



PUTTING YOU
FIRST

2017 YEAR IN REVIEW





“HOOPP exists to pay pensions for members. We invest with that objective in mind to ensure that we can meet our pension obligation regardless of the economic backdrop.

We also continue to reinvest in our personnel and our systems in order to maintain the sustainability of the Fund and support growth going forward.”

Jim Keohane
President & CEO, HOOPP

At HOOPP, we make one promise to our members: we will provide you with a secure pension that starts when you retire and is paid for the rest of your life.

We take great pride in delivering on our pension promise. This commitment keeps us focused as we invest, pay pensions, and speak out about the importance of retirement security. We never forget that we are here for you, from your first day on the job, through your retirement, and many life changes along the way.

Each and every day,
HOOPP is putting you first.



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ACTING IN YOUR BEST INTERESTS

HOOPP was founded in 1960 to give hospital workers in Ontario access to secure pensions so they could retire with dignity. Over the years, we've grown into a world-class pension plan without losing sight of what we stand for. Today, we are the largest private trust fund in Canada, operating on a not-for-profit basis to provide pensions for hundreds of thousands of workers across the Ontario healthcare sector.

HOOPP'S BOARD OF TRUSTEES



Front row (left to right):
Anthony Dale, Barry Wainstein

Back row (left to right):
Marie Kelly, Linda Haslam-Stroud, James Sanders, Jim Flett, Jon Clark, R. Wayne Gladstone, Dan Anderson, Bryce Walker, Marlene Puffer, Louis Rodrigues, Gerry Rocchi, Terry McCarthy, Adrian Foster, Sharon Richer, Sandi Blancher

Since 1993, HOOPP has been governed by an independent Board of Trustees that represents members and employers. Our Board is responsible for all decisions about the design and administration of the HOOPP Plan and the investment and management of the assets of the HOOPP Fund. Each trustee has a fiduciary duty to act in the best interests of all Plan members.

IN 2017, OUR BOARD TOOK STEPS TO



Improve Plan benefits

Three significant benefit improvements, made possible by the surplus in the HOOPP Fund, will increase lifetime pensions and boost survivor benefits for spouses when members pass away in retirement.



Keep contribution rates unchanged

Our current rates, which have been in place since 2004, will remain the same until at least the end of 2019. This helps keep the Plan affordable for members and employers.



Protect pensions from inflation

The Board approved the maximum cost of living increase, increasing pensions for retired and deferred members by 1.87%. Inflation protection can help pensions keep up with rising prices.

Half of our 16 trustees are appointed by the **Ontario Hospital Association (OHA)**. Four unions appoint two trustees each; they are the

› Ontario Nurses' Association (ONA)

› Canadian Union of Public Employees (CUPE)

› Ontario Public Service Employees Union (OPSEU)

› Service Employees International Union (SEIU)



INVESTING FOR THE FUTURE

HOOPP's pension investments are managed by an in-house team of investment professionals. We carefully balance risk, return, and administrative costs over the long term to ensure that pensions for every member, now and in the future, are backed by assets in the HOOPP Fund.

INVESTING FOR THE FUTURE

INVESTMENT PERFORMANCE

- › HOOPP is 122% funded, meaning that for every \$1 we owe in pensions, we have \$1.22 in assets. This is the most important indicator of the health of our Plan.
- › Our net assets grew to \$77.8 billion in 2017, representing a rate of return of 10.88% over the previous year. Our 10-year compounded rate of return is over 9%—that’s among the highest of pension plans worldwide.
- › Our operating costs, which include managing investments and providing services to our members, were just 0.3% of net assets in 2017. That’s a fraction of the fees charged by most Canadian mutual funds and among the lowest operating costs of our peer plans.

LIABILITY DRIVEN INVESTING (LDI)

Our LDI approach is a risk-management philosophy that considers both Plan liabilities and investment assets to ensure that we continue to have enough money to pay our members’ pensions. Investments are divided between two portfolios that complement each other and are designed with specific goals and characteristics.

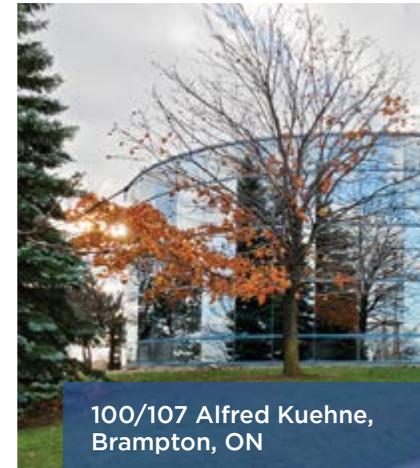
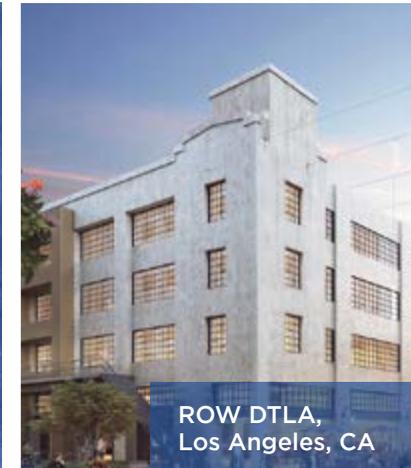
- 1 The liability hedge portfolio protects against inflation and generates steady cash flow by investing in fixed income assets and real estate.
- 2 The return-seeking portfolio provides growth while balancing risk. It invests primarily in public equities, corporate credit and private equity.

INTERNATIONAL ACCLAIM

- › HOOPP received two prestigious awards at the 2017 IPE (Investment & Pensions Europe) Awards: the North America Regional Award and the Value-Added Strategy Award, which celebrates excellence and recognize bar-raising achievements in global real estate.
- › Jim Keohane ranked 10th among the 100 most influential executives on the Sovereign Wealth Fund Institute’s fifth annual Public Investor 100 list. This list includes some of the largest sovereign funds, endowments, foundations, pensions, and central banks in the world.

REAL ESTATE

Some of HOOPP’s world-class real estate investments

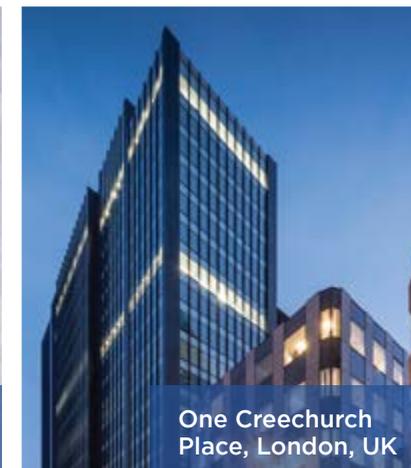
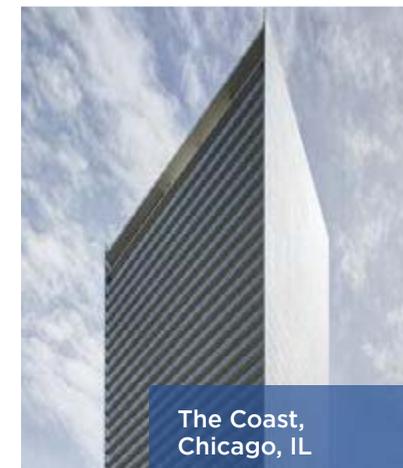


HOOPP’S 2017 PERFORMANCE

FUNDED STATUS:
122%

NET ASSETS:
\$77.8
BILLION

RATE OF RETURN:
10.88%



PROVIDING EXCELLENT SERVICE

We know that your pension is important to you. Providing the highest level of service in a courteous and compassionate manner is central to our mission to deliver on our pension promise.

PROVIDING EXCELLENT SERVICE

HERE TO HELP



548 EMPLOYERS



When you reach out to HOOPP for information about your pension, whether it's on the phone, online, or in person, our Member and Employer Services specialists are here to help.



"Very pleased with your team who answers the phones and have helped me this year as I plan my retirement."
Cindy T.
HOOPP member

Meet a few of our team members: (top, left to right) **Nicholas Carr, Debbie Nzopfabarushe, Shideh Saednamini, Ousmane Sy, Tony Medeiros,** (right) **Liam Brown**

6,178
Number of members who retired in 2017



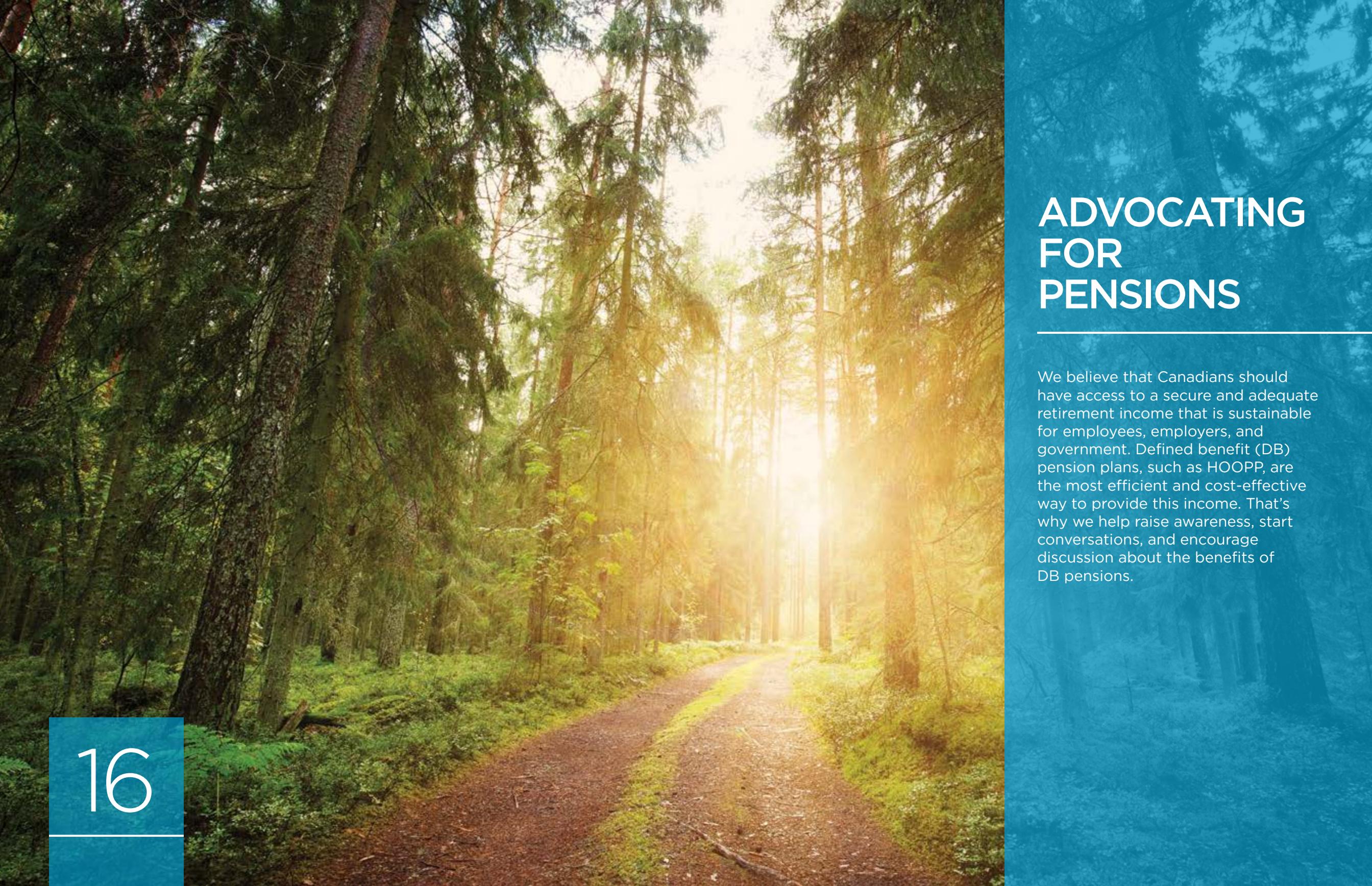
In 2017, we carried out extensive testing and preparation for the rollout of our new pension administration system, which helps us deliver better service while managing our costs. Our enhanced online sites now provide our members and employers with these features:



- Members** can
- Get up-to-date information about their pension
 - View and print important documents
 - Send secure messages to HOOPP



- Employers** have access to
- Enhanced online resources
 - New tools to help manage and track administrative records
 - More options for submitting employment data



ADVOCATING FOR PENSIONS

We believe that Canadians should have access to a secure and adequate retirement income that is sustainable for employees, employers, and government. Defined benefit (DB) pension plans, such as HOOPP, are the most efficient and cost-effective way to provide this income. That's why we help raise awareness, start conversations, and encourage discussion about the benefits of DB pensions.



RETIREMENT SECURITY: IS IT ATTAINABLE?

Those with defined benefit (DB) pensions, such as HOOPP, have the peace of mind of knowing they won't outlive their savings. But many Canadians don't have access to workplace pension plans, and are not saving for their senior years. We launched a series of articles to deepen the conversation around retirement security and the benefits of DB pension plans.

1

Seniors and poverty:

Learn why poverty is on the rise once again after nearly 20 years of decline.

1/3

of Canadians feel financially unprepared for retirement.

2

Women at greatest risk of poverty in senior years:

Canadian women, particularly single women, will be disproportionately affected by poverty when they reach their senior years.

43%

of low income seniors in Canada are women.

3

Maxed out:

Are Ontarians ready for the high financial and emotional costs of caregiving?

2.4M

By 2026, more than 2.4M Canadians age 65 and older will need continuing care support.

4

The cost of long-term care:

Long-term care costs and other health-related expenses are a major blind spot for Canadians who are saving for retirement.

13.2%

of women in Canada can expect long-term care costs to financially wipe them out at age 85.

Our articles received more than **2,600** views on hoopp.com and more than **3,700** engagements (likes, shares, comments, clicks) on social media.

Read the articles & join the conversation hoopp.com/retirementsecurity



SPREADING THE WORD

We hosted pension boot camps across Ontario that help Ambassadors understand how the pension landscape in Canada is changing, why workplace pensions are at risk, and how DB plans are superior to alternative savings plans.

Join us! Go to hoopp.com to sign up to be a HOOPP DB Ambassador and check our upcoming events. You can help make a difference.



RECOGNIZED BY THE WORLD BANK

HOOPP is featured in a report released by the World Bank Group called *The Evolution of the Canadian Pension Model*. It examines the evolution of Canada's top pension plans over the past 30 years.

The report highlights several key ingredients for success, including

- › A sustained relationship built on trust—strong collaboration among workers, government, business, and finance
- › Strong ethical leadership at the top and throughout the organization
- › Strong independent governance
- › Investments managed in-house rather than outsourced to third-party fund managers

The World Bank report offers practical lessons that can be used to strengthen retirement security and increase dialogue on successful pension models in Canada.



HOOPP DB AMBASSADORS

We now have more than 4,500 DB Ambassadors. This program brings together people who want to help protect and promote access to secure and sustainable DB pension plans.

Our Ambassadors receive insightful research about pensions. Our new *HOOPP DB Ambassador Guide* offers key messages and ideas for how you can help spread the word about the importance of DB pension plans. It also includes key facts about why DB plans are good for the Canadian economy.



As an Ambassador, I love getting information I can share with others."

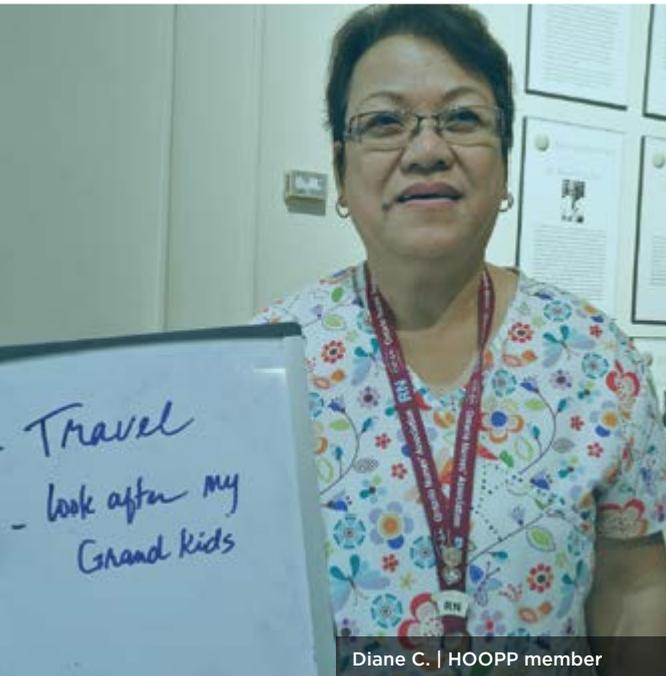
Susan S.
HOOPP member

HOOPP Stakeholder Outreach Managers:
(top) Travis Wright and (bottom) Bobby Argiropoulos

CONNECTING WITH YOU

We love hearing from you. Whether in person or through engagement on social media, we welcome opportunities to provide information and get your feedback—or just say hello!

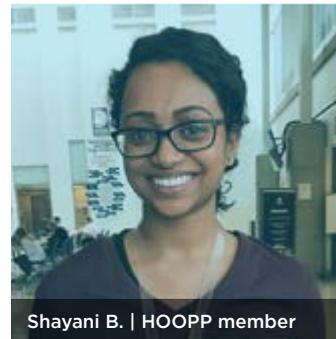
Here are some of the members we met at HealthAchieve, Nursing Week, our Pension Awareness campaign, and other events. We asked them to tell us about their retirement plans.



Diane C. | HOOPP member

185%

Increase in the number of times our followers engaged with us on social media



Shayani B. | HOOPP member

"I appreciate the clear and regular communication—absolutely critical as I age and life circumstances will change."

Lorna H. HOOPP member

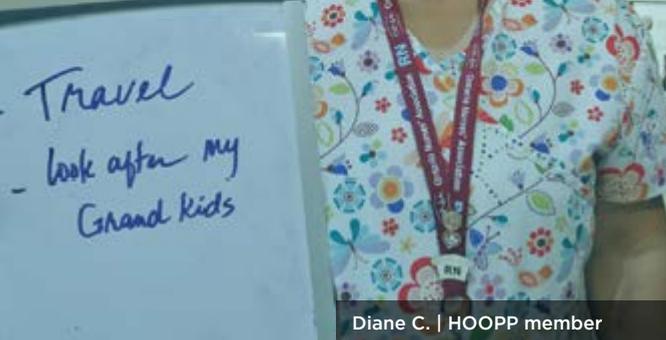
25,400+

Number of times our followers engaged with us on social media in 2017

#LEARNHOOPP



Elizabeth V. | HOOPP member



Rosie Lewis, HOOPP Regional Manager

12,300+

Number of followers that HOOPP has on social media



Dorothy W. and Catherine C. HOOPP members

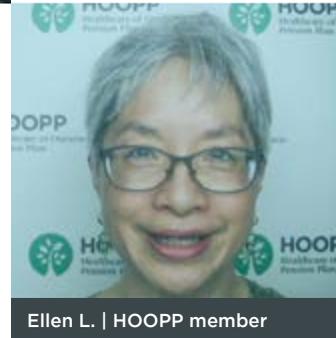
"The information I receive from HOOPP allows me to feel a sense of security and I am therefore enjoying my retirement."

Brenda V. HOOPP member

1.8 million+

Number of times the mobile-friendly content on hoopp.com was accessed and viewed

#SHAREHOOPP



Ellen L. | HOOPP member

"I feel more aware and knowledgeable of my retirement plan. I am very pleased and lucky that I belong to HOOPP."

Cecilia D. HOOPP member



Ye W. | HOOPP member

"I am more than happy, satisfied, and grateful for being a HOOPP member."

Barna K. HOOPP member

HOOPP looks more than 70 years into the future when investing contributions to make sure we continue to deliver on our pension promise.

76

Number of retired members over age 100

19,701

new members joined the Plan in 2017.

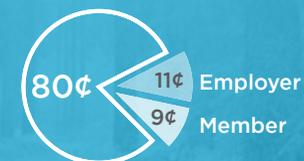
HOOPP paid approximately

\$2.3 billion

in total pension benefits in 2017.

HOOPP's funded status has remained stable for more than a decade.

80 cents of every pension dollar comes from investment returns



STAYING IN TOUCH

If you have any questions about HOOPP or your pension, please call HOOPP Member Services at 416-646-6445 or toll-free in Canada and the U.S. at 1-877-43HOOPP (46677), Monday through Friday, 8 a.m. to 5 p.m., Eastern Time.

Follow HOOPP and engage with us—like us, leave a comment, and share our content for others to see.



WE WANT TO HEAR FROM YOU!

Take our 2017 Annual Results online survey to give us your feedback. You could win an Apple Watch or an iPad mini.



hoopp.com/annualreport



"I am so grateful to have contributed to HOOPP throughout the years. Heartfelt thanks for making my retirement a dream come true!"

Eileen B.
HOOPP member



HOOPP

Healthcare of Ontario
Pension Plan