
GSI Newsletter - June 2015

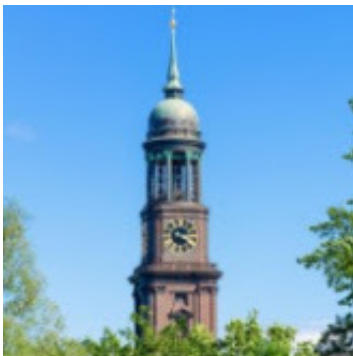
An informational bulletin for members of the ELCIC Pension Plan



June 2015

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2014 Annual Report

The ELCIC Pension Plan Annual Report for 2014 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 2015

The ELCIC Pension Plan had a strong first quarter earning 6.4% (before expenses) when combining the results of the Fixed Income Fund and the Growth Fund.

The Growth Fund – Canadian equity portion

Jarislowsky Fraser (JF) earned 1.1% this quarter, which represents an under-performance of the benchmark and therefore Mercer, who assists GSI in monitoring the investment manager performance, reported them ranked in the lowest quartile among their peers for this quarter (although JF is still ranked in the first quartile over a 4 year rolling average). JF attributes this under-performance to not being invested in the Health Care sector which returned 45% this quarter and was a big contributor to the benchmark result.

Manulife Asset Management (MAM) earned 6.0% this quarter and a first quartile ranking. MAM is overweight in the Health Care sector and made good stock selections within that sector, including the addition of specialty pharma company Concordia Health Care.

The Growth Fund – Global equity portion

GMO earned 13.0% in the first three months of 2015 and a second quartile ranking with a performance of 1% over the index benchmark. GMO attributes this result to small adjustments primarily oriented toward re-balancing.

The Fixed Income Fund

Phillips, Hager & North (PH&N) provided the Fixed Income Fund with a return of 4.3% and a first quartile ranking in the bond market this quarter. PH&N cites provincial and corporate credit strategies as the main source of value added, despite corporate credit spreads generally moving wider this quarter.

Please go the [investment page](#) on the website for more details on returns, performance and the top 10 stock or bond holdings of each manager.

In 2009, 34% of retired individuals aged 55 and over,

whether single or in a couple, held mortgage or consumer debt. The median amount owed by these individuals was \$19,000.

The incidence of debt was much higher among those in the same age group who had not yet retired. Among pre-retirees aged 55 and over, two-thirds held mortgage or consumer debt and their median debt load was \$40,000, double that of retirees.

Among retired people with debt, 25% owed less than \$5,000, 32% owed between \$5,000 and \$24,999, while 26% owed between \$25,000 and \$99,999. At the high end of the debt scale, 17% owed \$100,000 or more.

Source: Statistics Canada website

Retiring with Debt?

Adapted from "Where Credit is Due" by Jeffrey Schwartz - Benefits Canada February 2015

One of the key considerations in planning and preparing for retirement is the level of debt you are carrying. This is important both in your ability to maximize your savings for retirement while working and your ability to service any debt you carry into retirement with your pension income.



Statistics Canada began tracking the debt to income ratio of Canadians in 1990. At that time the ratio was 85.3% and by 2014 that nearly doubled to 163.6%.

Here are suggestions to help you control your debt and improve your retirement readiness:

Make a budget and stick to it You may think this 'cramps your style', but it could actually improve your style as it assists you to make wiser choices. When you gain control of your spending and see progress on your debt, it is quite liberating as it reduces financial stressors. There are free budgeting apps available to assist you.

Don't make just the minimum payment Whether we are talking about

your credit cards or calculating mortgage payments, if you are paying the minimum you are living beyond your means. Check out some online calculators to see how much interest you are paying when you only pay the minimum and how much quicker debt is eliminated and savings grow when you pay more principal instead of the interest.

Tackle student debt A 2014 *CIBC* survey found that half of Canadian college and university students had to borrow to fund their education. Many of our plan members who returned to school in mid-life to re-train for church work now have student debt. Financing education to pursue a career you love or to increase your earning power makes perfect sense, but you may need to take a few more years of cautious spending to focus on reducing that student debt in order to reach future financial milestones.

Don't be afraid to ask for help Most financial institutions have many calculators, checklist, tips and plans to set you up for financial success. The EFAP plan is also a resource.



Here is a link to an article from *The Financial Post* that is important to read if you retire with debt:

[*Five Things You Should Know About Retiring in Debt*](#)

The GSI Board Needs You

We are accepting expressions of interest for non-convention elected positions on the GSI Board - in particular we are seeking individuals with experience in the investment field.

Are you interested - or do you know of someone in your congregation or organization that could be? If so, please ask them to consider a position on the GSI Board. Appointments begin in the fall for a 4 year term. Meetings are held semi-annually in Winnipeg.

Anyone interested should complete the [*biographical data form*](#) found on our website and send it to our office along with their expression of interest. For more information call the GSI office at 1-877-352-4247.

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Top three reasons why people don't make additional voluntary contributions to their pension plan or an RRSP:

- 1. prefer to pay down debt first**
- 2. prefer other personal savings plans (like the TFSA - Tax Free Savings Account)**
- 3. can't afford it**

Source: Benefits Canada 2014 CAP Member Survey

Feedback from our Members

Education sessions for our Saskatchewan plan members were held in Regina on March 25th, 2015 and in Saskatoon on March 26th, 2015.

The sessions covered information on the benefits and pension plan with a focus on preparation for retirement and other transitions.

Here's a sampling of the comments we received from the plan members who attended these sessions:

"Overall it was very good!"

"All topics were helpful and necessary."

"I should have worked harder to have my spouse present."

"Thank you for a great, informative session."

Watch your inbox for announcements of when upcoming plan member education sessions will be held in your Synod.

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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ELCIC Group Services Inc
805-177 Lombard Ave
Winnipeg, MB R3B 0W5
Canada

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