



# YEAR ONE

REFLECTIONS ON MEDICUS' FIRST YEAR

## The Administrative Board is pleased to present *Reflections on Medicus' First Year* – the first Medicus Pension Plan annual report.

Since the launch of the plan to the broader physician population at the end of May 2023, Medicus has achieved several milestones, and this is just the beginning.

We enrolled a wide breadth of physicians across each of the six eligible provinces, including specialists, family physicians, multi-physician families, and new-to-practice and late-career physicians, who have now earned pension benefits that will be payable to them for life in retirement.

Medicus also welcomed physicians in Newfoundland and Labrador on January 1, 2024, our sixth eligible province, and continues to make significant progress toward our goal of being a truly national plan.

Medicus accomplished many firsts in 2023, and the Administrative Board is excited about the foundation this creates for future growth as we continue to bring financial peace of mind to physicians in Canada.



A handwritten signature in black ink, appearing to read "Daniel Labonté".

Daniel Labonté  
Chair,  
Administrative Board



A handwritten signature in black ink, appearing to read "Dr. Christian Finley".

Dr. Christian Finley  
Vice-Chair,  
Administrative Board

The physician's choice for financial peace of mind.

## On behalf of the Medicus Leadership Team, a message from our Managing Director

I am proud to lead Medicus, a unique and innovative plan that no one thought was possible – and to influence change for physicians in Canada, one challenge at a time.

A true pension plan, Medicus has many valuable differentiators for our members, starting with secure retirement income that's paid for life, and continues for their spouse's lifetime. With the benefit of scale, members have access to pooled investment and longevity risks, and diverse investment opportunities, including specialized options that aren't typically available to individual investors.

Medicus has realized tremendous achievements as we mark its first anniversary, and I am excited to share them in this annual report with members, prospective members, and the broader community.

We remain steadfast in our commitment to bring the Medicus Pension Plan to all eligible physicians across the country, providing peace of mind to members and their families because it's the right thing to do.



A handwritten signature in black ink that reads "S. Reitzes".

Simone Reitzes  
Managing Director

**Together, we have accomplished a great deal,  
but there is more to come.**

### Looking to enrol?

Set up a one-on-one discovery meeting to chat with one of our specialists and have all of your questions answered.

[Enrol now](#)

# The Medicus story

## Medicus is the first and only pension plan of its kind designed exclusively for physicians.

The Medicus Pension Plan (Medicus or the plan) was established by MD Financial Management Inc. and Scotiabank to address an important gap for physicians across Canada – the ability to build a secure retirement income that’s paid for life.

### 2018

MD Financial Management Inc., with its 50 years of dedicated experience working with physicians, joins the Scotiabank family and, together, they begin to **lay the groundwork** to bring Medicus to physicians in Canada

### 2021

Scotiabank appoints the first members of the **Leadership Team** to create the pension plan design and governance framework

### 2022

**Medicus is established** with a small group of physicians from British Columbia, Nova Scotia, and Ontario and registered with the Financial Services Regulatory Authority and the Canada Revenue Agency

### 2023

The plan **officially opens** on May 30 to physicians in Alberta, British Columbia, Nova Scotia, Ontario, Prince Edward Island, and the Northwest Territories, Nunavut and the Yukon

### 2024

Medicus welcomes physicians from Newfoundland and Labrador  
Medicus has its first retiree, who will receive **a pension every month for the rest of their life**

Medicus celebrates its first anniversary

### Our story continues...

Find out how **pension buybacks** will help our members build even larger lifetime pensions



“Throughout my career, I’ve focused on helping Canadian physicians achieve financial peace of mind so they can focus on the well-being of their patients – and Medicus is perfectly suited for this.

For many years, we’ve discussed the merits of bringing physicians together in a common pension, and I’m thrilled to contribute to this unique and innovative plan that provides reliable, predictable retirement income for our members.”

– **Daniel Labonté**  
Chair, Medicus Administrative Board

# Why pension matters

**Physicians know that good health is critical to things like longevity, quality of life, and peace of mind, and that financial well-being plays an important role, too.**

Physicians choose to save for retirement using a variety of strategies. It can be beneficial to complement these strategies with a predictable stream of income in retirement – and a pension can do just that.

Medicus offers a secure, predictable stream of retirement income where these details are known:



## How much pension a member receives

Medicus makes it easy by providing an online tool to estimate a member's pension at various points.



## How long a pension will last

A member's pension will last for their lifetime. Plus, there are guaranteed payment periods and survivor benefits for spouses or beneficiaries.

Contributions are pooled in a single trust fund and invested to ensure there's sufficient money to pay out pensions. **It's something our members can count on.**



**Medicus can complement a range of retirement planning strategies to contribute to a financially secure future. The peace of mind that a pension provides can lead to a higher quality of life for physicians both in practice and in retirement.**

Some of the physicians who joined Medicus last year could receive an annual pension of more than **\$100,000 per year** in retirement!

# Physicians ask us...

## **I have been saving in an RRSP for many years. How can Medicus complement my retirement savings strategy?**

Medicus can help diversify how you'll receive income when you retire.

### **Already working with a financial advisor?**

Together, you can focus on broader financial planning strategies that optimize your potential returns tailored to your risk profile **and** take advantage of the predictable monthly pension that's paid every month for as long as you live from Medicus. For example, after incorporating the security of Medicus into your financial plan, your advisor may recommend an even more return-focused strategy for your other investments, like corporate assets.

**Like to manage your own investments?** You can continue to do so for your existing savings (such as RRSPs, corporate assets, and other personal savings) **and** let Medicus be the safety net that provides the secure, predictable portion of your retirement income.

Having a diversified retirement plan including a monthly pension from Medicus gives you both flexibility **and** peace of mind for retirement – it's a win-win.

### **Is Medicus tax-effective?**

**Yes.** Incorporating Medicus into your retirement planning strategy is a great diversification option, especially when thinking about the implications of capital gains in professional corporations.

A physician's professional corporation, as the participating employer, is generally permitted to deduct its contributions to the Medicus Pension Plan for income tax purposes. And, all contributions go into a single trust fund that is professionally managed and assets grow tax-free inside the Medicus trust fund.



## What's the return on investment (ROI) if I join the plan?

The return on investment, or ROI, is sometimes used by investors to measure the return on a particular investment and can be helpful in comparing different investment options.

Your personal ROI in Medicus depends on a number of factors, like when you join the plan and how long you participate.

Take Dr. Isaac. He's a single physician who joins Medicus at age 55 and participates for 10 years. His participating employer makes the maximum contribution allowed each year and, by age 65, contributes a total of \$362,000 to the plan.



When he retires, Dr. Isaac will receive an annual pension of \$40,000. As you can see, over his expected lifetime, he could receive more than \$1 million in pension payments.

Generally, physicians who join in their 30s, 40s, or 50s and live an average life expectancy will have an ROI of between 5% and 8% per year depending on the level of inflationary pension increases provided by the plan. The higher the inflationary pension increases provided by the plan, the higher the ROI.

You can find more details and examples on our website under **Plan details**, including a free **Pension benefit estimator** that lets you enter your own information to see the potential impact that Medicus can have on your retirement income.

This example, including the graphs, is for illustrative purposes and may not reflect individual situations. Values have been rounded for simplicity.

### Did you know?

If you participate in the Medicus Pension Plan for just 10 years, you could earn an annual pension that pays you over **\$40,000 per year, every year**, for the rest of your life.

### Is my pension protected against inflation?

**Yes.** Medicus has been designed with the ability to provide cost of living increases, which can help protect your purchasing power during retirement.

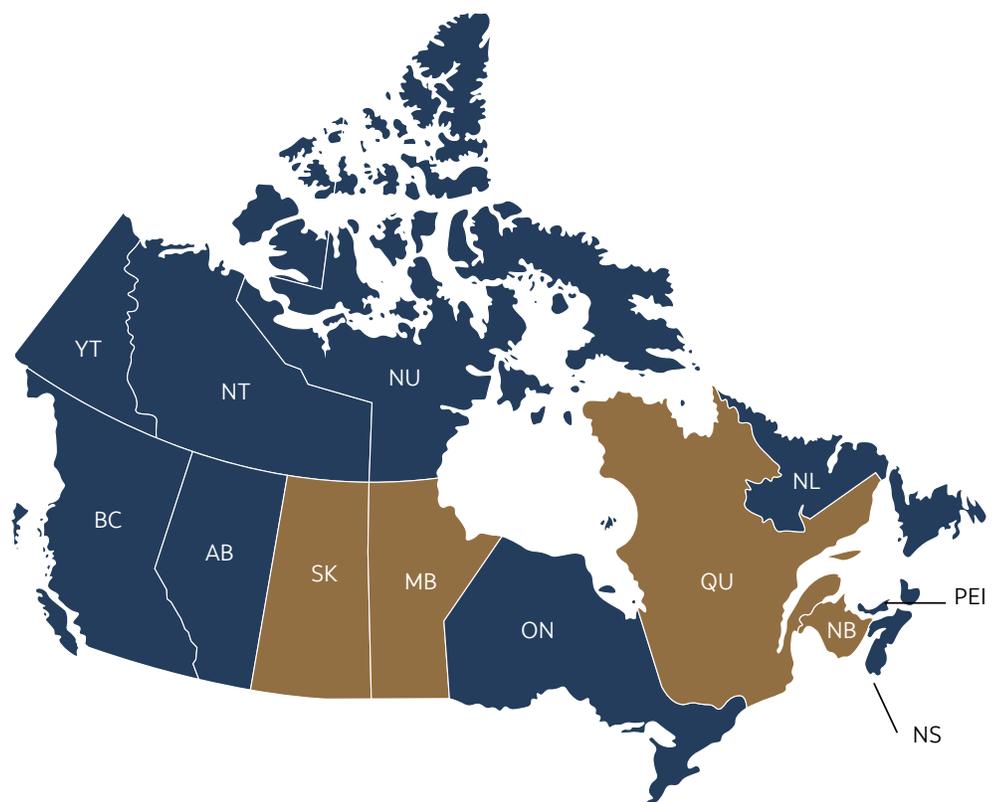
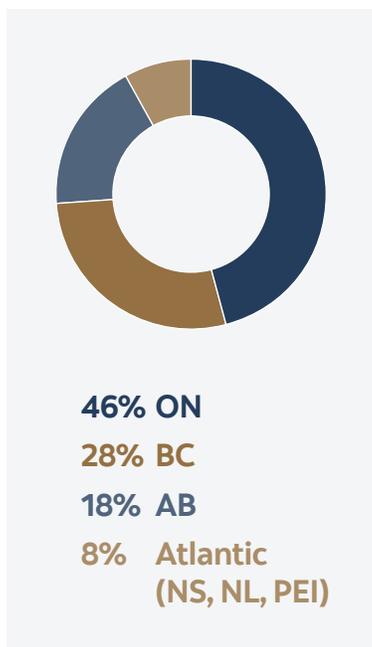
Cost of living increases may be granted, depending on the financial health of the plan. If the plan does not allow a cost of living increase in a particular year, that year's cost of living increase will be carried forward and an increase may be granted under the plan at a future time when the plan's funded status allows for it.

# Our members

**Medicus is paving the way for physicians in Canada to build something they can count on – secure retirement income that’s paid for life.**

## Expansion across Canada

We’re delighted to be operating in six provinces and all three territories.



**Legend:**

- Plan is open
- Not yet available

### New!

Pension legislation in Newfoundland and Labrador was recently amended to allow eligible physicians to join Medicus.

### Our conversations continue...

We continue to work diligently with various stakeholders in the remaining provinces to remove legislative barriers so eligible physicians can join Medicus from coast to coast.



## Membership diversity



**We currently serve physicians ranging in age from 30 to 65+**

### Our members practise in many different areas, including:

- ✓ Anatomical Pathology
- ✓ Anesthesiology
- ✓ Cardiology
- ✓ Emergency Medicine
- ✓ Family Medicine
- ✓ Gastroenterology
- ✓ General Surgery
- ✓ Hematology
- ✓ Infectious Diseases
- ✓ Nuclear Medicine
- ✓ Obstetrics and Gynaecology
- ✓ Oncology
- ✓ Orthopedic Surgery
- ✓ Otolaryngology
- ✓ Pediatrics
- ✓ Physical Medicine and Rehabilitation
- ✓ Plastic Surgery
- ✓ Psychiatry
- ✓ Urology
- ✓ And more...

### Our members are maximizing value



Plus, some of the members who joined us last year could receive an annual pension of more than \$100,000 per year!

### Who can join?

The plan is designed exclusively for physicians who are:

- ✓ Incorporated
- OR**
- ✓ Employed by another incorporated physician or other eligible employer, such as a clinic



“Coming from a family of physicians, it brings me great joy to celebrate Medicus’ first anniversary and to be part of a plan that’s providing peace of mind to physicians. Our jobs are stressful enough and Medicus can help lessen the financial burden. I’ve connected with so many physicians who are overjoyed that this type of predictable, secure retirement income has finally arrived for us.”

– **Dr. Christian Finley**  
Vice-Chair, Medicus  
Administrative Board

### Looking to enrol?

Set up a one-on-one discovery meeting to chat with one of our specialists and have all of your questions answered.

**Enrol now**



## Pension buybacks now available to members

We've introduced pension buybacks so that members can increase their lifetime pension from Medicus.

Since Medicus is a new addition to physician retirement planning, many of our members have built up savings elsewhere – for example, in an RRSP. A pension buyback allows members to transfer some of these retirement savings to “buy” additional pension in Medicus, which translates into a larger lifetime pension at retirement.

**It's another way we're helping our members build a secure stream of income for retirement.**

## What is a pension buyback?

If you're like most physicians who join Medicus, you have been working with your employer (e.g., your professional corporation) for at least a few years **before** joining the plan.

When you “buy back,” you are purchasing additional pension benefits to reflect those years of pre-Medicus service. The result is a larger Medicus pension that more accurately reflects the years you've practiced as a physician.

# The plan's financial performance

## Assets

The plan's assets – a combination of contributions and investment earnings – are held in trust by our external partner, State Street Trust Company Canada, which is part of one of the largest custodian banks globally.

Medicus' plan actuary performs regular valuations to compare the plan's assets against its liabilities, an important measure of the plan's overall health.

On January 1, 2024, the plan was:

**158% funded**

on a going-concern basis

**115% funded**

on a solvency basis

These are both very strong measures.

### Why measure funding twice?

It's common practice to perform both types of valuations, going-concern and solvency, since each looks at the plan's financial health under different scenarios. Measuring both funded positions is a good governance practice that enables us to prudently manage the plan for the long term.



## Investment strategy

Investment performance is an important contributor to the overall health of the plan and a fundamental focus for the Administrative Board.

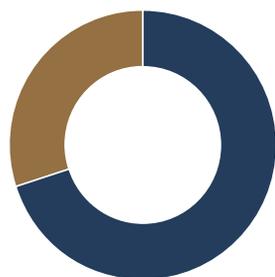
The Administrative Board is required by law to invest the assets in the best interests of the plan’s members, closely monitor the performance of the plan’s assets, and decide if a change in asset mix or investment manager is warranted.

### The Administrative Board oversees the trust fund and:

- ✓ Sets the investment policy, return expectations, risk tolerance, and asset mix
- ✓ Monitors performance of the trust fund and the investment manager
- ✓ Ensures competitive investment management fees

The Administrative Board has engaged 1832 Asset Management L.P., which is a subsidiary of Scotiabank and one of Canada’s largest asset managers, to invest the plan’s assets according to our Statement of Investment Policies and Procedures (SIPP).

### Assets are invested over a long time horizon, with a target asset mix:



**70% equity**  
**30% fixed income**

## Sustainable investing

Sustainable investing is an important consideration for Medicus as we manage the plan through a long-term lens.

Did you know that our Administrative Board has a fiduciary duty to consider the risks and opportunities that arise from sustainable investing as part of its broader investment strategy? The Administrative Board engaged specialists in this field and participated in education sessions on this topic, as part of the process leading to the creation of a sustainable investing policy for the plan.

Our commitment to sustainable investment practices yields **many advantages** for our members over the long term.



### Risk mitigation

By considering environmental, social, and governance risk factors that are financially material, we help to safeguard the pension trust fund and increase its resilience.



### Positive impact

Members can take pride in knowing their investments align with their values while at the same time delivering strong financial returns.

## Our investment edge

When contributions are pooled together, Medicus benefits from that scale with access to more diverse investment opportunities, including specialized options that aren’t typically available to individual investors.

**Our combination of equity and fixed income assets diversify and strengthen the fund and ensure it remains healthy and resilient.**

# Strong plan governance

**We've built a robust governance structure to ensure Medicus follows best-in-class practices and benefits from a highly experienced team that includes professionals in investment, legal, actuarial, communication, and pension operations.**



**Administrative Board**

**Get to know**



**Plan Sponsor Committee**

**Get to know**



**Leadership Team**

**Get to know**



Medicus  
Administrative  
Board

# Administrative Board

Legal administrator and fiduciary of the plan

- ✓ Oversees plan administration
- ✓ Fulfills regulatory requirements
- ✓ Approves and monitors investment strategy, as well as plan policies, procedures, and external advisors

<b>Member representatives</b>	<p><b>Dr. André Bernard</b> Anesthesiologist; Associate Professor and Associate Department Head in the Department of Anesthesia, Pain Management and Perioperative Medicine, Dalhousie University</p>	<p><b>Dr. Michael Curry</b> Emergency Physician; Director of Undergraduate Medical Education, Delta Hospital; Clinical Associate Professor, Department of Emergency Medicine, UBC</p>	<p><b>Dr. Christian Finley</b> Thoracic Surgeon; Professor, McMaster University; Expert Lead, Canadian Partnership Against Cancer; Clinical Lead, lung cancer screening in Ontario</p>	<p><b>Nancy MacCready-Williams</b> Chief Executive Officer, Doctors Nova Scotia; Lawyer; ICD.D from the Institute of Corporate Directors; experience in strategic leadership and operations</p>
<b>Sponsor representatives</b>	<p><b>Jane Craighead</b> Corporate Director, PhD and Chartered Professional Accountant; expertise in corporate governance, financial reporting, and business strategy</p>	<p><b>Daniel Labonté</b> Former President and CEO of MD Financial Management Inc.; experience in the financial services industry, focusing on strategic direction and organizational development</p>	<p><b>Sean McGuckin</b> Chartered Professional Accountant; ICD.D from the Institute of Corporate Directors; financial services executive; expertise in corporate governance, finance, risk management, and investments</p>	<p><b>Cathy Welling</b> Corporate Director; ICD.D from the Institute of Corporate Directors; executive leadership experience in wealth management, insurance, and pensions</p>



## 2022/23 highlights

- ✓ Met quarterly to discuss governance, investments, administration, compliance, finance, and vendor performance
- ✓ Oversaw the establishment of the trust and inaugural investment strategy, transitioning from inception to a well-diversified suite of investments
- ✓ Developed and refined key policies – including the Statement of Investment Policies and Procedures (SIPP), Privacy Policy, and Cybersecurity Policy – along with a Governance Manual to assist in meeting fiduciary and other responsibilities

## Plan Sponsor Committee

Plan sustainability and oversight

- ✓ Oversees plan design, funding policy, and governance framework
- ✓ Brings deep experience and insight in corporate governance, operations, and investments

### 2022/23 highlights

- ✓ Established the governance framework for the plan
- ✓ Met regularly to discuss plan growth and design, including the enhancement of spousal benefits, welcoming members from Newfoundland and Labrador, and introducing pension buybacks



## Leadership Team

Plan strategic direction

- ✓ Provides best-in-class leadership and guidance to the Administrative Board and the Plan Sponsor Committee
- ✓ Ensures excellence in governance, risk management, and member experience

Our Leadership Team works in tandem with the Administrative Board and Plan Sponsor Committee to ensure rigorous financial management and governance practices while strategically evolving the plan to best serve our growing membership.

Our governance structure is similar to those of other leading Canadian jointly sponsored or multi-employer public sector plans.

# Learn more about Medicus

[Visit our website](#) →

[Follow us on LinkedIn](#) →

## Looking to enrol?

Set up a one-on-one discovery meeting to chat with one of our specialists and have all of your questions answered.

[Enrol now](#)



## A final word

This annual report provides summary information about the Medicus Pension Plan (Registration No. 1406180) in simple terms. Every effort has been made to provide accurate information, but if there is any discrepancy between the information contained here and the official plan text and other documents, the official documents will apply.

The examples used in this annual report, including the charts, are for illustrative purposes and may not reflect individual situations. Values have been rounded for simplicity.

The Medicus Pension Plan is a registered pension plan and is registered under the *Pension Benefits Act* (Ontario) and the *Income Tax Act* (Canada). To determine if the Medicus Pension Plan is appropriate for your retirement planning needs and retirement income objectives, please consult with a financial advisor. Medicus Pension Plan™ is a trademark used under licence.

Scotiabank provides banking and credit products and services. For more information, visit [scotiabank.com](https://www.scotiabank.com).

MD Financial Management Inc., formed in 1969, wholly owns or has a majority interest in the MD Group of Companies. It provides financial products and services, is the fund manager for the MD Family of Funds and offers investment counselling services. For a detailed list of the MD Group of Companies, visit [md.ca](https://www.md.ca).