfaction and engagement among new members
- **providing additional estate-planning information and resources** to help members and their loved ones be prepared in the event of a member's passing
- **launching redesigned annual statements for retired members**, making them easier to read and understand

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

Our membership

Total number of members: 460,381

Our employers

Total number of employers: 677

We want to hear from you!

Let us know what you think of our *2023 Highlights* by completing a short survey. You'll be entered into a draw for a chance to win a \$250 Amazon gift card. Go to hoopp.com/2023survey to complete a short survey.

Thank you and good luck!

For more information on all our results, view our 2023 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.