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STRATEGIC PLAN

VESTCOR MISSION

To provide innovative, cost effective, and prudent investment and benefit administration services that address the needs of public sector funds.

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INTRODUCTION

In July 2016 Vestcor Corp. was formed as an independent private not-for-profit company under the **Vestcor Act** of the New Brunswick Legislature. It provides, through one or more subsidiary corporations, pension and benefits administration, investment management and advisory services and related services to the Members and to any other person, pension fund, trust fund, endowment fund or similar funds.

Under the **Vestcor Act**, the N.B. Investment Management Corporation was continued as Vestcor Investment Management Corporation (VIMC) on October 1, 2016 and ownership of the company was transferred from the Province of New Brunswick to Vestcor Corp.

Also, on October 1, 2016, Vestcor Pension Services Corporation (VPSC) was created as the other operating subsidiary of Vestcor Corp. The net assets and operations of the Pension and Employees Benefits Division of the Province of New Brunswick's Department of Human Resources were transferred to VPSC under a General Conveyance Agreement with the Province. VIMC and VPSC were each governed by an independent Board of Directors composed of the same group of individuals. Subsequently VIMC and VPSC were both amalgamated into Vestcor Inc. on January 1, 2018.

The focus of Vestcor's previous strategic plan was the operational integration of VIMC and VPSC while continuing to provide successful service delivery to our public sector clients and providing for the continued growth of our business.

INTRODUCTION

CONTINUED

Now after having successfully achieved our integration objectives, Vestcor's Board of Directors and Management Team believe that our strategic intentions should focus on "Prudently growing our business model for the long-term benefit of our clients". Disciplined intentional targeted growth will continue to add value for our clients while sustaining and enhancing our 'trusted advisor' stakeholder relationships.

By pursuing a thoughtful public sector focused growth agenda in New Brunswick, and potentially Atlantic Canada, we will benefit our current clients and the long-term sustainability of our organization in a number of ways.

We will:

- Strengthen Vestcor's reputation as a trusted advisor.
- Reduce overall enterprise risk to ensure our long-term sustainability.
- Support the progression of client target benefit / shared risk pension models.
- Provide greater client access to both current industry technology and processing systems, and innovative global investment capabilities.
- Continue to support the long-term sustainability of our business through a broader targeted client base, thereby creating further economies of scale and lower management / operating expense ratios.
- Enhance our ability to continue to attract and retain professional investment management and administration services talent.
- Leverage our new pension and benefit administration system to strengthen our operational processes and enhance client key-performance-indicators.
- Increase our attractiveness as a co-investment partner with others through larger pools of available investment capital.

VESTCOR MISSION

To provide innovative, cost effective, and prudent investment and benefit administration services that address the needs of public sector funds.

VESTCOR VALUES

PRUDENCE

We develop and implement appropriate service strategies that are focused on client objectives and risk management guidelines.

ACCOUNTABILITY

We act in the best interests of our clients and use the highest standards of, financial reporting, compliance, auditing and key performance target measurement.

TEAMWORK

We develop and sustain a learning culture of engaged employees who share expertise through clear roles and coordinated activity that is fully aligned with achieving our clients' goals.

TRANSPARENCY

We produce clear and timely communications to all stakeholders on operations, strategies and results.

INTEGRITY

We ensure honesty in all corporate undertakings guided by a strong Code of Ethics and Business Conduct.

INNOVATION

We continue to provide a broad range of innovative well researched investment management and service delivery strategies.

VESTCOR VISION

Vestcor is a nationally recognized center of excellence in providing public sector investment and administrative services and advice. Our key differentiator is our trusted advisor status gained through the provision of exceptional value and a risk management focus for our clients.

VESTCOR IS RECOGNIZED FOR APPLYING “INDUSTRY BEST PRACTICES” BY OUR CLIENTS AND PEERS.

The company is:

- Recognized by stakeholders as having strong independent governance practices and a long-term strategic vision, as well as a not-for-profit model that is recognized to be aligned with their best interests.
- Driven by a long serving team of highly skilled professionals working within a culture of innovation and risk management.
- Valued by plan members and employer groups by providing industry leading pension and employee benefit administration services.
- Well known for being able to support client Trustees in meeting their target benefit pension plan investment policy, risk management, and administration challenges.
- Acknowledged as being able to develop investment strategies that exceed each clients’ long-term risk and return objectives.
- Valued as a provider of consistent value-added returns, net of expenses, for clients through a diverse range of investment strategies.
- Viewed as an employer of choice by recent graduates and experienced professionals.
- Seen as maintaining strong relationships and ongoing communication with key stakeholders.

STRATEGIC PRIORITIES 2019 - 2024

Over the next five-year strategic planning period, we will continue to enhance our service offerings to meet our client's industry challenges and reinforce our 'trusted advisor' relationship with stakeholders.

Our aspiration is also to prudently grow by attracting additional public sector clients in New Brunswick and Atlantic Canada who will provide additional economies of scale and are well aligned with Vestcor's investment model and administrative capabilities.

The following updated strategic priorities and desired outcomes have been integrated into our Key Mission Goals. They are utilized by the Vestcor Board of Directors and Management Team to develop Annual Business Plans and Key Performance Indicators which are disclosed in our Annual Reports.

STRATEGIC
PRIORITIES

DESIRED
OUTCOMES

OPERATIONAL
EXCELLENCE

- Well respected and maintained independent governance process
- Continue to exceed client goals and objectives
- Flawless execution of operational processes, and information / data safekeeping
- Utilization of effective investment, administration, and technology operations infrastructure
- Ability to attract high quality talent while sustaining limited employee turnover
- Seamless succession of our senior management team members

PURSUE
INTENTIONAL
ALIGNED GROWTH

- Identification of both an optimal mix of assets under management and number of administered members
- Completed a business arrangement / relationship with a client from outside of New Brunswick
- Added at least one new administration services client
- Continued to add new products and / or services that meet industry challenges
- Internal Vestcor business processes are well organized for growth
- Improved staff recruitment and retention environment

ENHANCE OUR
POSITION AS AN
EXCEPTIONAL TRUSTED
ADVISOR/PARTNER

- Provide a well-defined client experience with flawless execution
- Client satisfaction meets or exceeds all targets
- Clients are active advocates for our business model and willing references for new clients
- Vestcor's brand is trusted and well known and understood for delivery of both investment and administration services

ADVANCE AS A PUBLIC
SECTOR PENSION
POLICY RESOURCE AND
SOLUTION PROVIDER IN
ATLANTIC CANADA

- Public pension plan efficiency and effectiveness initiatives understood by stakeholders and being pursued by a number of parties
- A province wide supplemental pension plan has been developed by Vestcor and seriously considered by relevant stakeholder groups

KEY GOAL 1:

Advance Vestcor's governance, management and organizational effectiveness to support growth and sustainability.

OBJECTIVE 1

Update our Enterprise Risk Management Framework and processes to include growth and sustainability related risks.

OBJECTIVE 2

Determine (and maintain) an appropriate level of engagement with Vestcor shareholders.

OBJECTIVE 3

Review Vestcor's operations and expense structure with a view to enabling investments that further support our growth and sustainability initiatives.

OBJECTIVE 4

Update Vestcor's comprehensive Human Resources Strategic Plan, with a renewed focus on the organization's succession plan, enhanced employee bench strength, and our recruiting and retention capabilities.

OBJECTIVE 5

In consultation with our clients, review and enhance further our structure of effective operational processes and controls with respect to Vestcor Key Performance Indicators.

OBJECTIVE 6

Continued development and corporate integration of independent Vestcor Internal Audit and Risk Management teams.

KEY GOAL 2 :

Advance our clients' pension and benefit administration, and long-term investment management service needs through prudent risk focused practices and well executed service advancements.

OBJECTIVE 1

Review and align internal administration processes with the implementation of our new administration system. Revisit and modify client service delivery metrics.

OBJECTIVE 2

Provide prudent investment policy advice and well executed risk focused investment returns that exceed client long-term risk, return and other fiduciary objectives.

OBJECTIVE 3

Identify 1-2 additional service offerings that meet pressing client needs and develop a business case for adding them to our menu of services.

OBJECTIVE 4

Continue to assist in the development and execution of client communication strategy & requirements. Regularly survey clients to track feedback.

OBJECTIVE 5

Develop a business case for potential internalization of additional client services.

KEY GOAL 3 :

Define the optimal 'client experience' and create systems to enable the consistent replication of this experience through growth cycles.

OBJECTIVE 1

Define the optimal 'client experience' for Vestcor's various service offerings.

OBJECTIVE 2

Develop an action plan (documentation, training and performance management/ measurement systems) to support the consistent delivery of the optimal client experience for each Vestcor service offering.

KEY GOAL 4:

Strengthen stakeholder relationships with shareholders, client trustees, plan members, employer groups and policy setters.

OBJECTIVE 1

Develop concise **stakeholder** value proposition material and a related communication strategy.

OBJECTIVE 2

Advance **client** and **member** needs assessments, relationship monitoring, and additional service provision capabilities.

OBJECTIVE 3

Develop an **employer** administration outreach and training plan, including related feedback/measurement systems.

OBJECTIVE 4

Continue to upgrade / enhance the functionality and our stakeholder integration of the Vestcor.org website.

OBJECTIVE 5

Continue to work with the actuarial industry, pension regulator, and other related stakeholders on improving the PNB Target Benefit / Shared Risk plan model.

KEY GOAL 5 :

Continue to invest in technology improvements aimed at enhancing our clients' experience, providing more automated processing and reporting capabilities, expanding our data management strategy (investment & admin), all while also protecting privacy and minimizing cybersecurity risks.

OBJECTIVE 1

Coordinate Vestcor IT capabilities through a new centralized Director position.

OBJECTIVE 2

Active corporate participation in national pension industry IT peer working groups and related associations.

OBJECTIVE 3

Implementation and integration of enhanced corporate privacy controls and reporting framework.

OBJECTIVE 4

Development and deployment of an updated Investment Team data management strategy.

OBJECTIVE 5

Optimize processing and reporting efficiency capabilities with new administration system.