

# Pension Plan Year in Review 2020



The Pension Plan for Participating Employers of the Newfoundland and Labrador Municipal Employee Benefits Inc. (“Plan”) is administered and operated for the benefit of participating employers and their eligible employees by NLMEB Inc., operating as TRIO.

The TRIO Board of Directors is responsible for the overall management of the Plan. With the support of expert advisors, the Board determines appropriate investment and management policies, and acts to ensure the long-term sustainability and viability of the fund.

This *Year in Review* has been prepared for plan members and participating employers to provide information on the operation of the Plan in 2020.

## Pension Plan at a Glance

Some important highlights of the TRIO Plan are as follows:

- Inception Date: October 1, 1978
- Participation: 57 municipalities
- Active members: 861
- Pensioners: 310
- Participation Options: 11 defined benefit  
1 defined contribution

TRIO Board	
Dennis Kelly	President
Tony Pollard	Vice-President
Glenn Clarke	Director
Liz Davis	Director
Brian Hudson	Director
Keith Keating	Director
Brad Power	Director
Carol Ann Smith	Director

## Actuarial Valuation\* and Pension Fund Reconciliation\*\*

Going Concern Valuation as at 31-Dec-2019		Fund Reconciliation 2020	
Assets	\$ 154,717,000	January 1 (market value)	\$ 153,866,000
Liabilities	\$ 157,415,000	Employee Contributions	\$ 4,942,000
Excess / (Deficit)	(\$2,698,000)	Employer Contributions	\$ 5,945,000
Funded Ratio	98.3%	Transfers In	\$ 1,597,000
Employee Contributions	\$ 4,566,000	Investment Income	\$ 24,642,000
Employer match	\$ 4,566,000	Sub-total	\$ 37,126,000
Special Payments	\$ 1,321,000	Pensions Paid	(\$4,834,000)
Total Annual Contribution	\$ 10,453,000	Lump Sum Payments	(\$1,290,000)
		Fees and Expenses	(\$1,682,000)
		Sub-total	(\$7,806,000)
		December 31 (market value)	\$ 183,186,000

\*Last actuarial valuation was at 31 December 2019.

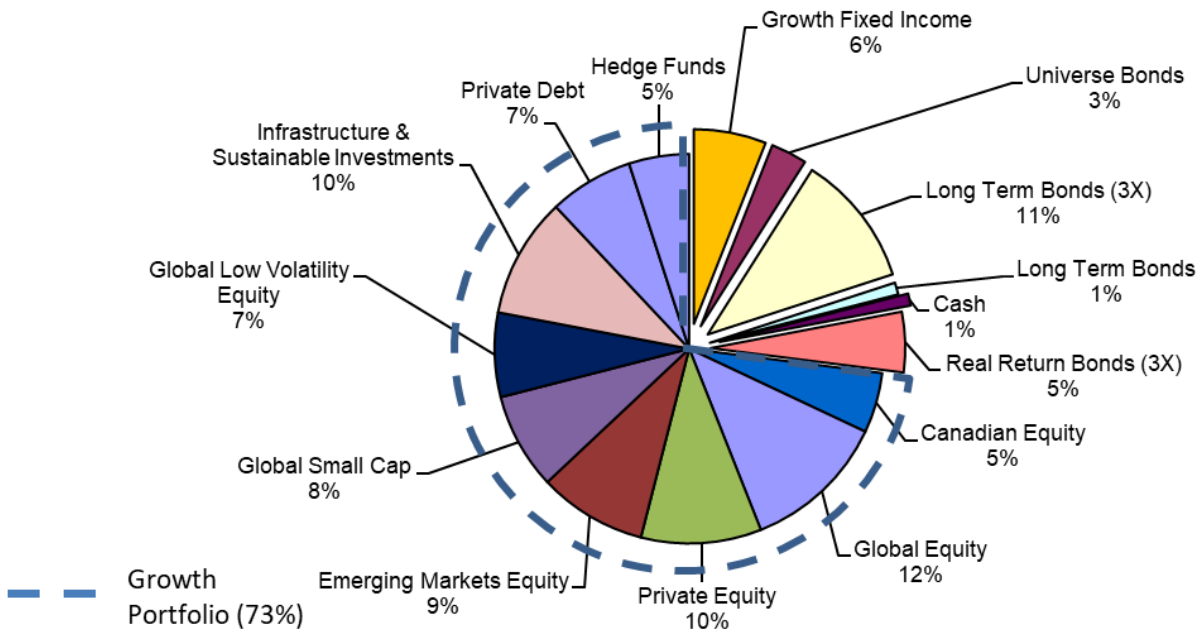
\*\* Fund reconciliation shows opening and closing balances for 2020, and amounts received by and paid out of fund. The fund increased by \$29,320,000 over the year.

## TRIO Pension Plan

The TRIO Pension Fund is invested by professional investment managers in a diversified portfolio of investments including stocks and bonds. The Plan invests in Canadian and global equities, hedge funds, infrastructure and sustainable investments, as well as fixed income investments (bonds) that match the plan's liability profile -- mainly long term bonds and real return bonds. The growth portfolio is designed to provide a variety of sources of investment return with reasonable expected returns and reduced volatility.

The TRIO Board is focused on the stability of employee and employer contributions, as well as potential future improvements to pension benefits. Notwithstanding declining interest rates in 2020, the Plan has shown an improvement in its funded position due in part to outstanding investment returns in 2020. The Board will continue to monitor the Plan's funded position very carefully.

## Long-Term Target Asset Allocation



	Investment Returns in Year										10-yr Avg
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
TRIO Fund	3.4%	9.1%	10.4%	14.9%	8.9%	7.1%	11.5%	-1.3%	15.6%	15.0%	9.3%
Mercer Median *	-1.0%	9.1%	16.2%	11.1%	5.7%	7.1%	8.9%	-2.5%	15.2%	9.1%	7.7%

\* Returns of the median Balanced Fund manager in Mercer Survey of Canadian Investment Managers.

## Contact TRIO (TRIO is operated by NL Municipal Employee Benefits, Inc.)

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