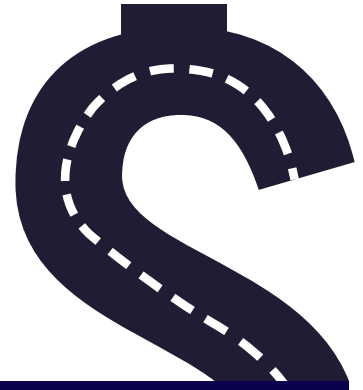


CSS Pension Plan Quarterly Update



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Unit prices

Over the second quarter of 2014 the unit price of the Balanced Fund increased from \$17.905158 to \$18.355839 for a gain of 2.52%. Over the same period, the Bond Fund gained 1.88%, the Equity Fund advanced 2.99%, and the Money Market Fund rose 0.26%.

Balanced Fund

Investment Managers	2nd quarter returns (%)*		Year-to-date returns (%)*	
	CSS	Index	CSS	Index
Wellington: Canadian Bonds	1.87%	1.99%	4.61%	4.82%
TD Asset Mgmt: Canadian Bonds	2.00%	1.99%	4.83%	4.82%
QV Investors: Can. Equities	4.25%	6.41%	8.73%	12.86%
Scheer Rowlett: Can. Equities	6.92%	6.41%	12.17%	12.86%
SSgA: US Mid Cap Equities	0.68%	0.68%	7.75%	7.76%
SSgA: US Large Cap Equities	1.55%	1.55%	7.37%	7.40%
Wellington: Emerg. Mkt. Equities	2.73%	2.70%	7.07%	6.75%
Sprucegrove: Non-NA Equities	0.31%	0.45%	6.24%	5.04%
Thornburg: World (ex US) Equities	-0.50%	1.36%	-0.88%	5.82%
Total Return	2.52%	3.09%	6.07%	6.87%

Bond Fund

Investment Managers

Same as bond managers to left

Investment Managers	2nd quarter returns (%)*		Year-to-date returns (%)*	
	CSS	Index	CSS	Index
Same as bond managers to left	1.88%	1.99%	4.62%	4.82%

Equity Fund

Investment Managers

Same as equity managers to left

Investment Managers	2nd quarter returns (%)*		Year-to-date returns (%)*	
	CSS	Index	CSS	Index
Same as equity managers to left	2.99%	3.90%	7.15%	8.40%

Money Market Fund

Investment Managers

TD Asset Management

Investment Managers	2nd quarter returns (%)*		Year-to-date returns (%)*	
	CSS	Index	CSS	Index
TD Asset Management	0.26%	0.22%	0.54%	0.44%

*Returns in Canadian dollars net of fees

Seminars and workshops



Retirement Income Options (RIO)

All Retirement Income Options (RIO) workshops are scheduled for **Saturday mornings from 8:30 a.m. to 12:00 noon (local times)**. Members (and their spouses) receiving an invitation to a RIO are encouraged to attend.

Tentative schedule

Edmonton, AB	October 4, 2014
Winnipeg, MB	November 1, 2014
Saskatoon, SK	November 15, 2014

Retirement Planning Seminars (RPS)

The RPS is designed for employees aged 50 and over and their spouses. Through group discussion, various exercises, presentations and with the help of visiting resource authorities, participants examine various retirement-related topics including health, wills and estates, housing, the psychology of aging, sources of income and financial planning.

Tentative schedule

Red Deer, AB	September 24, 2014
Regina, SK	October 8, 2014

Stocks and bonds advance in second quarter

Stock and bond markets both advanced in the second quarter as equity investors eyed improving economic fundamentals, while fixed income investors reacted to continued accommodative monetary policy. Canadian equities did best over the quarter, with nine of 10 sectors advancing, led by energy, industrials and materials.

The Canadian bond market also posted a positive, although somewhat more modest return, with long-term bonds still performing best. Canadian bonds, as represented by the DEX Universe Bond Index rose 1.99% for the second quarter, while the S&P/TSX gained 6.41%. Meanwhile, the S&P 500 Index (U.S. Large Cap Equities) advanced by a more modest 1.55% when measured in Canadian dollars, while the S&P 400 Index (U.S. Mid Cap Equities) improved very slightly, posting 0.68%. The MSCI EAFE Index (Non-North American Equities) was higher by 0.45%. The MSCI EM IMI

Index (Emerging Market Equities) gained 2.70%, while the ACWI (ex US) Index was up 1.36%.

The Canadian dollar gained about 3.4 cents against the U.S. dollar over the second quarter, finishing at 94.08 cents U.S. For Canadian investors, a stronger Canadian dollar reduces the returns on unhedged foreign investments. To lighten the impact of currency fluctuations on the Balanced and Equity Funds the Plan uses a dynamic currency hedging strategy. The Bond Fund has limited currency exposure, while the Money Market Fund does not hold foreign investments and is therefore not exposed to currency risk.

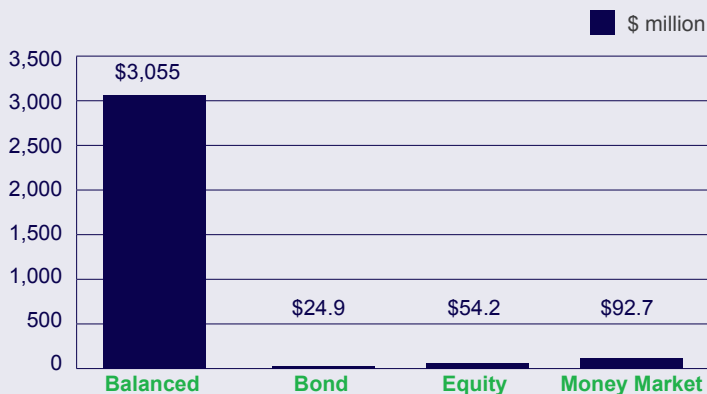


Four funds

The Plan offers four funds to CSS members for the investment of their pension savings. These include a Balanced Fund, Money Market Fund, Bond Fund and Equity Fund. Details on the number of members using, and total dollars invested, in each fund as of July 3, 2014 appear below.

Fund	Members*	\$ Millions
Balanced	36,065	\$3,055
Bond	237	\$24.9
Equity	460	\$54.2
Money Market	547	\$92.7

*Some members are invested in more than one fund



Equities

Equities produced positive returns over the second quarter, with all markets rising. The Plan's active Canadian equity managers produced mixed results in the quarter with QV underperforming the TSX at 4.25% while SRA outperformed producing 6.92%. The active Non-North American equity manager, Sprucegrove, was unable to add value over the quarter, earning 0.31% while the active ACWI ex US equity manager also underperformed, posting a loss of 0.50%. The passive U.S. Large Cap and Mid Cap equity manager, SSgA, closely tracked its benchmarks.

Fixed income

Bond prices rose during the quarter as yields fell in response to low central bank rates. Long maturities performed best, with corporate bonds modestly outperforming government issues. Wellington Management, the Plan's active fixed income manager underperformed, gaining 1.87%. The passive bond manager, TD Asset Management posted a return of 2.0%, closely tracking its benchmark.

Investors generally tend to reduce risk as they age and approach retirement for two reasons:

- older investors have less time to make up market losses
- retirees need steadier returns to provide regular retirement income

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