



August 2013

NEWSLETTER

Information about the York University Pension Plan

Fund Review for First Half of 2013

With the backdrop of austerity in the Eurozone, as well as the prospect of “tapering” of quantitative easing in the US, most of the global capital markets performed reasonably well in the first half of 2013.

During the period, the Canadian dollar depreciated against the Euro and the US dollar.

The Bank of Canada has maintained the overnight

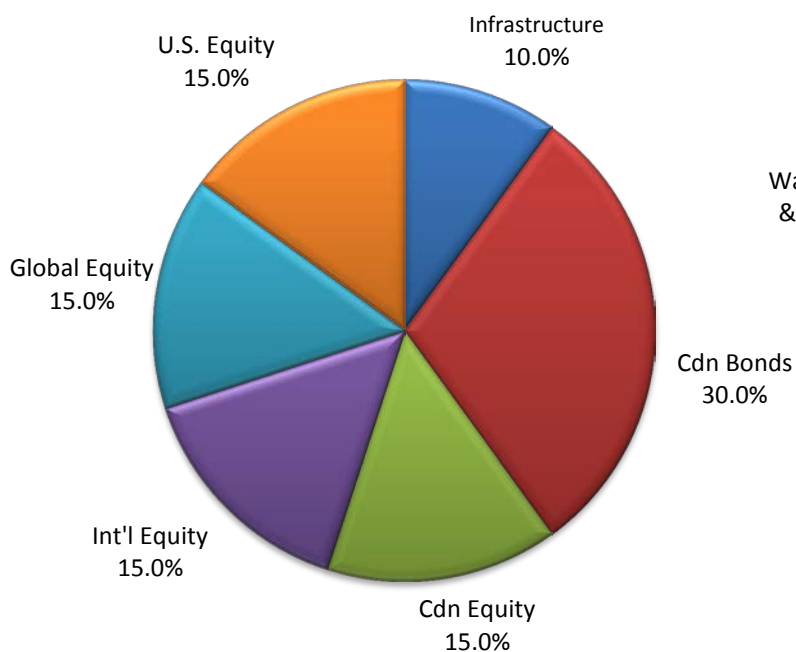
target interest rate at 1%, and the inflation rate has been kept within the target of 1% - 3% set by the Bank.

2013 has so far been a good year for the York University Pension Fund. For the first six months of 2013, the Pension Fund had a gross return of 6.6% (6.4% net), outperforming the benchmark return by 1.2%.

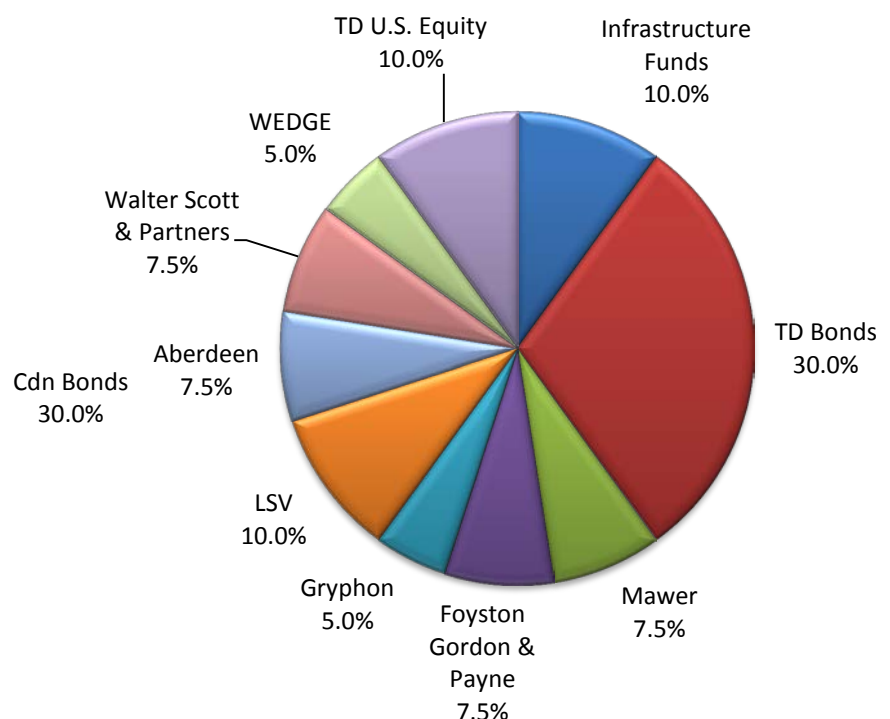
Investment Manager and Policy Update

The current target asset allocation of the York University Pension Fund remains 30% Canadian bonds, 15% Canadian equity, 15% U.S. equity, 15% International equity, 15% Global equity, and 10% Infrastructure. There were no recent changes to the Asset Mix or Manager Structure.

Asset Mix



Manager Structure



Investment Results at June 30, 2013*

Investment Manager (type of portfolio)	YTD Return	Benchmark YTD Return	Manager Allocations (% of Total Fund)	Market Value of assets (thousands)
TD Asset Management (Cdn. Bonds, passive/active)	-4.6%	-4.8%	27.2%	439,113
Foyston Gordon & Payne (Canadian equities, active)	5.6%	-0.9%	7.6%	123,448
Mawer Investment Management (Canadian equities, active)	9.9%	-0.9%	8.3%	133,419
TD Asset Management (U.S. equities, passive)	20.6%	20.6%	11.0%	178,465
WEDGE Capital Management (U.S. Small & Mid Cap equities, active)	22.2%	22.0%	6.4%	103,450
Aberdeen Asset Management (Global equities, active)	8.6%	15.3%	8.3%	133,599
Walter Scott & Partners (Global equities, active)	11.3%	14.9%	7.9%	126,875
LSV Asset Management (Int'l equities, active)	11.0%	10.3%	10.2%	165,070
Gryphon International (Int'l equities, active)	9.0%	10.3%	5.0%	80,780
Infrastructure (Private Infrastructure, active)	6.7%	3.9%	7.2%	116,599
Mesirow Financial (Currency hedge overlay, Passive)	0.1%	0%	0%	-1,477
Total Fund	6.6%	5.4%	100.0%	1,615,890

* Results are based on information provided by Towers Watson and CIBC Mellon. Returns do not include expenses. Total assets include operating funds. Benchmark returns are returns of the relevant capital market index used to evaluate the returns of the investment portfolios. The benchmark for the Total Fund is a composite of the asset class benchmarks calculated using the same proportion as the investment policy.

News from the Pension and Benefits Office

The Pension & Benefits office is reminding everyone that the December 31, 2012 pension statements were made available on the Retirement Planner on April 12, 2013. Pension statements can be accessed at:

<https://www.yorku-ret.ca/>

You may also produce your own termination, death and retirement estimates.

For those active and deferred members who have not provided an e-mail address to us, statements were mailed in May 2013. In order to receive your electronic pension statement along with notification of the P & B Times we strongly urge you to provide us with an e-mail address. Please e-mail askpb@yorku.ca with this information.

Actuarial Valuation Results

The purpose of the actuarial valuation is to determine the funded status of the Plan as at year end and the minimum funding requirements for the University for the following three calendar years. The Actuarial Valuation Report is required to be completed and filed with the provincial pension regulators (FSCO) at least every three years. The valuation report as at December 31, 2010 was filed, and the next report required to be filed will be as of December 31, 2013.

The results at December 31, 2010 incorporate Stage 1 Funding Relief, and indicate the following contribution requirements for the University for 2013 (2012 actual):

- The University will continue to contribute 103% of each member's contributions to the member's money purchase account. This is expected to total approx. \$21.5 M (2012 \$21.0 M).
- To cover the cost of providing the minimum guaranteed pension and additional special payments required to fund the deficit, the University will contribute an additional \$44.4 M (2012 \$43.4 M).
- Total University contributions for 2013 are expected to be \$65.9 M (2012 \$64.4 M).

The University has traditionally asked the actuary to prepare the valuation results each year, even if a report is not officially required to be filed. Due to good investment experience in 2012, the Pension Plan deficit at the end of 2012 slightly improved to \$219.5 million from \$283 million at the end of 2011.

- If this valuation report was filed with the regulators, the University would be required to make contributions into the Pension Fund totaling \$65.7 million for 2013. Without the Stage 1 Funding Relief, the University would be required to make contributions into the Pension Funding totaling \$117.4 million.

For 2013, the contribution rates for plan members remain the same at 4.5% of earnings up to the YMPE (year's maximum pensionable earnings) plus 6% of earnings above the YMPE. Total employee contributions for 2013 (not including additional voluntary contributions) are expected to be \$20.9 million in 2013 (2012 \$19.8 M).

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If you have any questions or feedback regarding this newsletter or other pension communication, or for further information on any pension issue, please see contact information on last page.

Websites: <http://www.yorku.ca/hr/services/employees/benefits.html>
<http://www.yorku.ca/finance/divisions/pensioninvestments.htm>