

April 20, 2020



Important Plan Updates

At this difficult time, Trustees of the *I.L.A./H.E.A. Pension and Health, Welfare & Wellness Plans* wish to thank members for the work that they are doing to maintain critical supply lines for Canadians. Your wellbeing (physical, mental and financial) is our top priority and we are committed to ensuring that the pension and benefit plans are sustainable and adapt to the changing environment.

We encourage you to review this package in its entirety.

General

To help you and your family stay healthy, available resources are noted as follows:

We contract with Sun Life for pension and Canada Life (formerly Great-West Life) for benefits. Both have online resources to support you – see additional information below.

Your Employee Assistance Program through the HEA: The service is provided free of charge to all employees, their dependents and anyone living in their household. The program offers confidential counselling, information and resources. The Toll Free Number to Call for Confidential Assistance is: **1-855-232-2734**

Government resources: the Government of Canada and Province of Nova Scotia offer numerous services and supports. Of note, the Government of Canada's novel coronavirus information line is 1-833-784-4397. The Province of Nova Scotia offers a Provincial Telehealth service at 811.

Administration

Plan Administrator (temporary changes): Mercer, our Plan Administrator, is available to answer any questions you may have about your pension and benefit plans. The quickest way to access Mercer is by email (alisa.stevens@mercer.com). Messages left on the ILA Hotline at (902) 425-4526 will be monitored daily.

CEO Transition: on July 1, 2020, Mr. David Cranston will become our new CEO. Mr. Blair Richards will remain with our Board for the foreseeable future in support of operations as a special advisor. All matters pertaining to the Plans should be directed to our Administrator Mercer, or to the Trustees, or on or after June 30, 2020 to Mr. Cranston.

Mr. Cranston resigned his Trusteeship, which included the position of Co-Chair of the Board. Mr. Nick Reid was elected by ILA Local 269 to the Trusteeship. Mr. Craig Messervey was elected to the position of Co-Chair. The resignation and subsequent elections were recognised at the meeting of the Board of Trustees on April 9, 2020.

Benefits

- Canada Life (formerly Great-West Life): members are encouraged to access online resources:
<https://www.canadalife.com/about-us/how-canada-life-is-supporting-you-during-covid-19.html>
- Disability Plan Change: see attached summary of a change affecting members who become disabled on or after May 1, 2020

Pension

We acknowledge that this is an emotional time for many people. On top of the stress you may be feeling about your health and the physical distance restrictions under the state of emergency, you may be wondering and worrying about your retirement savings. So you're not alone if you have been thinking about the status of your own retirement savings or asked yourself questions like:

- How sharp will this downturn be?
- How long will this downturn last?
- Will this market correction be more severe than what we've experienced in the past?

Regardless of what's happening in the markets - before making any investment decisions - the first step is to think about when you'll actually need to use your savings. This is why the Trustees created the target date portfolios. Under these portfolios, if you are near retirement, the applicable target date portfolio would be exposed to less risk than if you are further away from retirement. Even if you are close to retirement, it is likely you would be spending your retirement savings over several years.

Looking at the returns in 2020 to March 31st, the portfolios have behaved as we would have expected in such an extreme situation. Finally, we note that the target date portfolios are all very well diversified, so even if some companies held within the portfolios do not survive this situation, odds are good that the portfolios as a whole will recover over time.

While we cannot advise you what you should do with your investments, you may consider that in all previous market crisis, there have been market recoveries. The problem about recoveries is trying to predict when they will happen and how long they will take. The market will typically start recovering before the economy actually does because the "market" represents the collective view of how the world will develop. Once the signals start being positive, the market can react very quickly. This is why it is so hard to time the market (you basically need to know more than everyone else – and be right!).

The chart below shows previous significant market declines (20% or more) for the U.S. stock market.

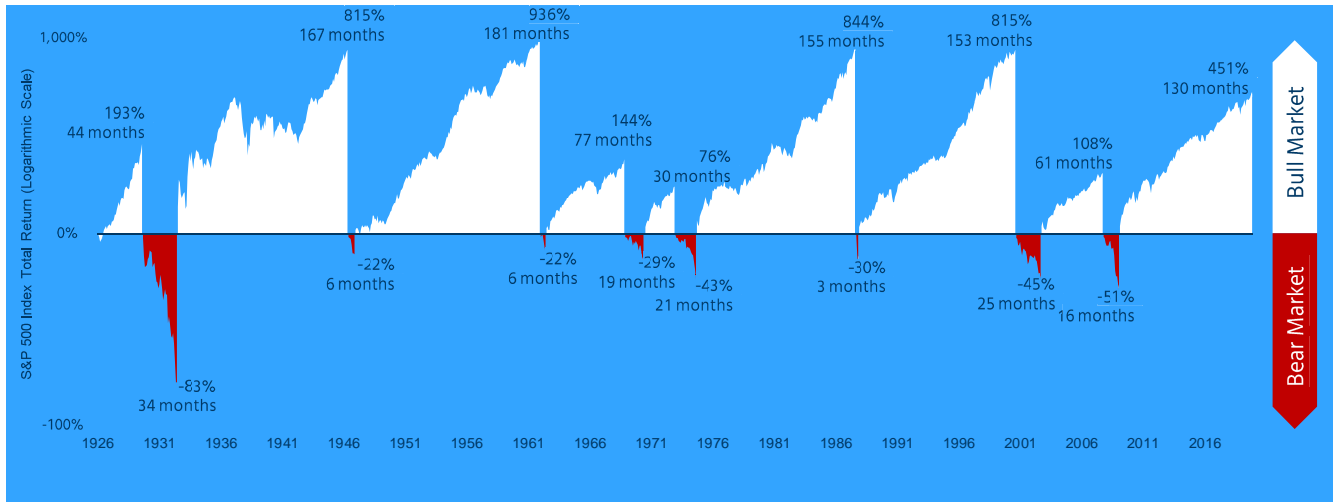


Chart end date is 12/31/2019, the last trough to peak return of 451% represents the return through December 2019. Bear markets are defined as downturns of 20% or greater from new index highs. Bull markets are subsequent rises following the bear market trough through the next new market high. The chart shows bear markets and bull markets, the number of months they lasted and the associated cumulative performance for each market period. Results for different time periods could differ from the results shown. **Past performance is no guarantee of future results. Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio.** Source: S&P data © 2020 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

So what should you do? As we said, we can't tell you what you should do, but historically speaking, those that originally selected an appropriate strategy and stuck with their strategy through market downturns and subsequent recoveries have generally done better than those that sell out of their strategy on the way down and try to buy back into the market when it recovers.

If you are looking for more information about your investments, you are encouraged to contact Sun Life Financial at **1-866-733-8612** (Monday through Friday 9 a.m. to 9 p.m. ADT). You can also access your account and additional resources and tools at www.mysunlife.ca.

Regards,

Blair Richards

Chief Executive Officer, I.L.A./H.E.A. Pension and Health, Welfare & Wellness Plans



CHANGE TO THE BENEFITS PLAN

Effective May 1, 2020, the Halifax Port I.L.A./H.E.A. Health, Welfare & Wellness Trust Fund Benefits Plan is implementing the following change for members with Long-Term Disability coverage.

Long-Term Disability (LTD) Benefits

The following change impacts coverage for disabilities that occur *on or after May 1, 2020*:

CHANGE TO BENEFIT

Effective May 1, 2020: a Plan member cannot draw LTD and the ILA Pension Plan at the same time. LTD terminates if a Retirement* option is exercised.

*Retirement is defined as:

- (a) the event of drawing early retirement, normal retirement (age 65) or postponed retirement benefits from the Pension Plan but not disability retirement benefits.
- (b) the event of transferring the value of the Employee's retirement benefits out of the Pension Plan as an early retirement, normal retirement (age 65) or postponed retirement benefit option, or
- (c) attainment of age 65 for Members drawing a long-term disability benefit from the Plan or a disability retirement benefit from the Pension Plan.

This summary does not provide all the information on which benefit payments will be determined. This summary is based on the legal documents, which contain all the terms and conditions of the plan and which will govern in case of any discrepancy with this summary. This plan is subject to change.