

## Year in Review: 2008

This bulletin summarizes key 2008 activities of the NSAHO Pension Plan Trustees and staff. We invite you to visit [www.nshopenpensionplan.ca](http://www.nshopenpensionplan.ca) if you are interested in more information. After May 2009 you can find our 2008 Financial Statements by clicking on the web-site's "Publications" tab.

### Benefits

Effective January 1, 2009:

- Pensions in payment increased 3.0% (prorated if retired for less than a year)

In a 2008 comparison\* with a benchmark group of other pension plans, our:

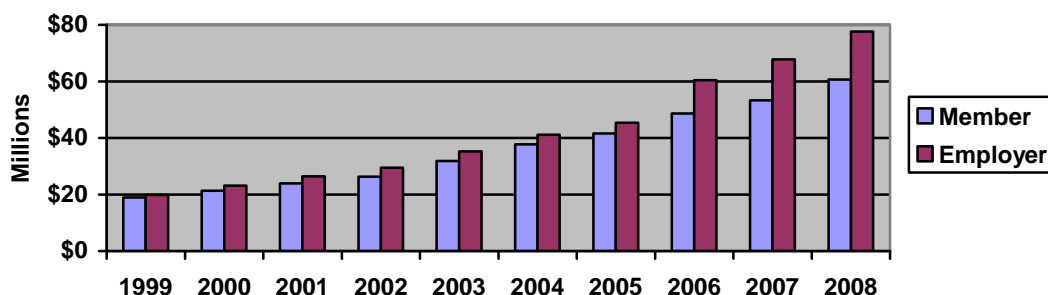
- Benefits were 10.5% better than median;
- Member contributions were 0.9% of earnings lower than median; and
- Employer contributions were 0.1% of earnings higher than median.

\*The benchmark plans are the NS provincial government plan and the plans for health care employees in Ontario, Manitoba and Saskatchewan. This comparison was based on a 40 year old member with 10 years of service and earnings up to \$45,000. The benefit comparison was based on our actuary's best estimate of future experience. This includes the assumption that ad-hoc improvements (e.g. base year upgrades) that have been regularly made in the past will continue to be made.

### Funding

Total contributions to the Plan have increased significantly over the past decade. This results from increases in members' earnings, contribution rates and the number of members.

Contributions



Investment markets around the world declined sharply in the second half of 2008. Despite this, at the end of 2008 our assets were only about 6% less than our going-concern liabilities. This is a preliminary estimate and is subject to revision. These liabilities are based on our actuary's "best estimate" assumptions. Final results and assumption details will be reported in our Audited Financial Statements which will be posted on our web-site after May 2009.

(continued from other side)

## Investments

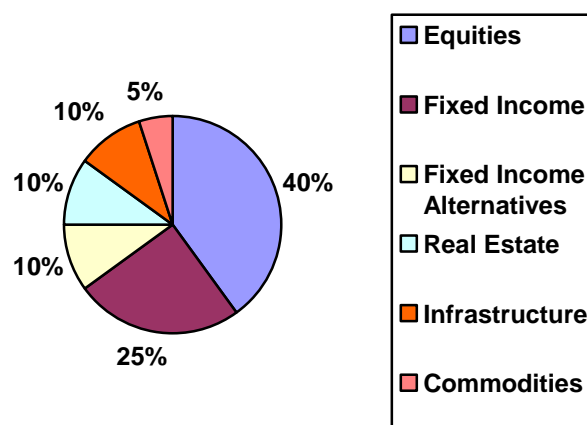
Investments returned -13.30% for the year, 4.77% ahead of our market benchmark. As valuation of some assets is currently pending, this is an estimate and is subject to revision.

Year	Annual Returns (net of expenses)	Market Benchmark *	Value Added
2004	6.35%	11.09%	(4.74%)
2005	18.00%	13.14%	4.86%
2006	8.07%	11.74%	(3.67%)
2007	5.90%	4.74%	1.16%
2008	-13.30%	-18.07%	4.77%
<b>2004-2008</b>	<b>4.48%</b>	<b>3.81%</b>	<b>0.67%</b>

\* The market benchmark rate of return is one of the standards used to evaluate investment performance. It is the rate of return net of fees, expected if the assets were invested passively in the proportions dictated by the Asset Mix Policy.

Our fund's target asset mix is shown in the chart at the right. On top of this we overlay additional investments in bonds and hedge funds. In combination these overlays are expected to increase long term returns and reduce Plan risk.

A more complete description of the Plan's investment policies can be found at [www.nsaHopensionplan.ca](http://www.nsaHopensionplan.ca) by clicking on the "Publications" tab.



## Administration

Key administrative accomplishments in 2008 included:

- Preparation of 21,805 annual statements. 100% were prepared within our time standards;
- Processing of 507 retirements, 1,002 terminations, 38 active deaths and 101 past service purchases. 99.8% of these were within our time standards; and
- Revisions were made to all member forms to improve clarity.

Our per member administration costs continue to be low; about 30% less than median based on a sample of 17 other large pension plans.

## Governance

Highlights of your Board of Trustees' activities in 2008 are:

- Comprehensive review and revision of investment policies;
- Selection of new firms to manage most of our investments;
- Review of Actuarial Valuation report and ongoing monitoring of adequacy of contributions; and
- Monitoring of compliance with all staff and Trustee policies.