

# Providing pension peace of mind

## 2020 Highlights

Through an exceptionally challenging year in 2020, we remained committed to providing our members with the pension they have earned and the peace of mind they deserve. We invite you to learn about our Plan performance and highlights from across the organization.

## A message from our President & Chief Executive Officer

As HOOPP marked its 60th anniversary in 2020, delivering on our pension promise to members felt more vital than ever. Through an exceptionally challenging year, we remained committed to providing you with the pension you have earned and the peace of mind you deserve.

In my first year as CEO, I am pleased to report that despite global economic and market instability, our Plan remained well-positioned with a funded status of 119%. In other words, for every \$1 we owe in pensions, the Plan has \$1.19 in assets.

In this document, you'll find more details about our Plan performance along with highlights from across the organization. While there may be more economic uncertainty ahead in 2021, I want to assure you that the Plan is strong, and we will continue to be here for our members and employers.

On behalf of all HOOPP employees, I want to thank our members who have been, and continue to be, on the frontlines of this devastating COVID-19 pandemic. Your extraordinary efforts are seen and felt every day and are greatly appreciated. We are proud to be able to serve you.

Regards,

Jeff Wendling

President & Chief Executive Officer / Chief Investment Officer

## Plan performance

We entered 2020 in a robust position and continued to perform well through a challenging year, thanks in part to our liability-driven investing (LDI) strategy, growing member and employer base, and ability to smoothly transition to a remote work environment. This success is reflected in our strong investment return and funded status, and increase in net assets, all of which help us continue delivering on our pension promise to members.

Funded status: 119%

Net assets: \$104 billion

Rate of return for 2020: 11.42%

10-year annualized rate of return: 11.16%

All reported figures in this document are as at Dec. 31, 2020, unless otherwise noted.

## Investments

By evolving our LDI approach and finding innovative ways to diversify and protect our portfolios, our investment team successfully navigated the shutdown of the global economy and, near the end of the first quarter of 2020, one of the biggest stock market declines in history. The result? A strong investment return and strategies that are well-positioned to face ongoing market uncertainty.

2020 highlights included:

We continued to update our LDI strategy to adapt to changing market conditions and the low-interest-rate environment.

Our bond holdings helped protect the Fund as interest rates declined and, along with other investment strategies, contributed to returns.

Our liquidity management capabilities and strong cash position helped our investment team seize significant buying opportunities to further strengthen the Fund.

We hired our first Chief Risk Officer and further enhanced our risk management systems to help us continue to prudently manage risk as the Fund grows in size and complexity.

## Sustainable investing

We remain committed to sustainable growth by integrating environmental, social and governance (ESG) factors into our strategies and investment decisions. This allows us to deliver on our pension promise in a way that aligns with our values. Here are a few of our key accomplishments:

We released a joint statement with eight of Canada's leading pension plan investment managers, calling on companies to provide relevant and consistent ESG information that enables us to allocate capital to deliver long-term sustainable value.

At the Reuters Events Responsible Business Awards 2020, HOOPP was recognized with a special mention for our transformative approach to embed climate change risk exposure assessment into the management of our real estate portfolio.

## Members and employers

To help support our members and employers through an unprecedented year, we aimed to provide them with assurance and peace of mind related to their pension and the health of the Plan. While making the most of technology, we used our personal-service model to provide information, education, and support to our members – how and when they needed it.

We also made Plan changes to provide flexibility to our members as they dealt with challenges resulting from the pandemic. These included:

- providing service in the Plan, at no cost, for members on a new unpaid provincial emergency leave
- extending deadlines related to buybacks and disability benefits
- extending the timeline to make pension contributions following a leave of absence

In addition, we made a Plan change to how commuted values are calculated to help ensure our Plan's long-term sustainability.

To help our retired and deferred members' pensions keep up with inflation, we provided a cost-of-living adjustment that increased their pensions by 2.25% (which became effective April 1, 2020). Our pension advocacy aims to help preserve Canada-model pension plans like HOOPP and broaden access to their most successful features to help make retirement more affordable for everyone.

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

## Our membership

Total number of members: 398,324.

This is an increase of 17,234 from the end of 2019.

- 248,260 active members
- 114,300 retired members
- 35,764 deferred members

## Our employers

Total number of employers: 614

This is an increase of 20 from the end of 2019.

- 167 small healthcare organizations
- 141 hospitals
- 85 service providers
- 84 family health teams
- 72 foundations
- 65 community health centres

## People and culture

We foster and maintain a diverse, high-performance workplace culture that inspires our employees to do their best in support of our members and employers. Our core values – professional, accountable, collaborative, compassionate, and trustworthy – are the foundation for the service we provide.

In 2020, we found ways to foster that culture while supporting the transition to a remote-work environment. We also proudly made progress on several initiatives related to diversity and inclusion that will help continue to strengthen our organization:

### Diversity and inclusion highlights:

Our CEO signed the BlackNorth Initiative pledge, which is dedicated to removing systemic barriers and increasing Black representation at senior management and executive levels in corporate Canada.

We launched a range of Employee Resource Groups (ERGs) to help us connect, support and learn from staff members with shared interests and life experiences, toward fostering an equitable, diverse and inclusive workplace.

We continued to build on relationships with recruitment organizations that work with diverse communities.

### Top employer award

HOOPP is proud to be recognized as one of Greater Toronto's Top Employers of 2021 by Canada's Top 100 Employers.

## We want to hear from you!

Your feedback helps us improve our website, member news articles, social media channels, and other communications. We encourage you to complete our online survey to tell us what you think of our 2020 Highlights. You could win your choice of an Oculus Quest 2 Advanced All-In-One Virtual Reality Headset (64 GB) or an iRobot Roomba 675 Vacuum.

Go to [hoopp.com/2020survey](https://hoopp.com/2020survey) to take the survey.

\*Contest closes: June 30, 2021