

An informational bulletin for members of the ELCIC Pension Plan



November 2015

In this Issue:

- *Investment Results and Commentary*
- *Where Are You Going To Live In Retirement?*
- *ELCIC Member Education Sessions for Ontario Residents*

Investment Results and Commentary

for Nine Months ending September 2015

The third quarter was another one with negative investment results, but still not enough to wipe out first quarter earnings. The first nine months of 2015 stand a return for the ELCIC Pension Plan at 3.3% (before expenses) when combining the results of the Fixed Income Fund and the Growth Fund.

The Growth Fund – Canadian equity portion

Jarislowsky Fraser (JF) portfolio performance had a turnaround from earlier this year and outperformed the index in the third quarter. The first nine months of 2015 returned -4.4%, compared to the benchmark for Canadian equity at -7.0% year to date. Strong performances from Open Text Corp, Thomson Reuters Corp and Intact Financial Corp contributed to this result.

Manulife Asset Management (MAM) earned 1.6% from January to September 2015, far exceeding the -7.0% benchmark and earning first quartile ranking. MAM states that within the Canadian equity market, they continue to find the most compelling investments in the non-resource growth sectors of the market. The strategy has benefited from its underweight positions in energy and materials and overweight position in consumer discretionary, consumer staples, health care and industrials.

The Growth Fund – Global equity portion

GMO earned 8.1% to the end of September this year, just under performing the index of 8.8%. GMO had positive results from their allocation and stock selection in U.S high quality positions, but their position in European value stocks produced a negative impact, particularly the stocks in France and Germany.

The Fixed Income Fund

Phillips, Hager & North (PH&N) provided the Fixed Income Fund with a return of 3.0% for the three quarters of 2015 combined and continues to be ranked in the first quartile for performance. PH&N stated that in the Canadian bond market, short-term bond returns were quite flat during the quarter while many mid- and long-term bonds, especially the safest Government of Canada bonds, increased in value. Corporate credit strategies were the main source of value-added.

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

ELCIC Pension Plan YTD Sept 2015	ELCIC Pension plan	Median Balanced Pooled Fund		Excess return
All funds combined	3.3%	2.6%		0.7%

Fixed Income Fund YTD Sept 2015	ELCIC portfolio	Index Benchmark	CPI + 1%	Excess return
Bond Fund	2.8%	2.5%		0.3%
Mortgage Fund	3.1%	2.1%		1.0%
Total Fixed Income Fund	3.0%		2.8%	0.2%

Growth Fund YTD Sept 2015	ELCIC portfolio	Index Benchmark	CPI + 5%	Excess return
Canadian equity value	-4.4%	-7.0%		2.6%
Canadian equity growth	1.6%	-7.0%		8.6%
Global equity developed world	9.6%	9.2%		0.4%
Global equity all country	6.4%	8.1%		-1.7%
Total Growth Fund	3.6%		5.8%	-2.2%

Where Are You Going To Live In Retirement?

Where you are going to live, both geographically and style/size of home, and the amount of debt you carry when you retire are some of the biggest decisions you will need to make in your retirement planning. Consider starting these conversations early with your spouse and financial planner so that you can have a goal for your ideal situation. Things are bound to change and evolve, but it may be easier to make adjustments to your plan rather than dealing with unexpected events with no framework. If you are living in a parsonage these conversations could be more urgent or critical. You may want to start by talking with trusted friends and family to get ideas. If you wonder what other Canadians are doing, we enclose a piece from the [CMHC website](#) for your information.



Do Seniors Want to Rent or Buy Housing? Canadians aged 55 to 64 have the highest rates of home ownership among all age groups; about 77% of households in which the primary household maintainer is aged 55 to 64 own the housing in which they live (see table below). The age group 65 to 74 also has a strong ownership rate (76%). Many older Canadians choose retirement homes or other housing and tenure options as they age or as their incomes decrease. Home ownership decreases with age and falls to 71% for those with a primary household maintainer aged 75 or more. This may be partly explained by research, which found that many of those over 65 who downsized sold their homes in favour of renting, while those who downsized before they were 65 tended to stay owners.

The proportion of homeowners without a mortgage increases with age (see table below). About 83% of households in which the household maintainer is aged 75 or older and that live in homes that they own have no mortgage.

Housing Tenure by Age of Primary Household Maintainer Canada, 2011			
Age Category	Owners	Owners Without Mortgage	Renters
< 45	58%	14%	41%
45-54	75%	31%	25%
55-64	77%	53%	23%
65-74	76%	71%	24%
75+	71%	83%	29%
Total	69%	42%	31%

**ELCIC Member Education Sessions
for Ontario Residents**

All plan members residing in Ontario are invited to the upcoming November member education sessions which will be held at the following locations:



Hamilton

Wednesday, November 25th, 2015

Faith Lutheran Church, 1907 King St E

Kitchener

Thursday, November 26th, 2015

St Luke's Lutheran Church, 317 Franklin St N

The member education sessions will cover information on the benefits and pension plan with a focus on preparation for retirement and other transitions. Check your email inbox for more details.

Don't miss out on this valuable informational session:

Click here to REGISTER NOW!

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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