

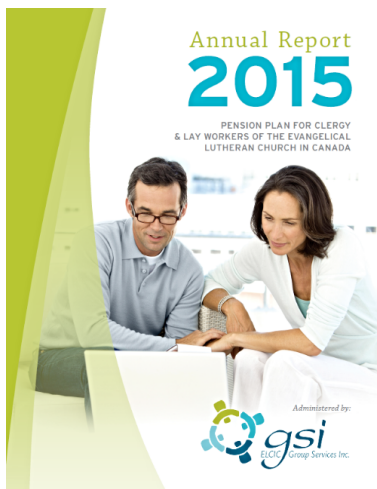
An informational bulletin for members of the ELCIC Pension Plan



May 2016

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2015 Annual Report

The ELCIC Pension Plan Annual Report for 2015 is now available on our [website](#).

If you would like to receive a printed copy of this report please contact the GSI office.

Investment Results - January to March 2016

The ELCIC Pension Plan return for the first quarter of 2016 is minus 0.1% (before expenses) when combining the results of the Fixed Income Fund and the Growth Fund. Assets in individual member accounts are allocated between these two funds based on the member's age, so the individual returns will vary based on the allocation.

Here is a breakdown of the results by fund and investment manager.

ELCIC Pension Plan Jan to Mar 2016	ELCIC Pension plan	Median Balanced Pooled Fund		Excess return
All funds combined	-0.1%	-0.5%		0.4%
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Fixed Income Fund Jan to Mar 2016	ELCIC portfolio	Index Benchmark	CPI + 1%	Excess return
Bond Fund	1.7%	1.4%		0.3%
Mortgage Fund	0.5%	0.4%		0.1%
Total Fixed Income Fund	1.4%		1.0%	0.4%
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Growth Fund Jan to Mar 2016	ELCIC portfolio	Index Benchmark	CPI + 5%	Excess return
Canadian equity value	5.1%	4.5%		0.6%
Canadian equity growth	1.7%	4.5%		-2.8%
Global equity sustainability fund	-7.5%	-7.1%		-0.4%
Total Growth Fund	-1.4%		1.9%	-3.3%

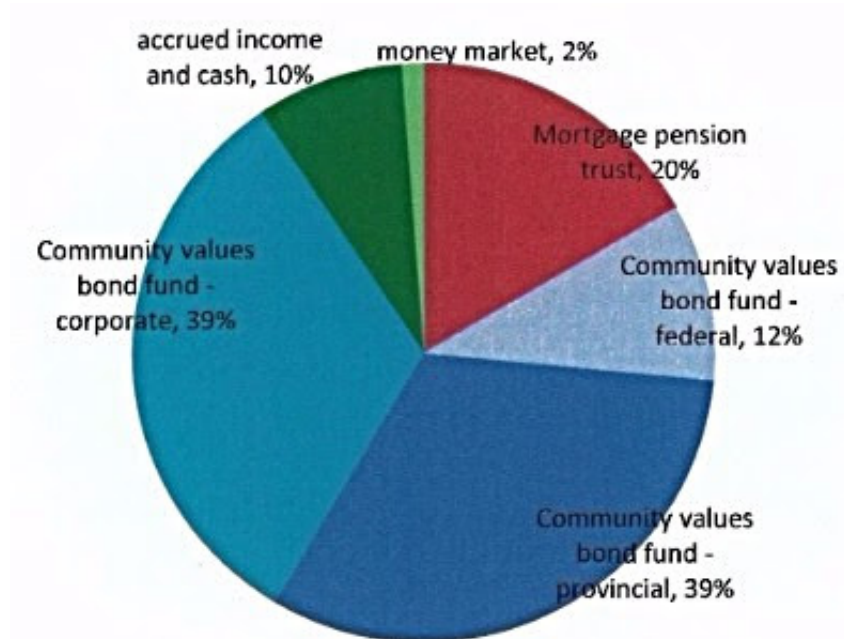
Fixed Income Fund

Phillips, Hager & North (PH&N), the fixed income investment manager, attributes the excess return to their credit and liquidity strategies. They increased the portfolio's provincial exposure during the quarter based on specific opportunities they identified with attractive valuations.

PH&N noted that in general, long-term bonds outperformed shorter-term bonds over the quarter. In a reversal from last quarter, corporate bonds were the strongest performers especially as investor demand and optimism returned in March. They also advised that oil prices continued to be volatile,

reaching a quarterly low in February and subsequently rebounding in the latter half of the quarter. Government of Canada bond yields, which tend to be highly correlated with the price of oil, moved in tandem.

The investment categories in this fund are shown in this chart.



Growth Fund

Jarislowsky Fraser (JF), the Canadian equities value manager continues the trend from last year of outperforming the benchmark. Their report states "The portfolio's overweight position as well as good stock selection in the Consumer Staples and Consumer Discretionary sectors helped, but it was the avoidance of Valeant Pharmaceuticals once again that was the largest contributing actor overall. The strongest performing sector was Materials, driven by the strong rebound in gold stocks." JF believes the portfolio is well positioned to take advantage of future growth, and added no new names to the portfolio this quarter.

Manulife Asset Management (MAM) reported on the changes that they are making to the portfolio based on their outlook ..."We want to be positioned in high-quality energy stocks before the markets get there and as a result we increased exposure to companies with strong balance sheets...". They also are focusing on sectors with strong export earnings as they benefit from the weak Canadian dollar.

This was the ELCIC Pension Plan's first quarter with **Allianz GI Global**

Sustainability Fund. The fund underperformed the benchmark as the benchmark's performance was driven by the commodity sector which includes stocks such as utilities. Allianz named Nielsen as the top contributor and the company announced better-than-expected results driven by digital clients and accelerating emerging markets growth. Citigroup and American Express were detractors. During the quarter the fund acquired a holding in Reckitt Benckiser Group PLC which manufactures and distributes a wide range of household toiletry, pharmaceutical and food products on a global basis. This company supports the idea that successful companies are those that not only embrace sustainability, but where being sustainable is integral to the way in which they do business.

GSI administers pension and benefits plans that enhance the well-being of employees who serve in the ELCIC and its affiliates.



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