

Nova Scotia Teachers' Pension Plan Trustee Inc.

Purdy's Landing, Suite 400, 1949 Upper Water Street, Halifax, NS B3J 3N3
PO Box 371, Halifax, NS B3J 2P8
Phone: 1-800-774-5070 Fax: 902-424-4539

To: Plan members and recipients
From: Nova Scotia Teachers' Pension Trustee Inc.

The Nova Scotia Teachers' Pension Plan delivered improved investment returns for 2009.

Although the year saw some significant swings in commodity prices, currency exchange rates and share prices, the Trustee chose higher quality investments with stronger fundamentals in an effort to minimize risk and encourage growth.

For the 12 months ended December 31, 2009, the plan achieved an investment return of 15.29 percent, bringing the funded status up to 76 percent. This is an increase of slightly more than five percent over the last year (ended December 31, 2008).

Since the funded level remains below 90 percent, and because the increase in the Consumer Price Index (CPI) is not likely to exceed one percent for the year ended April 30, 2010, we don't expect indexing to be available to pensioners this year. Your pension benefits earned to date are safe and pension payments will remain the same. We will confirm our decision on indexing in June.

It will definitely take some time to recover from the effects of recent market conditions and restore the funded status of the plan, but it is moving in a positive direction.

The Trustee continues to monitor the financial markets and the NS Teachers' Pension Plan's performance. The plan is carefully and strategically invested in a diverse allocation of equities, bonds and real estate in order to minimize risk and take advantage of any opportunities a market rebound may provide.

Detailed pension information will be made available on the Nova Scotia Pension Agency's website at <http://www.novascotiapension.ca/teachersplan/publications/annualreport> in May, when the 2009 Annual Report, including the Audited 2009 Financial Statements, will be posted.

You may also call the Nova Scotia Pension Agency at 1-800-774-5070 or 902-424-5070 (in the Halifax area) with questions related to your specific retirement circumstances.