

About Vestcor Inc.

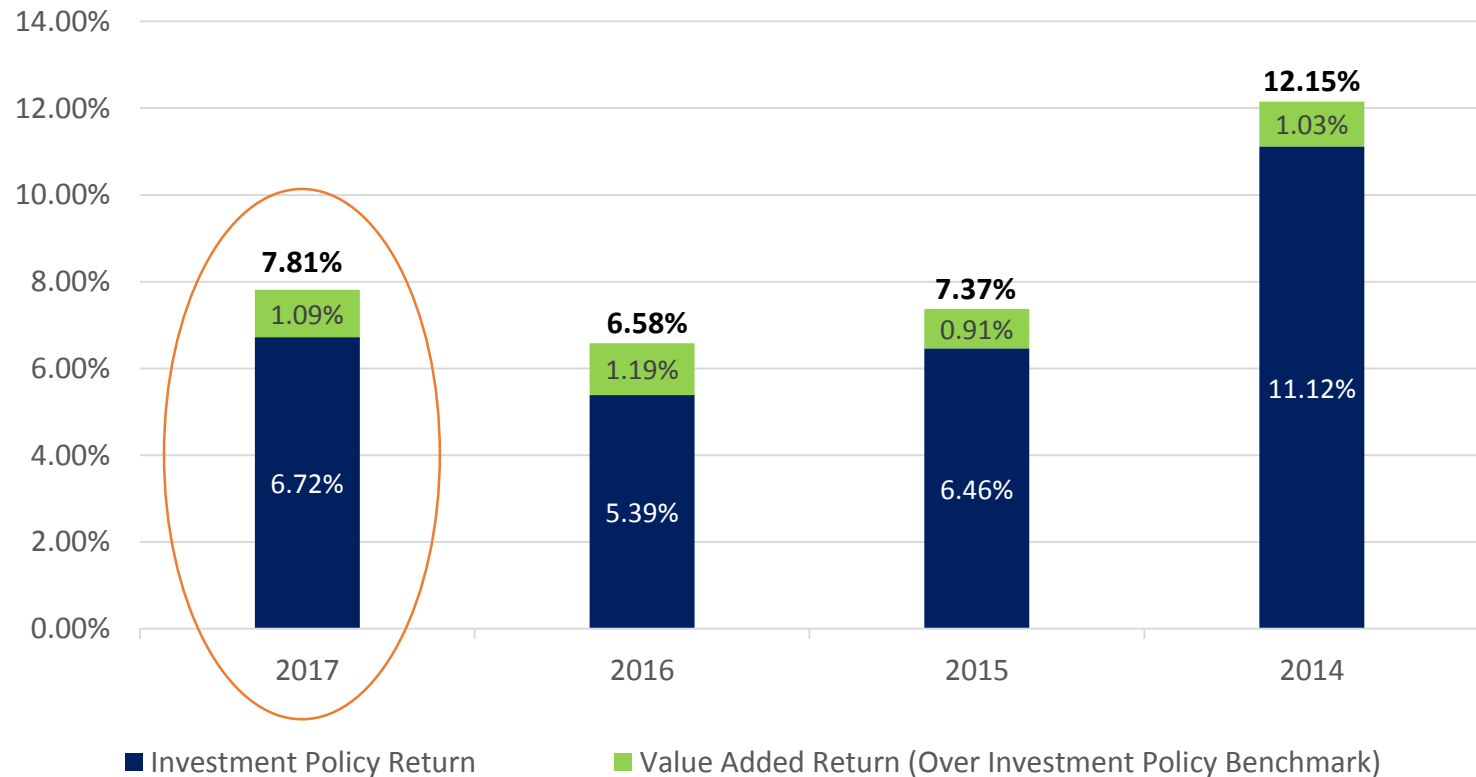
- Jointly-owned by NBPSPP and NBTPP through Vestcor Corp.
- Have an independent, experienced, knowledge-based Board of Directors
- Ensure audits are conducted annually by external national accounting firm, including financial statements, performance reports, external business audits
- Publish a detailed Annual Report containing significant details and disclosure

Investment Management Guidelines

- Investments must fulfill the Board's Investment Policy
- Investment portfolio must pass annual risk management goals
- Portfolio is:
 - Designed to avoid undue investment risk and excessive market volatility over **shorter time periods**
 - Expected to provide rates of return in excess of those achieved by passive management of the policy portfolio over the **medium term**
 - Targeted to provide value-added contribution (active management) based on a moving **four-year average target**

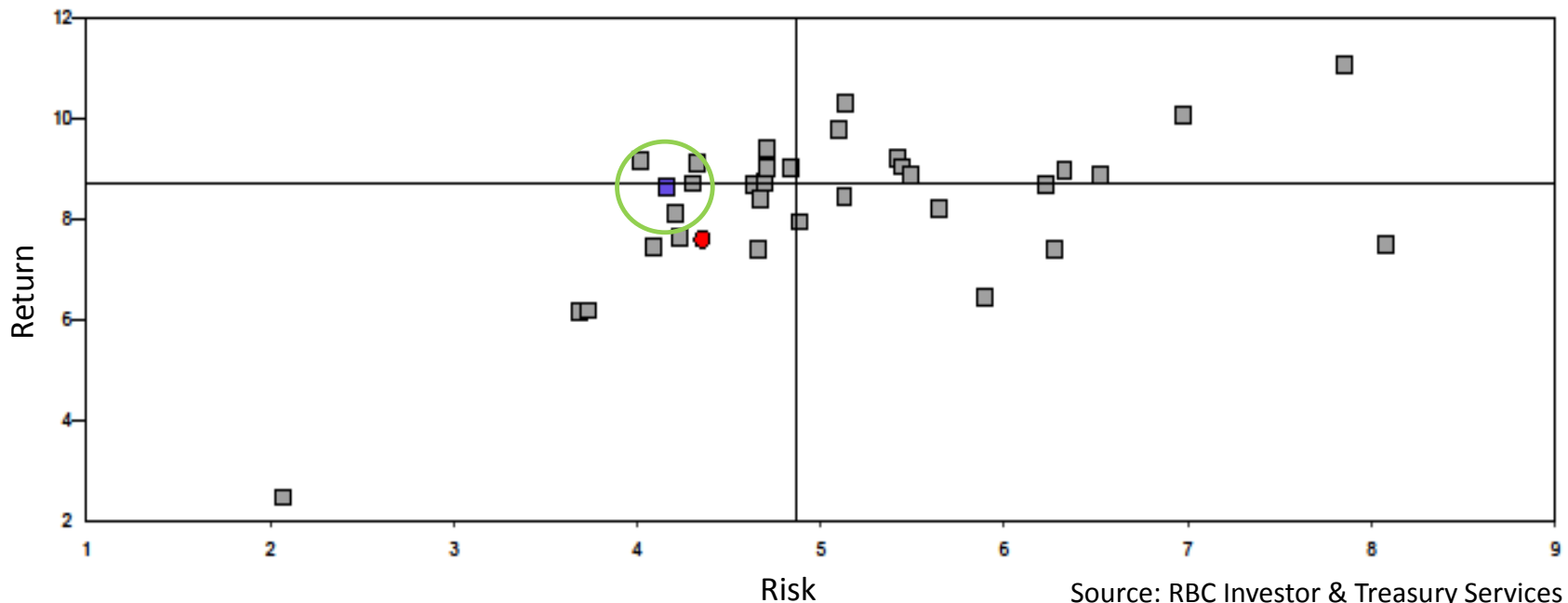
Investment Returns

Investment Returns (Gross)



Strong Long-term Return & Risk Performance

Return vs. Risk Analysis – 4 Years Ended December 31, 2017



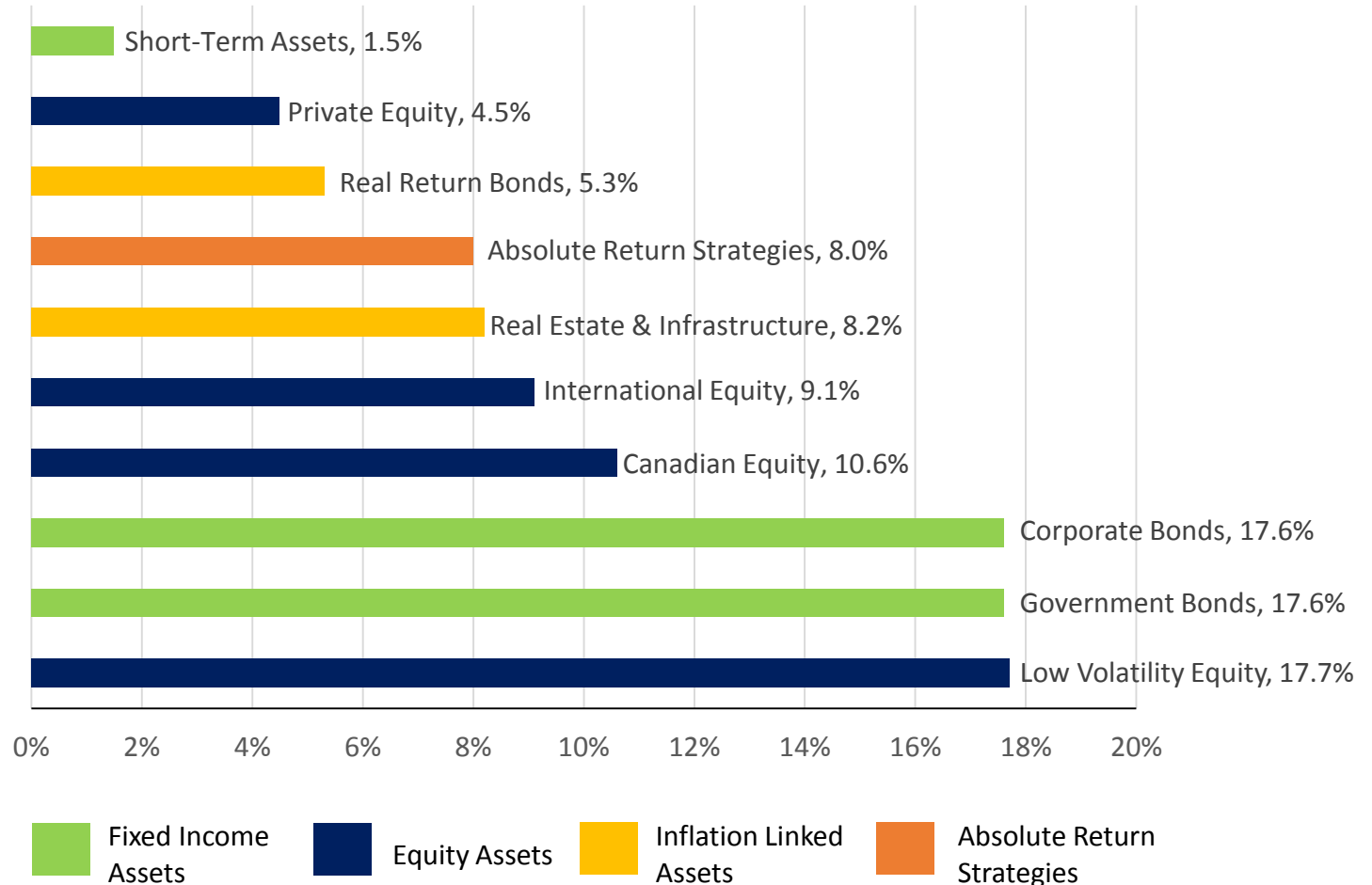
Source: RBC Investor & Treasury Services

	Variability Risk	Gross Return (p.a.)
RBCIS Median	4.86%	8.71%
Vestcor Funds	4.16%	8.66%
NBPSPP	4.01%	8.45%

1. Low annualized risk meets shared risk pension plan regulatory requirements
2. Strong performance versus other Pension Plans

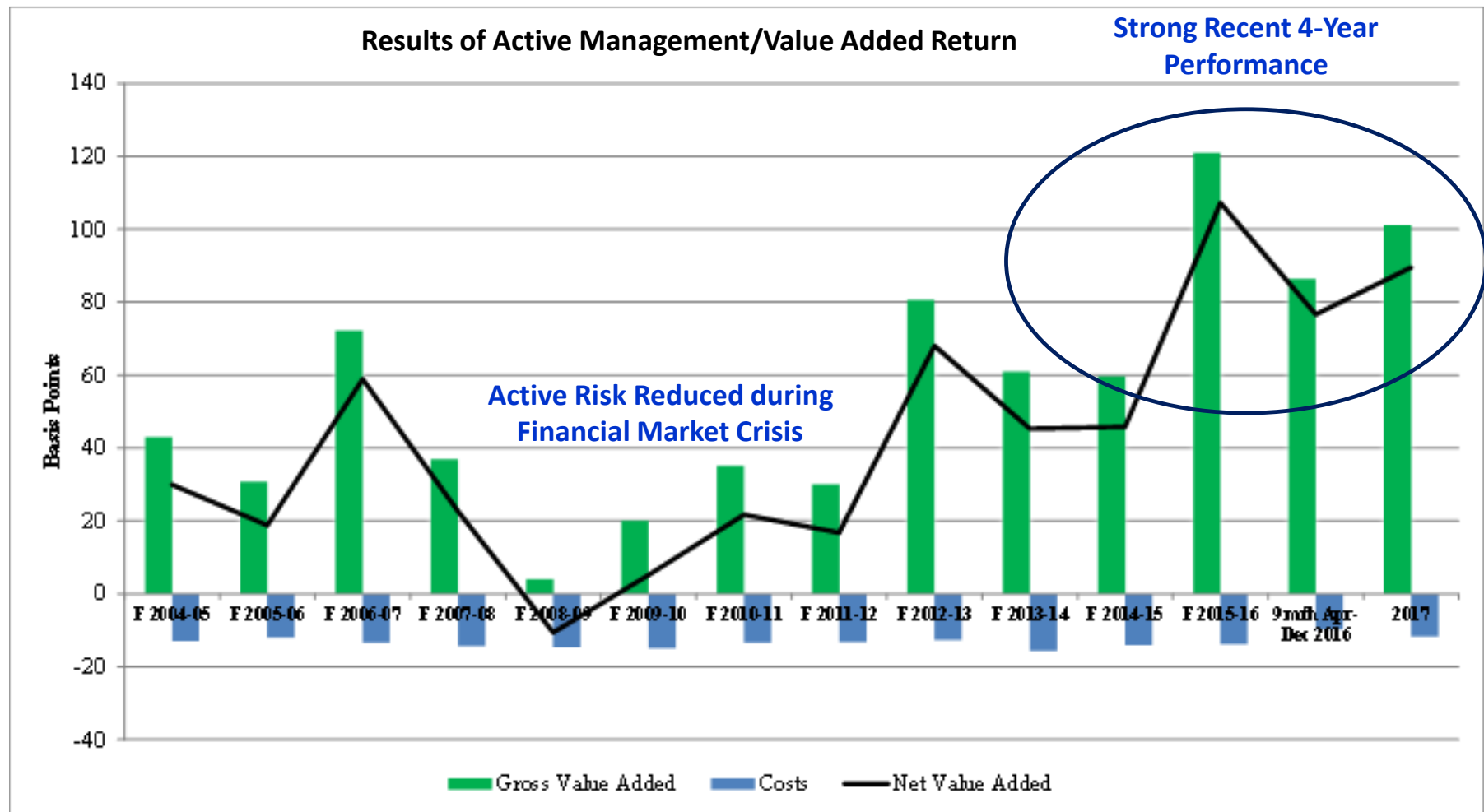
Asset Mix

As at December 31, 2017



Long-term Value vs. Benchmarks

- Active investment management has added significant value over client investment policy benchmarks, at a declining expense ratio



Returns – In Numbers

	2017	2016	2015	2014
Net Investment Income	\$ 559.20	\$ 450.10	\$ 481.20	\$ 718.10
Approx. Net Investment Policy Return	\$ 489.94	\$ 377.30	\$ 430.48	\$ 667.15
Approx. Net Vestcor Active Management Return	\$ 69.26	\$ 72.80	\$ 50.72	\$ 50.95

Millions of dollars

- Active Management Return is equivalent to average annual pension payments for 2,336* members

*Based on average annual pension paid in 2017.

Low Cost Investment Manager

- Very low management expense ratio has been declining over time, and is currently approximately 12 basis points (bp) or 0.12%.

Indicative Investment Related Fees Paid for Institutional Asset Management - Total Funds Canada*

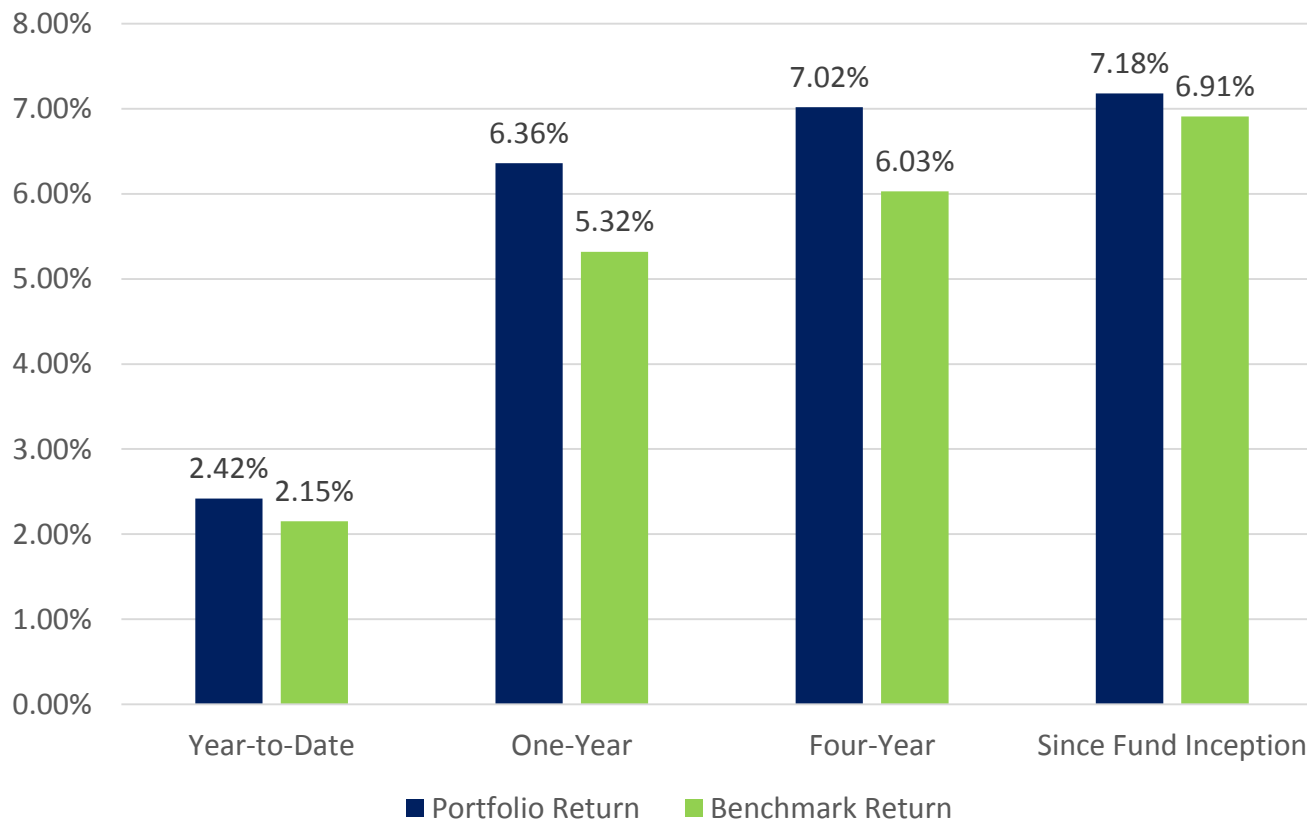
	All Funds	AUM < \$250 million	AUM > \$1 billion
Active Balanced Investment Management	63.6	38.0	20.0
Accounting	4.4	19.9	0.7
Legal Fees	1.6	2.0	1.8
Record Keeping	4.5	12.6	1.5
Administration	14.9	47.4	6.4
Trust & Custody	<u>5.7</u>	<u>8.5</u>	<u>6.3</u>

Implied Total External Manager Fees (bp)	94.7	128.4	36.7
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*Source: 2017 Canadian Institutional Investors Survey - Greenwich Associates February, 2018

Mid-Year Results – *as of June 30, 2018*

- Fair Value of assets as at June 30, 2018 \$ 7.744 billion
- Increase from FV at December 31, 2017 \$ 105 million



Administration Services

- Pension Administration – Perform day-to-day administration of pension and employee benefits plans
- Member Services – Provide customer support to:
 - Active, deferred, and retired members
 - Surviving spouses and beneficiaries
 - Employers
- Board Support Services – Offer governance support and best practice expertise to pension client boards

Administration Services

- Cost-effective compared to peers
- Regular measurement of client satisfaction (services provided to plan members)
- Introduced a new website, providing added value and ease of access to information for members and employers
- Launched new Pension Estimate calculator, increasing accuracy of estimates and improving the estimate process
- Undertaking important system modernization, leading to future cost savings, more timely service, increased security and reliability long-term



Thank you!

Visit Vestcor.org for more information.

VESTCOR