

Pension Plan Year in Review 2016



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 2016.

Pension Plan at a Glance

Some important highlights of the TRIO Plan are as follows:

- Inception Date: October 1, 1978
- Participation: 46 municipalities
- Active members: 712
- Pensioners: 242
- Participation Options: 11 defined benefit
1 defined contribution

TRIO Board	
Dennis Kelly	President
John Dawson	Vice-President
Rodney Cumby	Director
Tony Pollard	Director
Wayne Power	Director
Carol Ann Smith	Director
Norm Snelgrove	Director

Actuarial Valuation* and Pension Fund Reconciliation**

Going Concern Valuation as at 31-Dec-2015	
Assets	\$ 101,600,000
Liabilities	\$ 109,144,000
Excess / (Deficit)	(\$7,544,000)
Funded Ratio	93.1%
Employee Contributions	\$ 3,793,000
Employer match	\$ 3,793,000
Special Payments	\$ 1,153,000
Total Annual Contribution	\$ 8,739,000

Fund Reconciliation 2016	
January 1 (market value)	\$ 101,086,000
Employee Contributions	\$ 4,182,000
Employer Contributions	\$ 4,986,000
Investment Income	\$ 7,104,000
Sub-total	\$ 16,272,000
Pensions Paid	(\$3,254,000)
Lump Sum Payments	(\$814,000)
Fees and Expenses	(\$666,000)
Sub-total	(\$4,734,000)
December 31 (market value)	\$ 112,624,000

*Last actuarial valuation was at 31 December 2015.

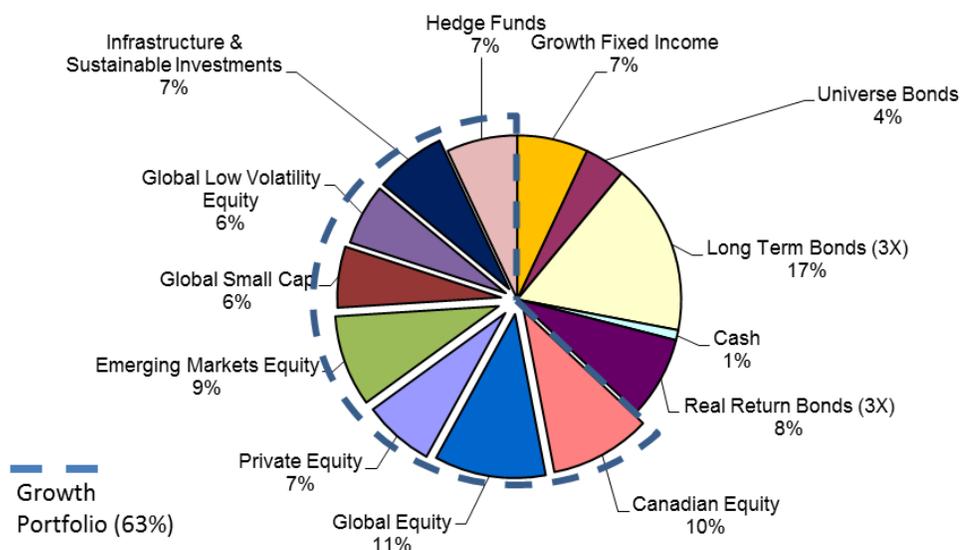
** Fund reconciliation shows opening and closing balances for 2016, as well as amounts received by and paid out of fund over 2016. The fund increased by \$11,538,000 over the year.

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 continues to monitor the Plan's funded position very carefully. The Board is focused on the stability of employee and employer contributions, as well as potential future improvements to pension benefits. The Board does not anticipate contribution increases in 2017, but you should be aware that contribution increases may be required in the future if the Plan's deficit grows larger.

Long-Term Target Asset Allocation



Investment Returns		
Year	TRIO Fund	Mercer Median *
2009	17.6%	16.4%
2010	9.8%	10.0%
2011	3.4%	-1.0%
2012	9.1%	9.1%
2013	10.4%	16.2%
2014	14.9%	11.1%
2015	8.9%	5.7%
2016	7.1%	7.1%

* 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.)

Terry E. Taylor, General Manager

Email: ttaylor@triobenefits.ca Telephone: [709.738.7338](tel:709.738.7338) Toll-Free: [1.888.330.7338](tel:1.888.330.7338)

Fax: [1.888.744.4350](tel:1.888.744.4350) Website: www.triobenefits.ca