

# University of Northern BC Staff Pension Plan - Quarterly Summary



For periods ending December 31, 2014

1 Year Ending December

| <b>Balanced</b>                                   | Qtr  | Rk. | Ytd         | Rk. | 1 Yr.       | Rk. | 4 Yr.       | Rk. | 1 Year Ending December |     |             |     |             |              |
|---|------|-----|-------------|-----|-------------|-----|-------------|-----|------------------------|-----|-------------|-----|-------------|--------------|
|   |      |     |             |     |             |     |             |     | 2013                   | Rk. | 2012        | Rk. | 2011        | Rk.          |
| MFS Responsible Balanced Fund                     | 3.5  | 19  | 12.6        | 18  | 12.6        | 18  | 8.6         | 56  | 17.0                   | 41  | 9.7         | 33  | -3.9        | 83           |
| Beutel Goodman Balanced Fund                      | 1.9  | 63  | 9.4         | 78  | 9.4         | 78  | 9.5         | 28  | 17.6                   | 33  | 11.2        | 16  | 0.5         | 40           |
| CI Signature Income and Growth Fund               | 1.7  | 69  | 11.9        | 34  | 11.9        | 34  | 9.8         | 23  | 16.7                   | 44  | 12.2        | 8   | -0.7        | 49           |
| Connor Clark & Lunn Group Income & Growth Fund    | 1.0  | 32  | 13.6        | 13  | 13.6        | 13  | 12.8        | 16  | 14.5                   | 82  | 16.6        | 1   | 6.6         | 25           |
| <b>API Balanced Median: Pooled</b>                |      |     | <b>2.3</b>  |     | <b>11.2</b> |     | <b>11.2</b> |     | <b>8.7</b>             |     | <b>16.1</b> |     | <b>8.8</b>  | <b>-0.8</b>  |
| <b>API Income and Dividend Median: Pooled</b>     |      |     | <b>-0.1</b> |     | <b>9.5</b>  |     | <b>9.5</b>  |     | <b>9.7</b>             |     | <b>18.1</b> |     | <b>10.0</b> | <b>1.5</b>   |
| <b>API Balanced Passive Index</b>                 |      |     | <b>1.8</b>  |     | <b>11.0</b> |     | <b>11.0</b> |     | <b>7.9</b>             |     | <b>13.5</b> |     | <b>7.7</b>  | <b>-0.1</b>  |
| <b>Income &amp; Dividend Universe Benchmark</b>   |      |     | <b>-1.7</b> |     | <b>7.0</b>  |     | <b>7.0</b>  |     | <b>8.4</b>             |     | <b>14.6</b> |     | <b>8.2</b>  | <b>4.2</b>   |
| <b>Fixed Income</b>                               | Qtr  | Rk. | Ytd         | Rk. | 1 Yr.       | Rk. | 4 Yr.       | Rk. | 2013                   | Rk. | 2012        | Rk. | 2011        | Rk.          |
| PH&N Bond Fund                                    | 2.8  | 32  | 9.3         | 38  | 9.3         | 38  | 5.3         | 65  | -0.7                   | 50  | 4.0         | 75  | 9.0         | 55           |
| BlackRock Canada Universe Bond Index Class A      | 2.7  | 37  | 8.8         | 50  | 8.8         | 50  | 5.1         | 75  | -1.2                   | 61  | 3.7         | 81  | 9.7         | 38           |
| Sun Life Money Market Fund                        | 0.3  | 81  | 1.1         | 76  | 1.1         | 76  | 1.1         | 70  | 1.1                    | 72  | 1.1         | 61  | 1.2         | 43           |
| <b>API Bond Median: Pooled</b>                    |      |     | <b>2.5</b>  |     | <b>8.8</b>  |     | <b>8.8</b>  |     | <b>5.5</b>             |     | <b>-0.7</b> |     | <b>4.7</b>  | <b>9.1</b>   |
| <b>API Short Term Median: Pooled</b>              |      |     | <b>0.3</b>  |     | <b>1.2</b>  |     | <b>1.2</b>  |     | <b>1.2</b>             |     | <b>1.2</b>  |     | <b>1.2</b>  | <b>1.2</b>   |
| <b>FTSE TMX CA Universe Bond Index</b>            |      |     | <b>2.7</b>  |     | <b>8.8</b>  |     | <b>8.8</b>  |     | <b>5.1</b>             |     | <b>-1.2</b> |     | <b>3.6</b>  | <b>9.7</b>   |
| <b>Money Market Index</b>                         |      |     | <b>0.2</b>  |     | <b>0.9</b>  |     | <b>0.9</b>  |     | <b>1.0</b>             |     | <b>1.0</b>  |     | <b>1.0</b>  | <b>1.0</b>   |
| <b>Canadian Equity</b>                            | Qtr  | Rk. | Ytd         | Rk. | 1 Yr.       | Rk. | 4 Yr.       | Rk. | 2013                   | Rk. | 2012        | Rk. | 2011        | Rk.          |
| BlackRock Canadian Equity Index Class A           | -1.5 | 66  | 10.6        | 55  | 10.6        | 55  | 5.2         | 75  | 13.0                   | 95  | 7.2         | 79  | -8.7        | 45           |
| Beutel Goodman Cdn. Equity Fund                   | 0.3  | 39  | 11.8        | 42  | 11.8        | 42  | 10.6        | 13  | 26.1                   | 15  | 12.3        | 22  | -5.4        | 25           |
| Beutel Goodman Smallcap Fund                      | -2.1 | 22  | 11.6        | 25  | 11.6        | 25  | 6.4         | 74  | 19.0                   | 78  | 8.7         | 52  | -11.3       | 52           |
| Connor Clark & Lunn Q Canadian Equity Growth Fund | 1.5  | 22  | 11.6        | 45  | 11.6        | 45  | 9.4         | 21  | 25.4                   | 17  | 8.7         | 63  | -5.9        | 28           |
| <b>API Canadian Equity Median: Pooled</b>         |      |     | <b>-0.3</b> |     | <b>11.2</b> |     | <b>11.2</b> |     | <b>7.2</b>             |     | <b>19.6</b> |     | <b>9.8</b>  | <b>-9.6</b>  |
| <b>S&amp;P TSX Composite</b>                      |      |     | <b>-1.5</b> |     | <b>10.6</b> |     | <b>10.6</b> |     | <b>5.1</b>             |     | <b>13.0</b> |     | <b>7.2</b>  | <b>-8.7</b>  |
| <b>BMO Small Cap (Blended)</b>                    |      |     | <b>-9.6</b> |     | <b>-2.5</b> |     | <b>-2.5</b> |     | <b>-5.4</b>            |     | <b>-0.5</b> |     | <b>-0.5</b> | <b>-17.0</b> |

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# University of Northern BC Staff Pension Plan - Quarterly Summary



For periods ending December 31, 2014

1 Year Ending December

| US Equity   | Qtr         | Rk. | Ytd         | Rk. | 1 Yr.       | Rk. | 4 Yr.       | Rk. | 1 Year Ending December |     |             |     |             |     |
|---|-------------|-----|-------------|-----|-------------|-----|-------------|-----|------------------------|-----|-------------|-----|-------------|-----|
|   |             |     |             |     |             |     |             |     | 2013                   | Rk. | 2012        | Rk. | 2011        | Rk. |
| BlackRock US Equity Index Class D*                | 8.7         | 50  | 23.5        | 31  | 23.5        | 31  | 19.7        | 35  | 40.8                   | 75  | 13.0        | 51  | 4.3         | 30  |
| CI American Value Fund **                         | 10.6        | 18  | 24.2        | 24  | 24.2        | 24  | 19.0        | 44  | 43.3                   | 45  | 9.9         | 79  | 2.6         | 51  |
| Beutel Goodman American Equity Fund               | 8.3         | 56  | 26.2        | 13  | 26.2        | 13  | 21.3        | 17  | 41.5                   | 66  | 15.5        | 21  | 4.7         | 25  |
| <b>API US Equity Median: Pooled</b>               | <b>8.7</b>  |     | <b>22.1</b> |     | <b>22.1</b> |     | <b>18.6</b> |     | <b>42.5</b>            |     | <b>13.1</b> |     | <b>2.7</b>  |     |
| <b>S&amp;P 500 Total Return (CAD-Close)</b>       | <b>8.7</b>  |     | <b>24.0</b> |     | <b>24.0</b> |     | <b>20.1</b> |     | <b>41.5</b>            |     | <b>13.5</b> |     | <b>4.4</b>  |     |
| International Equity                              |             | Rk. | Ytd         | Rk. | 1 Yr.       | Rk. | 4 Yr.       | Rk. | 2013                   | Rk. | 2012        | Rk. | 2011        | Rk. |
| BlackRock CDN MSCI EAFE Equity Index Class D Fund | -0.1        | 69  | 3.9         | 51  | 3.9         | 51  | 9.0         | 58  | 31.2                   | 35  | 14.9        | 77  | -9.8        | 53  |
| Fiera Capital International Equity Fund           | 3.3         | 13  | 6.9         | 20  | 6.9         | 20  | 13.0        | 9   | 26.2                   | 75  | 24.0        | 2   | -2.4        | 10  |
| <b>API International Equity Median: Pooled</b>    | <b>0.4</b>  |     | <b>3.9</b>  |     | <b>3.9</b>  |     | <b>9.3</b>  |     | <b>29.5</b>            |     | <b>17.8</b> |     | <b>-9.6</b> |     |
| <b>MSCI EAFE(CAD)</b>                             | <b>-0.1</b> |     | <b>4.2</b>  |     | <b>4.2</b>  |     | <b>9.3</b>  |     | <b>31.8</b>            |     | <b>15.3</b> |     | <b>-9.7</b> |     |
| Global Equity                                     |             | Rk. | Ytd         | Rk. | 1 Yr.       | Rk. | 4 Yr.       | Rk. | 2013                   | Rk. | 2012        | Rk. | 2011        | Rk. |
| Hexavest World Fund                               | 5.1         | 38  | 15.1        | 26  | 15.1        | 26  | 13.8        | 49  | 32.5                   | 62  | 9.9         | 91  | 0.2         | 20  |
| TD Emerald Global Equity PFT                      | 5.0         | 41  | 14.8        | 29  | 14.8        | 29  | 14.9        | 27  | 36.6                   | 27  | 13.9        | 62  | -2.4        | 38  |
| <b>API Global Equity Median: Pooled</b>           | <b>4.5</b>  |     | <b>12.6</b> |     | <b>12.6</b> |     | <b>13.8</b> |     | <b>33.6</b>            |     | <b>15.0</b> |     | <b>-3.3</b> |     |
| <b>MSCI World TR Net (\$CDN)</b>                  | <b>4.6</b>  |     | <b>14.5</b> |     | <b>14.5</b> |     | <b>14.1</b> |     | <b>35.4</b>            |     | <b>13.3</b> |     | <b>-3.4</b> |     |

## Commentary

This year, the balanced median manager produced an 11.2% return to add 0.2% to the API Balanced Passive Index, and the median surpassed the API BPI by 0.5% for the quarter. In the fixed income space, the median bond manager fell below the 2.7% quarterly return of the FTSE TMX CA Universe Bond Index, but returned on par with the index for the year with an 8.8% return. The Canadian equity median manager returned 11.2% in 2014 to surpass the S&P/TSX Composite by 0.6%, while the US equity median returned on par with the S&P 500 at 8.7% on the quarter but fell short for the year by 1.9%. The Global median manager returned 4.5% in Q4, and with a 12.6% annual return, the median fell below the 14.5% return of the MSCI World. The Russian Central Bank increased the key interest rate to 17% from 5.5% at the start of the year. The latest rate hike resulted in a 10% drop in the Ruble's value, which was the biggest single-day decline since 1998. Oil futures collapsed with prices declining nearly 46% over the year. The Loonie ended the year 8.3% lower against the greenback, gained 4.4% against the Euro, and finished 4.5% up against the Yen. The US Trade deficit tightened to an 11 month low of -\$39b in November, led by petroleum goods whose deficit narrowed to \$11.4b from \$15.2b in October.

Returns presented are based on institutional share class pooled fund returns.

\*Returns for the BlackRock US Equity Index component began October 2002, previously known as Barclays US Equity.

\*\*Monthly returns for the CI American Value Fund began late 2002, with quarterly information prior. The CI American Value Fund was previously known as the CI US Equity Fund and Spectrum MFS US Core Equity. These returns are net of fees.

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Monthly Summary