



asr TRUST
RETIREE HEALTH CARE

Auto Sector Retiree Health Care Trust

GMCL Plan

2023 Annual Report

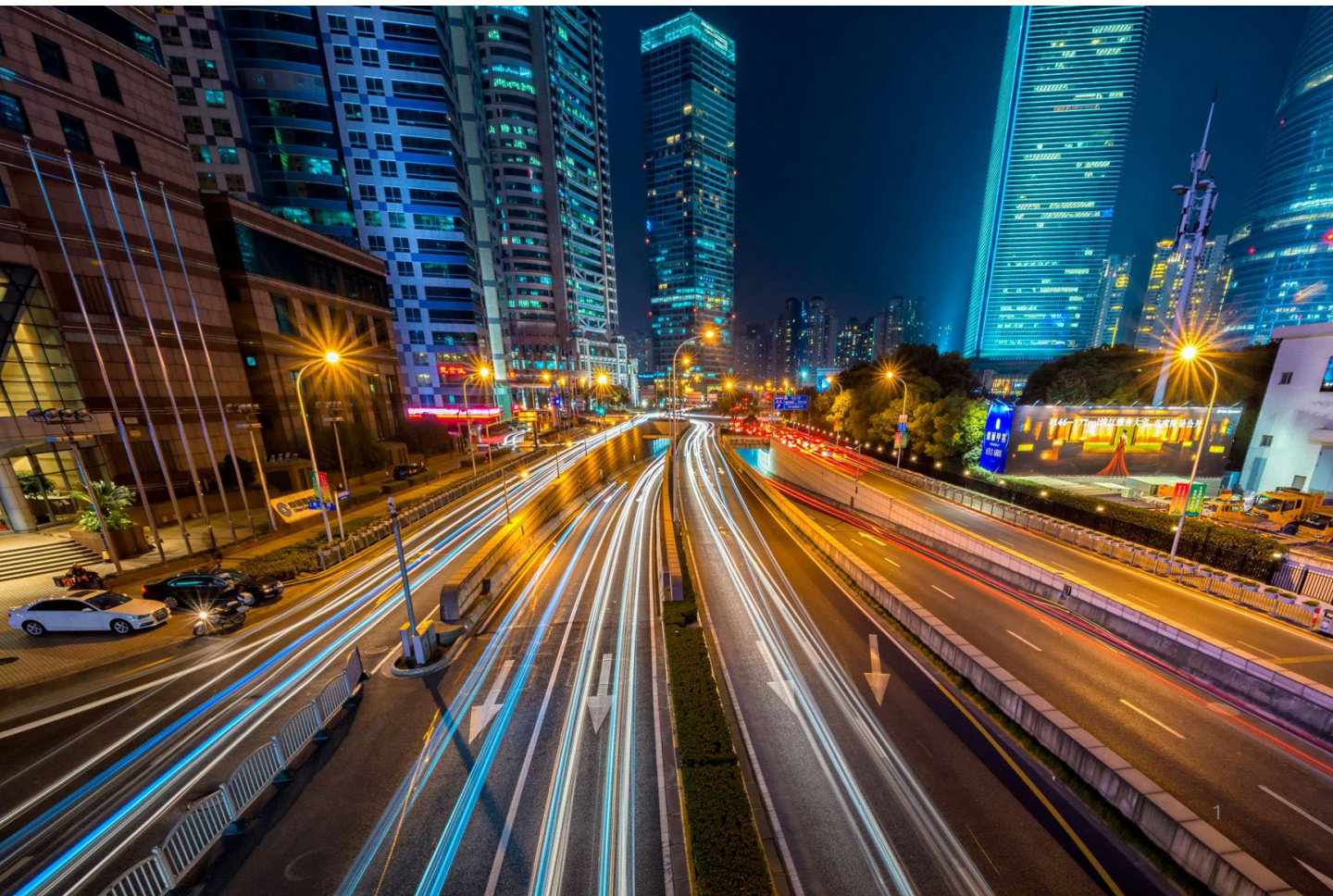


Table of Contents

3	Update from Chair of the Board and CEO
5	Members' Feedback
6	Membership
7	Benefit Claims
8	Investment Performance
9	Financials
11	Plan Sustainability
12	Value for Members





Peter Kennedy
Chair, asrTrust



Lisa Callaghan, MSc., MBA, ICD.D
CEO, asrTrust

Update from the Chair and CEO

asrTrust's mission is to support the healthy aging of our members to help you live a fulfilling retirement. We do this by delivering a valuable, comprehensive and sustainable health benefits program that considers your evolving needs and preferences to enhance your health and quality of life

Last fall, the board spent time considering additional ways to deliver on our mission. Your input was vital. That is why, in 2023, we issued a survey to understand your perspective on how we can serve you best. More than 2,500 of you responded, and we share the results on page 5. You made it clear that you would value more communication from asrTrust. You asked for more education on relevant health topics and how your health benefit plans can better support your retirement journey. In response, we began working to refresh our website, asrTrust.com, and are looking forward to its launch in the fall of 2024, with significantly more benefits information and educational material to support you.

Plan sustainability is critical, which is why prudent management of every dollar we spend is always a focus for our team. In 2023, we completed several projects to remove low-value expenses from our operations:

- our lease in downtown Toronto was terminated, and we moved to a fully virtual work environment for our staff, saving the cost of rent.
- moved some reporting and analysis work in-house.
- shut down unnecessary processes with partners.
- adopted digital processes where appropriate to reduce costs, including ending the practice of cutting cheques.
- transitioned to paying all our bills through electronic transfers, bank to bank.



To further manage our expenses, we renegotiated our contract with GreenShield, and reduced our fees.

We also negotiated a further reduction in fees for claims that are submitted online (through the website or the mobile app) rather than paper forms, and for claims paid directly to a bank account (direct deposit) rather than GreenShield mailing a cheque. Submitting claims online and direct deposit are more efficient processes for GreenShield to administer, and it makes sense that the plan should share in those savings.

Finally, in early 2023, we chose to delay our actuarial valuation to 2024 to allow claims to stabilize after the dramatic plan enhancement implemented January 1, 2022. All indicators suggest that the plan as designed will continue to be viable for our members.

On behalf of the Board of Trustees and Staff, it is our honour and pleasure to manage asrTrust for you.

Member Feedback

In the fall of 2023, we asked how asrTrust can serve you better, outside of increasing benefits. 2,500 of you responded:

- **77% recognize that asrTrust is in a position to support your healthy aging beyond just paying for benefits.**
- **You would like asrTrust to provide personal, relevant and easy to understand education, especially if it links to the benefits plan.**
- **70% are interested in providing an email address so asrTrust can send updates directly.**
- **85% would support asrTrust advocating on your behalf for improvements that would benefit healthy aging, but not at any cost.**





Membership

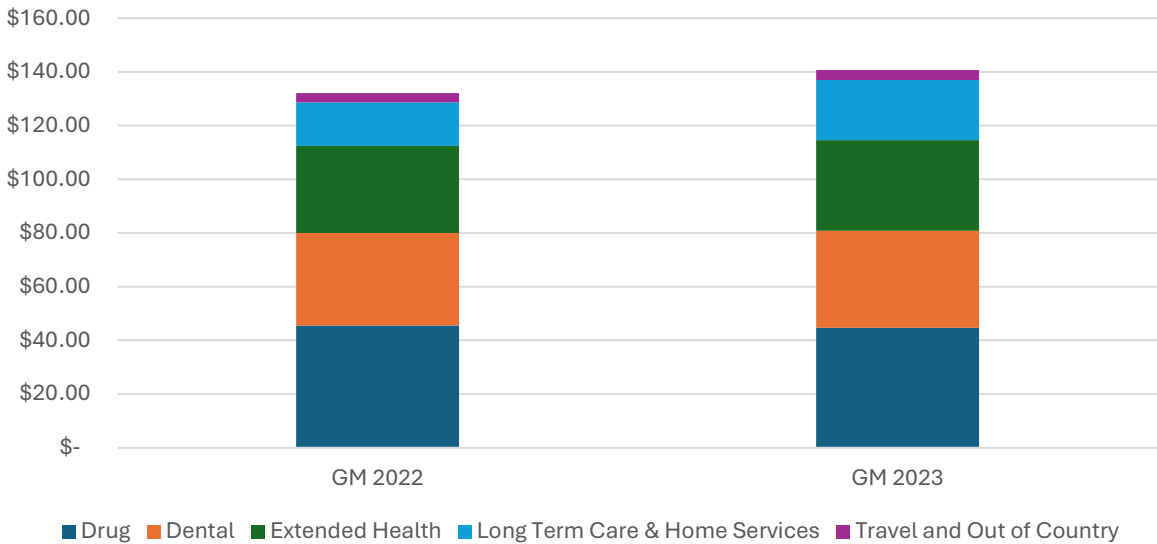
The GM asrTrust plan was created to support a defined population of individuals. At the end of 2023, over 28,500 members were actively retired and part of the asrTrust plan. As well, there are 775 individuals who remain actively employed at GM and will be eligible to join the asrTrust plan upon their retirement. Since new retirees entering the plan are not replacing the number of individuals leaving the plan, the overall membership size will decrease year over year.

GM asrTrust Plan size as of Dec 31	2023	Change from 2022
Number of Members	28,688	-661
Number of Participants (Members + Spouses + Dependents)	47,252	-1,706

Benefit Claims

In 2023, asrTrust paid \$140.7 Million (M) of benefit claims (before taxes) to GM members compared to \$132.0M in 2022. This represents an average of \$4,900 claims paid per member for the year. While claims paid on Drugs decreased, both Dental and Extended Health grew by 4%. Long Term Care and Home Services grew by 38%. This added \$6.25M more claims in this category. Since its inception, asrTrust has now paid almost \$1.1 Billion (B) dollars in claims to GM members and families.

Claims Paid before Tax (\$M)

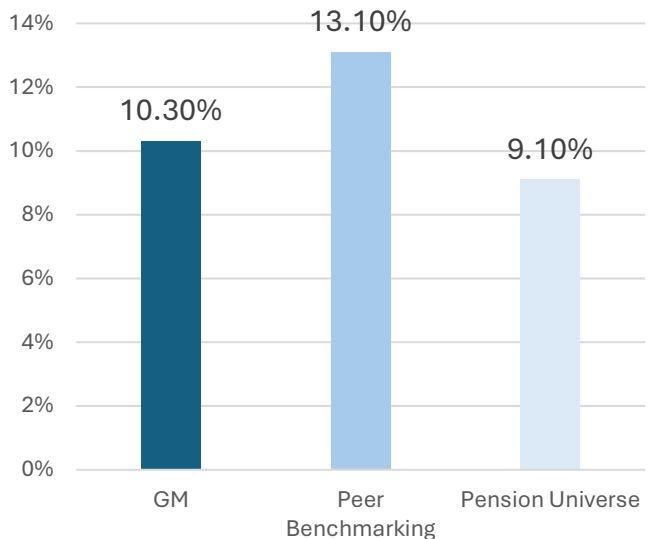




Investment Performance

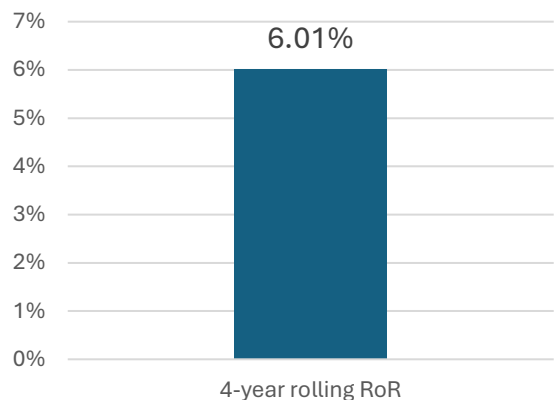
2023 delivered strong investment returns: 10.3%, net of fees. This result aligns with our conservative strategy to achieve solid returns in up markets, with exceptional protection in down markets.

2023 Net Investment Performance



Our 4-year rolling net rate of return is well positioned at 6.01% as of December 31, 2023. It is aligned to the long-term rate of return assumption required to maintain plan sustainability.

4 year rolling net rate of return as of Dec 31 2023

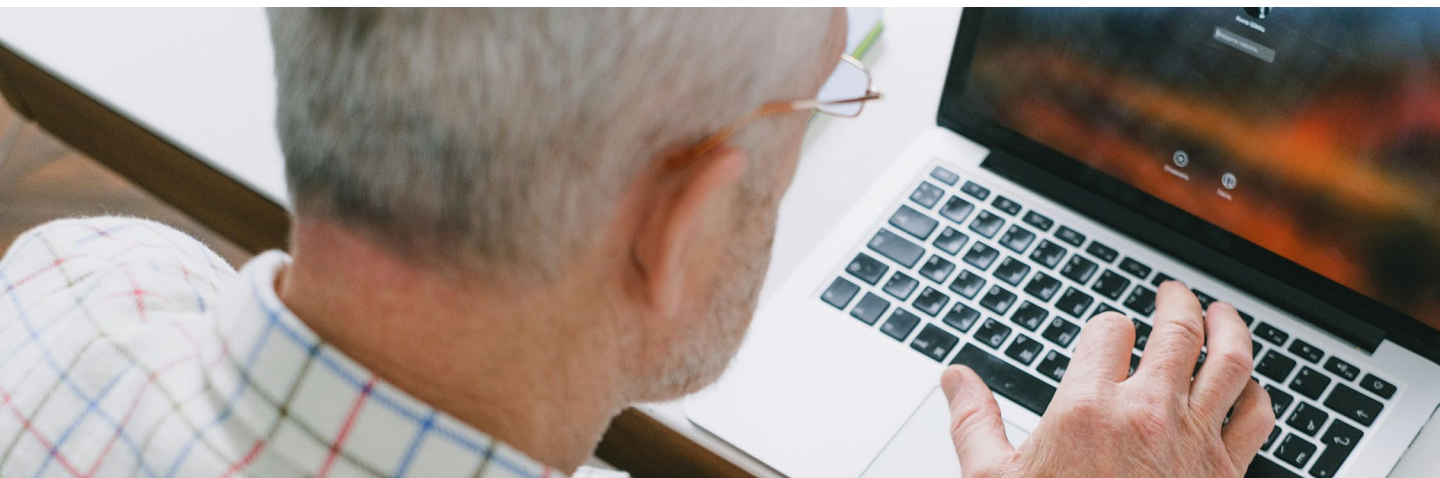


Financials

GM investments have rebounded nicely since 2022, delivering positive investment performance. Expenses have grown year over year primarily due to increased benefit claims. Professional costs grew with higher one-time legal expense for new investments, higher insurance rates specifically to cover cyber risks, a new investment in data analytics for better forecasting, as well as the impact of high inflation on many professional services. In comparison, asrTrust Operational costs only grew by 2.8%, or \$22,000.

	2022	2023
Starting assets	\$2,513,250,000	\$2,223,260,000
Realized investment gains (losses)	\$101,220,000	\$108,150,000
Unrealized gains (losses)	-\$230,800,000	\$104,670,000
Total Investment Performance	-\$129,580,000	\$213,180,000
Claims & health administration fees	\$151,220,000	\$161,420,000
Investment management fees	\$7,980,000	\$8,190,000
Professional & Operations fees	\$1,190,000	\$1,440,000
Total Expenses	\$160,410,000	\$171,060,000
Year End Assets	\$2,223,260,000	\$2,265,380,000

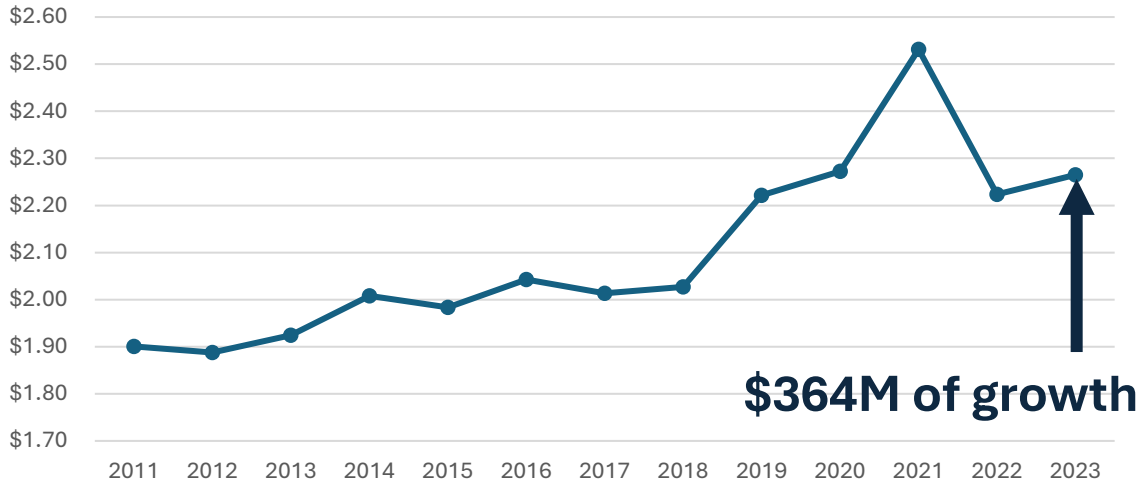
Rounded to the nearest \$10,000

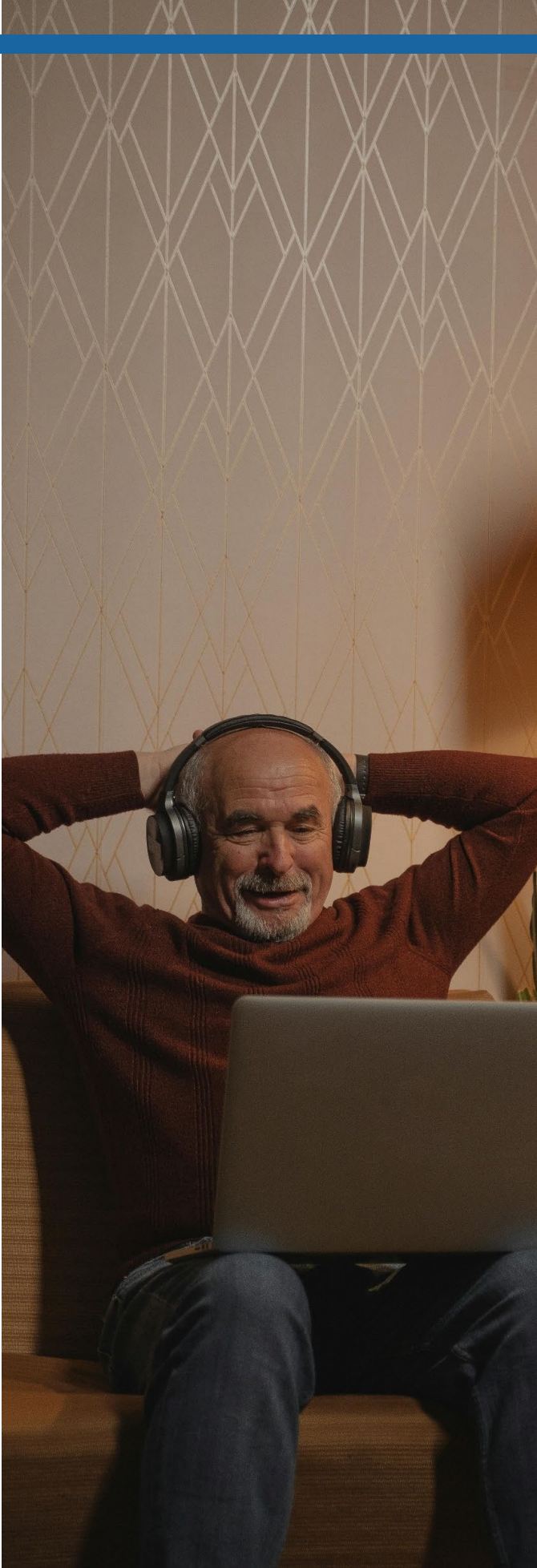


Financials

Despite higher expenses in 2023, the plan assets grew by \$41.5M and have grown by \$364M since inception while paying over \$1B in claims (before tax) back to members and their families.

GM Assets (\$Billions) on Dec 31





Plan Sustainability

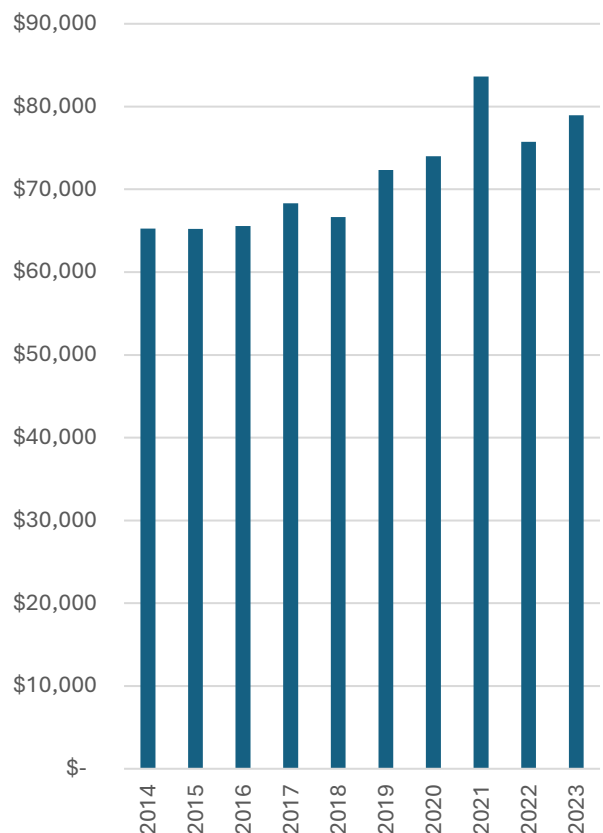
With our member base shrinking each year, costs increasing, and investments fluctuating, you might be wondering if the plan will last.

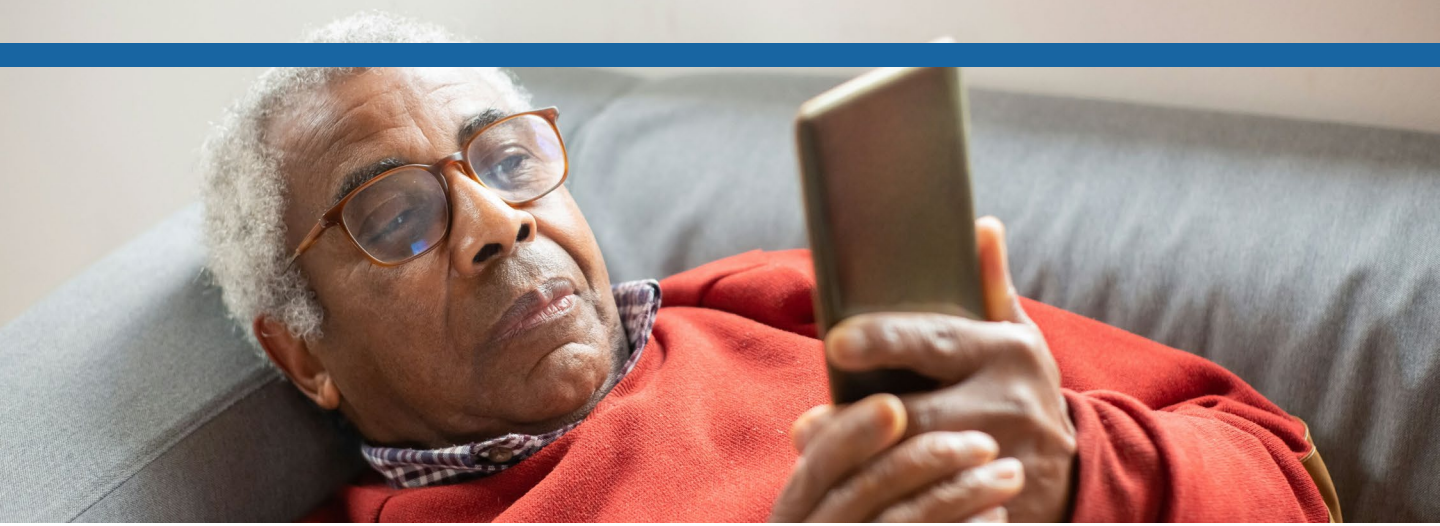
The short answer is yes.

Every three years, Eckler, our actuarial partner, conducts a valuation to ensure we have enough money to maintain the benefit plan for the lifetime of all our members.

Our next valuation is scheduled to be released in 2024. In the meantime, the Board watches the plan closely, checking key indicators like assets per member. As of December 31, 2023, we show a healthy balance of assets per member, highlighting that the plan is on the right track.

Assets / GM Member
(Values as of Dec 31)



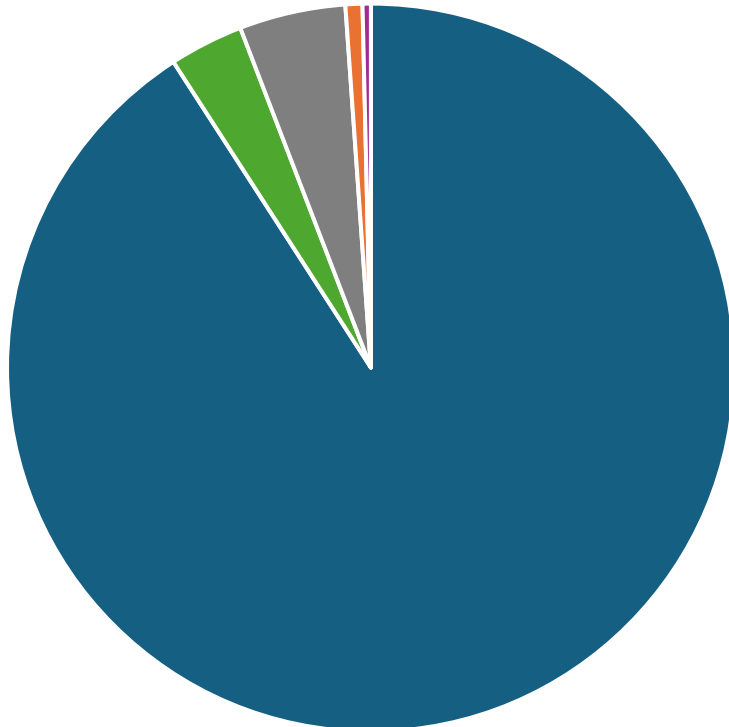


Value for Members

asrTrust wants to ensure we are putting as many dollars as possible back into your pockets, to pay for benefits that will support your healthy aging throughout your retirement.

Here is a breakdown of how we spent every \$100 in 2023:

\$90.90 paid Your Claims
\$3.30 paid **GreenShield fees**
\$4.70 paid **Investment fees**
\$0.75 paid **Professional fees**
\$0.35 paid **asrTrust Operations**



■ Your Claims ■ GreenShield Fees ■ Investment Fees ■ Professional Fees ■ asrTrust Operations



asr TRUST
RETIREE HEALTH CARE

