Fund Review for 2013

Most of the global equity markets ended the year with strong double digit positive results, and the U.S. equity market stood out from the crowd. Rising long term bond yields resulted in a negative return to the fixed income portion of the Pension Fund. The Fund’s Infrastructure portfolio continues to perform well with a return of 9% in 2013.

The Canadian dollar depreciated relative to most major currencies including the U.S. dollar and the Euro. The Fund has a currency hedging policy in place to hedge 50% of the non-US foreign currencies to Canadian dollars to dampen the impact of foreign currency fluctuations.

2013 was a very good year for the York University Pension Fund, with a gross return of 17.2% for the year, outperforming the benchmark return by 2.1%. The Fund outperformed the benchmark in Canadian equity, US equity, International equity, Canadian bonds and Infrastructure.

Results are based on information provided by the Fund custodian and by Towers Watson, a third-party firm hired to measure the Fund and managers’ performance. Returns do not include expenses. The benchmark is a composite of the market indices calculated using the same proportions as the investment policy.
Fund Review for 2013 (cont’d)

The current target asset allocation of the York University Pension Fund is 30% Canadian bonds, 15% Canadian equity, 15% U.S. equity, 15% International equity, 15% Global equity, and 10% Infrastructure. At year-end, the actual allocation to the various asset classes and investment managers was:

### Asset Mix

- **U.S. Equity**: 16.0%
- **Cash**: 2.4%
- **Infrastructure**: 5.3%
- **Cdn Bonds**: 28.8%
- **Cdn Equity**: 15.8%
- **Int’l Equity**: 15.9%
- **Global Equity**: 15.8%
- **TD U.S. Equity**: 10.4%
- **Cash**: 1.5%
- **Infrastructure Funds**: 5.3%
- **TD Bonds**: 28.8%
- **WEDGE**: 5.8%
- **Walter Scott & Partners**: 8.2%
- **Foyston Gordon & Payne**: 7.9%
- **Aberdeen**: 7.6%
- **LSV**: 10.8%
- **Gryphon**: 5.5%
- **Mawer**: 8.2%

### Manager Structure

- **TD U.S. Equity**: 10.4%
- **Cash**: 1.5%
- **Infrastructure Funds**: 5.3%
- **TD Bonds**: 28.8%
- **WEDGE**: 5.8%
- **Walter Scott & Partners**: 8.2%
- **Foyston Gordon & Payne**: 7.9%
- **Aberdeen**: 7.6%
- **LSV**: 10.8%
- **Gryphon**: 5.5%
- **Mawer**: 8.2%

### Net Fund Rate Calculation

The return net of investment expenses was 16.76%. This net return is used for crediting interest to the members’ accounts and determining the annual adjustment for pensioners. For 2013, the details of the net fund return calculation are as follows. Please note that whether or not a pensioner will receive an increase, and the actual amount of the increase, may differ among retirees depending on their retirement date.

(A) Market Value Jan. 1, 2013

| Contributions | University contributions | $65,789,692 |
| Members’ contributions | $22,062,268 |
| **Total Contributions** | **$87,851,960** |

(I) Investment Income

| Benefits paid | Pensions Paid | $64,123,997 |
| Death Benefits | $2,006,996 |
| Transfers Out | $20,666,803 |
| **Total Benefits Paid** | **$86,797,796** |

Investment Expenses

| Investment Management Fees | $6,185,857 |
| Other Investment Expenses | $1,455,255 |
| **Total Investment Expenses** | **$7,641,111** |

Plan Administration Expenses

| **$869,572** |

(B) Market Value Dec. 31, 2013

| **$1,765,392,763** |

Net Fund Return for 2013

\[
=\frac{2\times(1+E)(A+B-(1-E))}{(A+B)-(1-E)}
\]

| **16.7620%** |

Pensioner Adjustment Calculation

| Fund Return for 2010 | 9.7618% |
| Fund Return for 2011 | 0.2629% |
| Fund Return for 2012 | 11.9286% |
| Fund Return for 2013 | 16.7620% |
| (D) 4 Year Fund Return to end of 2013 | 9.5112% |

Pensioner Adjustment at Jan. 1, 2014

\[
=\frac{(1+(D)/1.06)-1}{1}
\]

| **3.3125%** |
Annual Pension Meeting

Date: Thursday, April 10, 2014
Time: 12:15 pm to 1:15 pm
Place: TEL 0007

Terisa Ducharme, Associate Director, Pension & Benefits will summarize the recent and ongoing seminars that are being presented in conjunction with the Retirement Planning Centre. Leona Fields, Director, Pension Fund will continue the presentation with information about the Pension Fund investments and performance in 2013.

All active, deferred, and retired plan members are welcome.

If you are unable to attend this session in person, it will be broadcast live on the internet and you will be able to view the presentation from your computer. It will also be recorded for future viewing. Further details on web viewing will be provided in advance of the meeting.

We also encourage you to submit topics that you would like covered in the presentations. Please send an email to duchart@yorku.ca with suggestions or questions you would like addressed at the meeting.

News Corner

Retirement Planner

We anticipate the annual pension statements will be available on-line by the end of April. An e-mail will be sent to those for whom the Pension & Benefits office has an e-mail address. For those who the Pension & Benefits office does not have an e-mail address, their statements will be mailed late May. We urge everyone to provide us with an e-mail address so we can communicate in the most efficient and timely basis. Active employees can log into HR Self-Serve and add an e-mail address. For deferred members, please send your e-mail address to askpb@yorku.ca.

The York University Retirement Planner (YURP) will be updated with the December 31, 2013 year end results once the pension statements are completed.

YURP is available at: http://www.yorku.ca/hr/services/employees/yurp.html

Contacting the Pension & Benefits office

If you have questions after you have run your own pension estimates, you may contact the Pension & Benefits office by e-mailing askpb@yorku.ca or by calling 416-736-2100 extension 27572 (askpb) between 9:00 am and 4:00 pm Monday to Friday.

If you have any questions or feedback regarding this newsletter or other pension communication, or for further information on any pension issue, please contact:

For more information on Pension Plan benefits, contact Terisa Ducharme, Associate Director, Pension & Benefits at ext. 77564, or at duchart@yorku.ca

For more information on Pension Fund investments, contact Leona Fields, Director, Pension Fund at fieldsl@yorku.ca

Websites:
http://www.yorku.ca/hr/units/cpb/pensionbenefits.html
http://www.yorku.ca/finance/divisions/pensioninvestments.htm