PENSION ADMINISTRATION
BULLETIN

Reference No. 2008-03 **Date: August 14, 2008**

TO: All Pension Administration Contact Persons at Contributing Member Organizations

RE: NSAHO Pension Board of Trustees Revises Investment Strategy

The Board of Trustees has completed a comprehensive review of our investment strategies over the past year. We expect that this may get some attention from the business press over the next few days. To address questions that members may have about this, we have prepared the attached Notice that you can use with your employee members. We recommend that you copy and circulate this notice to the appropriate employees via your internal E- mail and/or post it on bulletin boards throughout your facility.

Please call us if you have any questions about this Bulletin.

NSAHO Pension Plan
August 14, 2008

Attachment – Notice for employees who are Plan Members

Notice to All Active Members
Regarding Revisions in Investment Strategy

Over the past year our Board of Trustees has thoroughly reviewed the NSAHO Pension Plan's investment strategy. The Trustees have been assisted by one of North America's leading institutional investment consulting firms, Mercer.

With the review now complete, the Trustees have decided on changes to the Plan's investment strategy. While key elements of the current strategy are being retained, increased fixed income exposure will improve the matching between Plan assets and liabilities. In addition, diversification will be increased between alternative investment categories. The adjusted strategy provides a modest reduction in expected risk and a modest increase in expected returns.

The Trustees' have a responsibility to represent the best interests of all Plan members, providing pension benefits that are as competitive as possible. We believe this adjustment to the investment strategy reflects those responsibilities.

The changes build upon strategies that have performed well for the Plan. Returns after fees have averaged approximately 10.6% per year for the five year period to the end of July.

Approximately 22 investment firms are being hired to manage the Plan's assets. They will replace Keel Capital, of Bedford, which has managed the assets since October 2004, subcontracting to more than 80 third-party investment managers. This decision reflects a shift in the Trustees' investment philosophy, increasing their control over the specific strategies and individual investment managers that are used.

If you have any questions or comments about these changes, please contact us at:

- **Write**: NSAHO Pension Plan, 2 Dartmouth Road, Bedford, NS, B4A 2K7
- **Telephone**: (902) 832-8500 for local calls; 1-866-400-4400 for long distance toll free
- **Fax**: (902) 832-8506
- **E-mail**: pensionplan@nsaho.ns.ca

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