

CSS Pension Plan

A balanced and planned approach to successful retirement for co-operative and credit union employees

First Quarter
March 31, 2011
Volume 14, Issue 1

Inside this Issue

- 1** Unit Prices
- 1** Balanced, Bond, Equity & Money Market Funds
- 2** Commentary
- 2** Control Structure Review
- 2** Breaks in Service
- 2** Seminars & Workshops

Co-operative Superannuation Society Pension Plan
PO Box 1850
Saskatoon, SK S7K 3S2
Phone: (306)244-1539
Fax: (306)244-1088
Internet: www.csspen.com
e-mail: csspen@csspen.com



CSS Quarterly Update

UNIT PRICES

Over the 1st Quarter of 2011 the unit price of the Balanced Fund increased from \$13.578054 to \$13.942280 for a return of 2.68%. Over the same period, the Bond Fund lost 0.1%, the Equity Fund rose 4.46%, while the Money Market Fund gained 0.33%.

BALANCED FUND

Investment Managers	1 st Quarter Returns (%)		Year to Date Returns (%)	
	CSS	Index	CSS	Index
Addenda: Canadian Bonds	0.01%	-0.27%	0.01%	-0.27%
TD Asset Mgmt: Canadian Bonds	-0.28%	-0.27%	-0.28%	-0.27%
QV Investors: Can. Equities	6.01%	5.60%	6.01%	5.60%
Scheer Rowlett: Can. Equities	6.80%	5.60%	6.80%	5.60%
SSgA: U.S. Mid Cap Equities	7.05%	7.06%	7.05%	7.06%
SSgA: U.S. Lg Cap Equities	3.69%	3.69%	3.69%	3.69%
Brandes: Global Equities	3.21%	2.59%	3.21%	2.59%
Sprucegrove: Non-NA Equities	-1.35%	1.19%	-1.35%	1.19%
Thornburg: World (ex U.S.) Equities	1.91%	0.93%	1.91%	0.93%
Total Return	2.68%	2.47%	2.68%	2.47%

* Returns in Canadian dollars net of fees

BOND FUND

Investment Managers	1 st Quarter Return (%)		Year to Date Return (%)	
	CSS	Index	CSS	Index
Same as Bond Managers above	-0.10%	-0.27%	-0.10%	-0.27%

* Returns in Canadian dollars net of fees

EQUITY FUND

Investment Managers	1 st Quarter Return (%)		Year to Date Return (%)	
	CSS	Index	CSS	Index
Same as Equity Managers above	4.46%	4.31%	4.46%	4.31%

* Returns in Canadian dollars net of fees

MONEY MARKET FUND

Investment Managers	1 st Quarter Return (%)		Year to Date Return (%)	
	CSS	Index	CSS	Index
TD Asset Mgmt.	0.33%	0.28%	0.33%	0.28%

* Returns in Canadian dollars net of fees

See page 2 over . . .

COMMENTARY

Equity markets continued the positive trend that began last July, as the economy posted modest growth while the unemployment rate remained unchanged. The S&P/TSX posted a solid gain, led by healthcare and financials, as eight of ten sectors advanced. The Canadian bond market posted a small loss over the quarter with short-term bonds performing best.

Canadian bonds, as represented by the DEX Universe Bond Index fell 0.27%, while the S&P/TSX was up 5.6% posting a third consecutive quarterly gain. The S&P 500 Index (U.S. Large Cap Equities) improved by 3.69%, while the S&P 400 Index (U.S. Mid Cap Equities) advanced 7.06%. The MSCI EAFE Index (Non-North American Equities) rose 1.19%. The MSCI World Index (Global Equities) gained 2.59%, while the ACWI (ex US) index increased by 0.93%.

The Canadian dollar gained 2.8% against the U.S. dollar over the first quarter, finishing at \$1.0303. For Canadian investors, a stronger Canadian dollar reduces the returns on unhedged foreign investments. To reduce the impact of currency fluctuations on Balanced Fund and Equity Fund returns the Plan now hedges one half of its foreign currency exposure on all foreign equity mandates. The Bond Fund and Money Market Fund do not hold foreign investments and therefore are not exposed to currency risk.

Equities: Equities continued to trend upward over the first quarter in the face of considerable negative news. Both of the Plan's active Canadian equity managers, QV Investors and Scheer Rowlett, outperformed their benchmarks, producing returns of 6.01% and 6.80% respectively. The active Non-North American equity manager, Sprucegrove, was unable to add value over the quarter, losing 1.35%. The active Global equity manager slightly out performed its benchmark, earning 3.21%. The active ACWI equity manager also outperformed, posting a gain of 1.91%, while the passive U.S. equity manager, SSgA, closely tracked the S&P 400 and S&P 500.

Fixed Income: Bond prices fell during the first quarter as the yield curve for Canadian Bonds began to steepen. Longer maturities performed worst, while short-term bonds were the best performing segment of the market. The Plan's active bond manager, Addenda Capital, out performed its benchmark slightly, producing a return of 0.01%. The passive bond manager, TD Asset Management posted a loss of 0.28%, closely tracking its benchmark.

CONTROL STRUCTURE REVIEW

As a result of a discussion at the 2010 Annual Meeting, the Board of Directors appointed a special Committee to review the Plan's governance as well as the number and distribution of the Society's Delegates.

The Committee recommended:

- That the Delegate body be increased from 30 to 36;
- That the three new employer Delegates be allocated as follows:

- One to represent credit union employers in Manitoba;
- Two to represent the Co-operative Retailing System.
- That the three new employee Delegates be allocated as follows:
 - One to represent employees in the Manitoba/East voting region;
 - One to represent retirees;
 - One to represent inactive members;

The Committee also recommended that core competencies be developed for Directors and Delegates and that term limits not be applied to Directors or Delegates. Changes to the Bylaws to implement these recommendations were passed at the 2011 Annual Meeting.

BREAKS IN SERVICE

Employers are reminded that pension contributions must start immediately when an employee member terminates at one co-operative or credit union and then starts employment with another within one year. Employers should therefore make it part of their regular hiring routine to ask new employees if they have ever been a member of the CSS Pension Plan before.

SEMINARS & WORKSHOPS

Retirement Income Options (RIO) Workshops for the remainder of 2011 are TENTATIVELY scheduled as follows:

Russell MB	May 7, 2011
Edmonton AB	September 10, 2011
Saskatoon SK	October 1, 2011
Brandon MB	October 29, 2011

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

Retirement Planning Seminars (RPS) for the remainder of 2011 are TENTATIVELY scheduled as follows:

Saskatoon SK	May 4, 2011
Red Deer AB	May 25, 2011
Swift Current SK	November 2, 2011

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.

The CSS Pension Plan would greatly appreciate you sharing the information contained in this Quarterly Update with your employees and associates.