**Fund Review for 2014**

Despite oil prices plunging in the fourth quarter and negatively impacting the Energy sector, most of the equity markets still ended the year with positive results. The Global equity benchmark returned 14.4% for the year, and the Canadian Equity markets did very well with an annual return of 10.6% for 2014.

The Canadian bond markets had an excellent year in 2014, FTSE TMX 20+ Strip index stood out from the crowd with an annual return of 31.7%, due to significant decline in Canadian long term interest rates.

The Canadian dollar depreciated relative to the U.S. dollar and appreciated relative to the Euro. The Fund has a currency hedging policy in place to hedge 50% of the Real Assets (Infrastructure). Most of the US dollar exposure remains unhedged in the Equity portfolio, which had a positive impact on returns.

Overall, 2014 was a good year for the York University Pension Fund, with a gross return of 14.2% for the year, outperforming the benchmark return by 0.7%.

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 2014 (cont'd)

The current target asset allocation of the York University Pension Fund is 30% Fixed Income, 50% Equity and 20% Real Assets. At year-end, the actual allocation to the various asset classes and investment managers was:

### Asset Mix

- **Cash**: 1.7%
- **Infrastructure**: 5.2%
- **U.S. Equity**: 15.8%
- **Cdn Bonds**: 34.8%
- **Cdn Equity**: 14.0%
- **Global Equity**: 15.2%
- **Int'l Equity**: 13.3%

### Manager Structure

- **TD U.S. Equity**: 10.5%
- **Cash**: 0.9%
- **Infrastructure Funds**: 5.2%
- **WEDGE**: 5.4%
- **global**: 4.7%
- **TD Bonds**: 34.8%
- **Foyston Gordon & Payne**: 6.9%
- **Mawer**: 7.5%
- **Walter Scott & Partners**: 7.8%
- **Aberdeen**: 7.4%
- **LSV**: 8.9%
- **Walter Scott & Partners**: 7.8%

### Net Fund Rate Calculation

The return net of investment expenses was 13.78%. This net return is used for crediting interest to the members’ accounts and determining the annual adjustment for pensioners. For 2014, 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, 2014**: $1,765,392,763
- **Contributions**
  - University contributions: $43,710,329
  - Members’ contributions: $24,859,276
- **Total Contributions**: $68,569,605
- **(I) Investment Income**: $250,551,367
- **Benefits paid**
  - Pensions Paid: $69,148,543
  - Death Benefits: $716,324
  - Transfers Out: $12,942,409
- **Total Benefits Paid**: $82,807,277
- **Investment Expenses**
  - Investment Management Fees: $6,518,944
  - Other Investment Expenses: $1,754,060
- **(E) Total Investment Expenses**: $8,273,003
- **Plan Administration Expenses**: $989,753
- **(B) Market Value Dec. 31, 2014**: $1,992,443,702

The net fund return for 2014 is calculated as:

\[ \text{Net Fund Return for 2014} = \frac{2 \times (\text{I} - \text{E})}{(\text{A} + \text{B} - (\text{I} - \text{E}))} \]

\[ \text{Net Fund Return for 2014} = 13.7832\% \]

### Pensioner Adjustment Calculation

- **Fund Return for 2011**: 0.2629%
- **Fund Return for 2012**: 11.9286%
- **Fund Return for 2013**: 16.7620%
- **Fund Return for 2014**: 13.7832%

The 4 year fund return to end of 2014 is calculated as:

\[ \text{Pensioner Adjustment at Jan. 1, 2015} = \frac{(1 + \text{D})}{1.06} - 1 \]

\[ \text{Pensioner Adjustment at Jan. 1, 2015} = 4.2460\% \]
Annual Pension Meeting

Date: Thursday, April 16, 2015
Time: 12:15 pm to 1:15 pm
Place: Senate Chamber

Terisa Ducharme, Associate Director, Pension & Benefits will present the pension plan changes taking place in 2015 and how they may affect the timing of your retirement. Leona Fields, Director, Pension Fund will continue the presentation with information about the Pension Fund investments and performance in 2014.

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, 2014 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 8:30 am and 4:30 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