

CSS Pension Plan Quarterly Update



Co-operative
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Society



Unit prices

Over the first quarter of 2015 the unit price of the Balanced Fund increased from \$18.772688 to \$19.937393 for a gain of 6.20%. Over the same period, the Bond Fund gained 4.40%, the Equity Fund advanced 7.62% and the Money Market Fund rose 0.32%.

Balanced Fund

Investment Managers	1st quarter returns (%)*		One-year returns (%)*	
	CSS	Index	CSS	Index
Wellington: Canadian bonds	4.43%	4.15%	10.39%	10.26%
TD Asset Mgmt: Canadian bonds	4.14%	4.15%	10.24%	10.26%
QV Investors: Can. equities	1.72%	2.58%	7.18%	6.93%
Scheer Rowlett: Can. equities	0.57%	2.58%	-0.20%	6.93%
SSgA: U.S. mid-cap equities	15.11%	15.16%	28.66%	28.74%
SSgA: U.S. large-cap equities	10.37%	10.39%	29.31%	29.35%
Wellington: Emerg. mkt. equities	12.05%	11.99%	11.86%	15.35%
Sprucegrove: Non-NA equities	11.69%	14.68%	10.62%	13.69%
SSgA: World (ex U.S.) equities	14.19%	13.16%	N/A	N/A
Total Return	6.20%	6.25%	11.35%	12.30%

Bond Fund

Investment Managers	1st quarter returns (%)*		One-year returns (%)*	
	CSS	Index	CSS	Index
Same as bond managers to left	4.40%	4.15%	10.32%	10.26%

Equity Fund

Investment Managers	1st quarter returns (%)*		One-year returns (%)*	
	CSS	Index	CSS	Index
Same as equity managers to left	7.62%	7.70%	12.73%	13.89%

Money Market Fund

Investment Managers	1st quarter returns (%)*		One-year returns (%)*	
	CSS	Index	CSS	Index
TD Asset Management	0.32%	0.25%	1.13%	0.94%

*Returns for the period ending March 31, 2015, in Canadian dollars net of fees

Seminars and workshops

Retirement Income Options (RIO) workshops

RIO schedule (tentative)

Calgary, AB	May 9, 2015
Portage la Prairie, MB	May 30, 2015
Medicine Hat, AB	September 12, 2015
Brandon, MB	October 24, 2015
Regina, SK	November 28, 2015

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.

Retirement Planning Seminars (RPS)

RPS schedule (tentative)

Nanaimo, BC	April 30, 2015
Saskatoon, SK	May 21, 2015
Winnipeg, MB	September 16, 2015
Calgary, AB	November 18, 2015

The RPS is a full-day seminar 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.



Positive returns for stocks and bonds

Although markets got off to a slow start in 2015, a drop in the Bank of Canada's overnight rate and the announcement of a major bond purchase program by the European Central Bank produced positive returns for stocks and bonds over the first quarter. The S&P/TSX earned 2.58% with eight of 10 sectors rising, led by the health care, IT and consumer discretionary sectors. The Canadian bond market posted a gain of 4.15% over the quarter, with long-term bonds and provincial issues performing best.

The S&P 500 Index (U.S. large-cap equities) gained 10.39%, while the S&P 400 Index (U.S. mid-cap equities) advanced 15.16%. In international markets, the MSCI EAFE Index (non-North American equities) rose 14.68%, the MSCI EM Investable Markets Index (emerging markets equities) gained 11.99%, and the MSCI ACWI (ex U.S.) index increased by 13.16%.

The Canadian dollar fell 8.53% against the U.S. dollar over the first quarter, finishing at U.S. \$0.7885. For Canadian investors, a weaker Canadian dollar increases the returns on unhedged foreign investments. To reduce the impact of currency fluctuations on Balanced Fund and Equity Fund returns, the Plan uses a dynamic currency hedging strategy. The Bond Fund has minimal foreign currency exposure and the Money Market Fund is not exposed to currency risk.

Equities

A significant fall in the Canadian dollar was a major contributor to double-digit foreign equity returns in the first quarter. Neither of the Plan's active Canadian equity managers was able to keep up to a more modest advance in the S&P/TSX, with QV Investors earning 1.72%, while Scheer Rowlett also underperformed at 0.57%. The active non-North American equity manager, Sprucegrove, was unable to add value over the quarter, earning 11.69%, while the emerging markets equity manager, Wellington, outperformed slightly at 12.05%. The temporary ACWI ex-U.S. equity mandate managed by SSgA outperformed, earning 14.19% over the quarter while the passive U.S. equity mandates, also managed by SSgA, closely tracked their benchmarks.

Fixed income

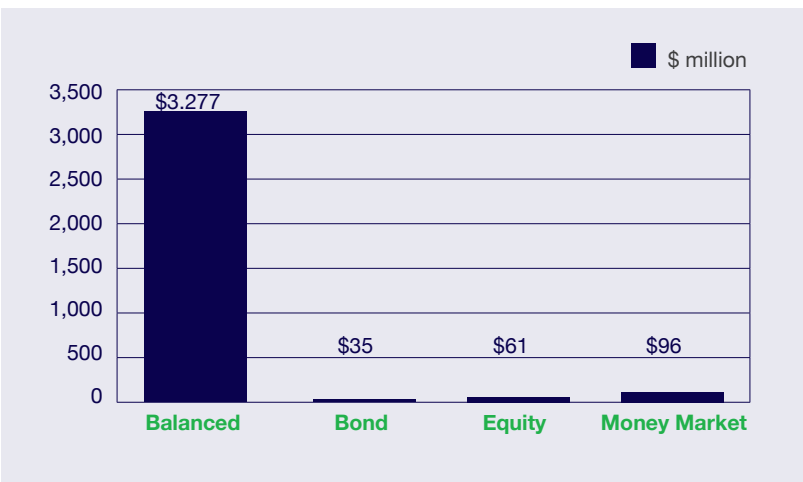
Bonds posted positive returns over the first quarter, in response to an unexpected rate cut by the Bank of Canada, with lower yields at all maturities. Long-term bonds did best at 7.13%. The Plan's active bond manager, Wellington Management, outperformed its benchmark, producing a return of 4.43%. The passive bond manager, TD Asset Management nearly matched its benchmark, earning 4.14%

Four funds

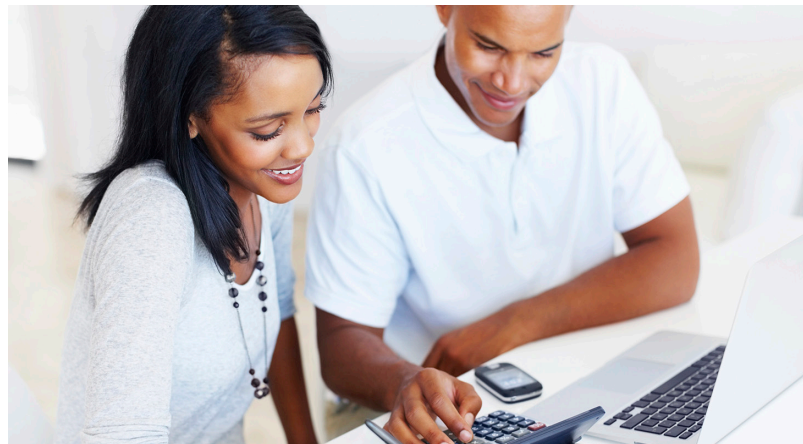
The Plan offers four funds to CSS members for the investment of their pension savings. These include a Balanced Fund, Money Market Fund (created in 2005), Bond Fund and Equity Fund (both of which were added in 2011). Details on the number of members using, and total dollars invested in each fund as of April 8, 2015, appear below.

Fund	Members*	\$ Millions
Balanced	36,635	\$3,277
Bond	290	\$35
Equity	544	\$61
Money Market	577	\$96

**Some members are invested in more than one fund*



Typically, younger members will add risk in the hope of earning higher average returns by shifting part of their pension savings to the Equity Fund, while older members will reduce risk as they approach retirement by using the Bond or Money Market Funds.



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