



Investing FOR OUR FUTURE

2016 Year in Review



HOOPP
Healthcare of Ontario
Pension Plan

**“We always have to
be thinking ahead
to what we need to
do to prepare the
organization for
success in the future.”**

Jim Keohane
President & CEO, HOOPP



HOOPP

Healthcare of Ontario
Pension Plan

At HOOPP we are investing for our future.
For the past 55 years, we have been focused on one mission:
paying pensions to our members.

To keep our promise for another 55 years and beyond, we continue to invest in the Plan, in our technology, and in our industry-leading initiatives. We are committed to doing so in sustainable ways that will help provide stability and foster growth in the decades to come.

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Retirement
Security

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Service
Excellence

Guiding the Way

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Strong, Steady Growth



Cultivating success

Our liability driven investing (LDI) approach helps ensure that pensions for every member are backed by assets in the HOOPP Fund. This strategy balances risk with return over the long term.

Our LDI portfolio has two main components.

- 1 The **Liability hedge portfolio** is invested in bonds and other fixed income and real estate to protect against inflation and generate steady cash flow.
- 2 The **Return seeking portfolio** is invested in public equities, corporate credit, and private equity to provide growth while balancing risk.

For more than a decade, LDI has been a driving factor behind our growth, strong funded status, and track record of investment success.



Fully funded

Our funded status is the most important indicator of the health of our Plan. We are currently **122%** funded, meaning that for every \$1 we owe in pensions, we currently have **\$1.22** in assets.



Strong growth

Our net assets grew to **\$70.4 billion** in 2016, representing a rate of return of **10.35%** over the previous year. Our 10-year compounded return is over 9% — that's among the highest of any pension plan worldwide.

FUNDED STATUS



NET ASSETS



RETURN





Keeping it real (estate)

A few of our real estate holdings include:

- 1 iPort, Doncaster, UK
- 2 The Boro, Tysons Corner, Washington, D.C.
- 3 Marine Gateway, Vancouver, BC
- 4 TransCanada Tower, Calgary, AB
- 5 1 York Street, Toronto, ON

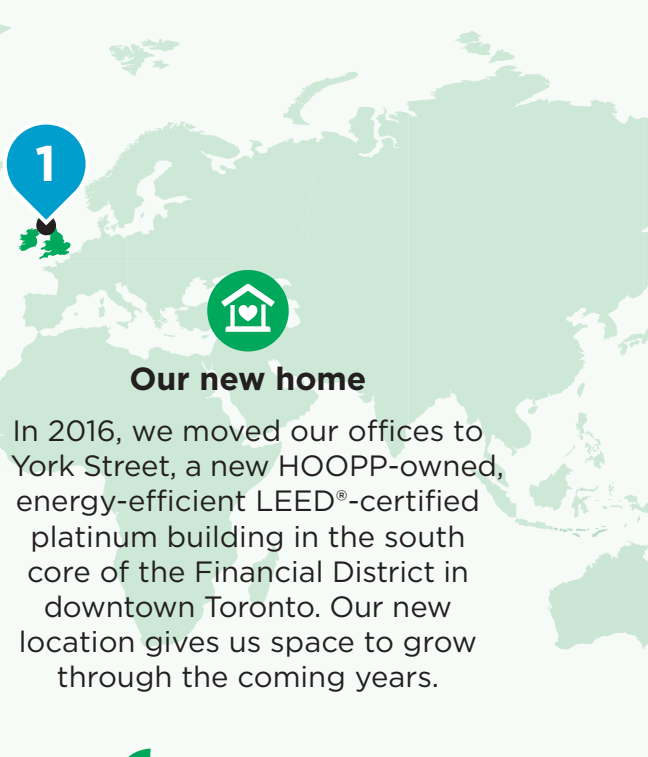


Our team of real estate investment professionals is committed to making sure that our properties provide long-term stability for the Plan, and help protect the environment.



Caring for the environment

For the second year in a row, HOOPP won the Sustainable Strategy Award at the 2016 IPE (Investments & Pensions Europe) Real Estate Global Conference & Awards. This prestigious international award honours best practices and innovation in real estate.



Our new home

In 2016, we moved our offices to 1 York Street, a new HOOPP-owned, energy-efficient LEED®-certified platinum building in the south core of the Financial District in downtown Toronto. Our new location gives us space to grow through the coming years.



The Need for Retirement Security

To retire with dignity, seniors in Canada need to be able to rely on a secure income. **DB (defined benefit)** pensions are the most efficient way to provide this income. We commission research, speak out, and raise awareness about the importance of DB plans.



Uncovering the facts

Our latest study, conducted by the University of Toronto, shows that many seniors are negatively impacted by the rising costs of long-term care, home care, and other out-of-pocket healthcare expenses.

It found that:



people in
low-income
groups are most affected



women over age
85
are the most vulnerable



one-in-four women don't
have a sufficient income
before long-term care costs

nearly half
(44%), don't have a sufficient
income once they need
long-term care



Protecting DB plans

What can you do to help **protect DB plans**, like HOOPP, for future generations of workers?

Sign up today to be a DB Ambassador at hoopp.com/getinvolved.

We now have

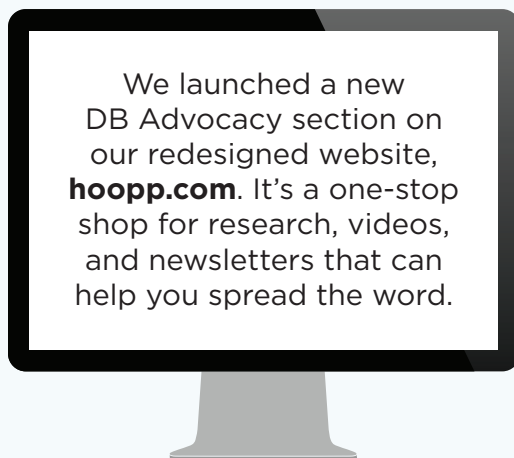
over 4,000

DB Ambassadors. They help us spread the word that DB plans are the best way to provide a secure and reliable retirement income for Canadians.

DB Ambassadors receive regular information about how DB plans:

- ✓ reduce poverty and the need for government support among seniors
- ✓ inject billions of dollars into the Canadian economy annually
- ✓ rely on professionals to make difficult investment decisions

Sign up to become a DB Ambassador to learn more about the benefits of DB pensions.



The Need for Retirement Security



Raising awareness

There were more than **8,300 media mentions** about HOOPP in 2016, including articles in:



Media coverage helps us educate the public about the benefit of DB plans.

In a Sept. 26 column in the *Toronto Star*, Jennifer Wells explains the risks behind the troubling shift away from DB plans.

“ Here’s how Jim Keohane sees it: ‘In a stealth way, the risk has been dumped from the corporation onto the Canadian taxpayer.’ ”

In a cover story in the November issue of *CIO* magazine, an article entitled

“ What’s next for HOOPP? ” calls HOOPP’s transition to LDI in 2003, “ light years ahead of its peers. ”



Partnering with policymakers

Through regular meetings, HOOPP keeps in close touch with provincial and national decision-makers so we can bring our expertise and perspective to the table when pensions are discussed.

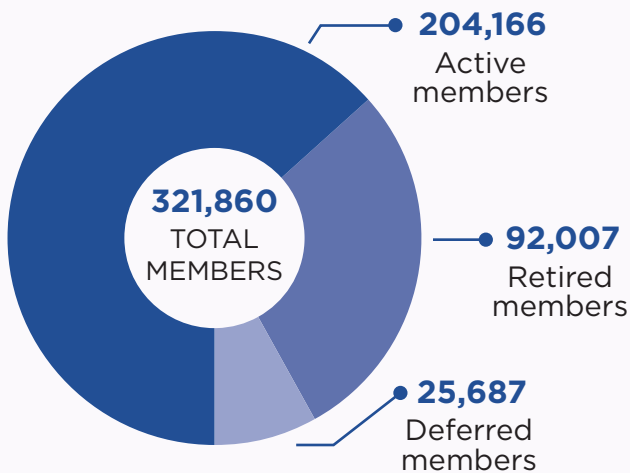
In November, HOOPP President & CEO **Jim Keohane** and other pension plan leaders met with Prime Minister **Justin Trudeau** and Finance Minister **Bill Morneau**.



Our Commitment to Service Excellence

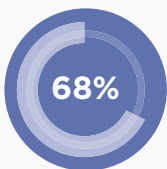


Who we serve

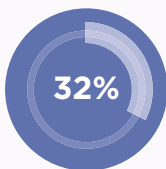


83%
of active members
are female

17%
of active members
are male









of active
members
work full-time



of active
members
work part-time



-  **145** Small healthcare
-  **144** Hospitals
-  **83** Service providers
-  **61** Foundations
-  **49** Community health centres
-  **34** Family health teams



We're here to help!

We provide our members with clear information in-person, over the phone, and online so they can make informed decisions about their pensions.

In 2016, we had more than **250,000 interactions** with members and employers.



member and employer phone calls were answered

more than



members attended HOOPP information sessions



members visited our office for walk-in meetings



Our commitment comes to life

In 2016, there were:



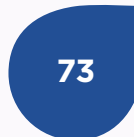
new members who joined the Plan



retired members who began receiving their HOOPP pension



members who purchased past service



retired members over the age of 100



Our Commitment to Service Excellence



Our redesigned website

We redesigned **hoopp.com**, one of our largest communication channels. Now our website:

- ✓ is more accessible to users, even on mobile devices
- ✓ is easier to navigate
- ✓ has improved content so members can better understand their pension



Our brighter, bolder look

We've updated our logo and our brand colours! This refreshed look helps make all our communication, in print and online, more accessible and easier to read.



Let's be direct

In 2016, we added a new direct deposit service for retired members who live outside of Canada. Our members asked for this change, and we delivered. It's more convenient and secure, and it means no more waiting for mailed cheques.



Our new online services and pension system

Approximately **10,000 members** are now participating in the pre-launch of our new online services and pension administration system. A small group of employers, on behalf of all of them, are also taking part.



This exercise will provide valuable feedback and hands-on learning that will enable us to refine the system over the course of 2017. With the full launch in 2018, there will be a dramatically enhanced online experience for members on HOOPP Connect and on our secure site for employers.

The new system will provide us with added flexibility to adapt to change, enhance our ability to serve our clients, and help manage our costs. Stay tuned for more exciting details!

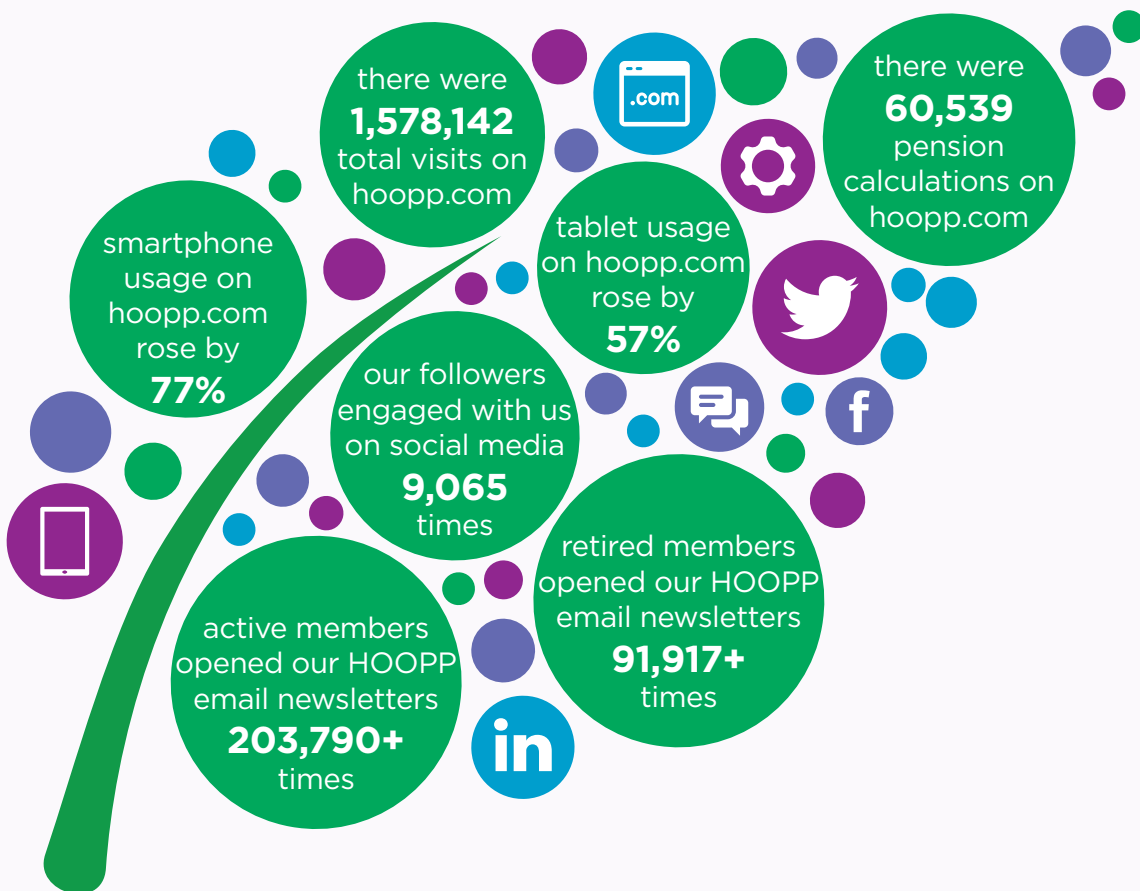




Going digital

We use online channels to communicate with members so we can provide the information they need, when they need it.

Our numbers show that in 2016:



Check out our newly designed website at hoopp.com!





HOOPP's Board of Trustees

HOOPP is the largest private trust fund in Canada, operating on a not-for-profit basis and governed by a Board of Trustees. Half of our 16 trustees are appointed by the Ontario Hospital Association (OHA).

Four unions appoint two trustees each. They are the:

- ✓ Canadian Union of Public Employees (CUPE)
- ✓ Ontario Nurses' Association (ONA)
- ✓ Ontario Public Service Employees Union (OPSEU)
- ✓ Service Employees International Union (SEIU)



FIRST ROW (SEATED LEFT TO RIGHT):

Linda Haslam-Stroud, James Sanders, Anthony Dale, Jon Clark

SECOND ROW (STANDING LEFT TO RIGHT):

Marlene Puffer, Terry McCarthy, Yves Shank, Louis Rodrigues, Adrian Foster, Dr. Kevin Smith, Helen Fetterly, Bryce Walker, R. Wayne Gladstone, Dan Anderson, Bonnie Adamson, Jim Flett, Marie Kelly



Keeping members at the forefront

Each trustee has a fiduciary duty to act in the best interests of all Plan members. Our Board is responsible for all decisions related to Plan funding, investment, and design, ensuring that the Plan is sustainable for the long run.

In 2016, the Board took steps to:

✓ Keep costs low

HOOPP's operating costs, which include investment management and providing services to our members, were just **0.3%** of net assets in 2016. That's a fraction of the fees charged by most Canadian mutual funds and among the lowest operating costs of our peer plans.

✓ Protect pensions from inflation

The Board approved the maximum cost of living adjustment (COLA) for 2016, increasing pensions by **1.5%**. This helps pensions for retired and deferred members keep up with rising prices.

✓ Hold contribution rates steady

Our current contribution rates have been in place since 2004 and will remain unchanged until at least the end of 2018. Keeping our rates stable helps keep our Plan affordable for members and employers.

We hope you enjoyed our 2016 Year in Review!

Visit hoopp.com/annualreport to tell us what you think for your chance to win an Apple Watch or iPad mini!





HOOPP
Healthcare of Ontario
Pension Plan

FSC FPO

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See your future. Now.