

Enclosed is your **Annual BCGEU Pension Plan Statement**. Please review your statement and contact the Plan Administrator if you notice that any of your personal information is incorrect. You can find contact information for the Plan Administrator at the end of this newsletter.

## ECONOMIC COMMENTARY

2014 may be best remembered as a year of divergent global economic growth. While the US economy had a year of strong economic growth and labour improvement, most nations, especially in Europe, Japan and the emerging markets, struggled with softening growth and declining inflation. Canada was not immune from economic struggles as the 50% drop in the price of oil in the second half of the year was the main driver for the 25 basis point cut in the Overnight Rate by the Bank of Canada in January 2015.

Despite the divergence in global economic performance, equity markets had another strong year in 2014. Canadian equities (S&P/TSX Composite Index) returned +10.6% while global equities (MSCI World Index) returned +14.4% in Canadian dollar terms. US equities (S&P500 Index) returned +23.9% in Canadian dollar terms. The low returns and rising yields expected by most investors at the beginning of 2014 did not materialize and the overall Canadian bond market (FTSE TMX Universe Bond Index) returned +8.8% in the past year.

## FAQs

### How do I change my beneficiary designation?

As changes to your designated beneficiary must be made in writing, complete a 'Member Record Change Form' which you can obtain from your payroll office or the Plan Administrator. Ensure that the form is dated, signed and witnessed and send it to the Plan Administrator.

### What happens to my pension if my marriage breaks up?

First, note that common-law partners are treated the same as married spouses for the purposes of dividing a pension when a relationship ends. In this case, "spouse" refers to someone you are married to or someone with whom you've been living in a marriage like relationship for a continuous period of two or more years, whether of the same or opposite sex.

The following points are important:

- The BC Family Law Act recognizes your BCGEU pension as a family asset.
- Your former spouse may be entitled to a share of your pension based on the portion of the pension you earned while you lived together.
- If you divorce or separate, you and your former spouse can agree to divide the pension, with each of you receiving a share, or you may agree to leave the pension intact and divide family assets another way.
- A formal separation agreement or court order is required to define how your BCGEU pension will be administered.

### RETIRING SOON?

**BC FORUM** - The BC Federation of Retired Union Members provides many benefits to its members. Go to [www.bcforum.ca](http://www.bcforum.ca) for more information.

**Join today!** First time member dues for retiring BCGEU members are paid by your Component.

## INVESTMENT FUND PERFORMANCE

There are two investment funds in the BCGEU Pension Plan – the Main Fund and the Immunization Fund.

The investment philosophy of the Main Fund is to maintain a diversified, quality, balanced portfolio. The assets are managed by four professional investment managers. The assets of the Main Fund as at December 31, 2014 total \$135 million and the December 31, 2014 unit value is \$601.96.

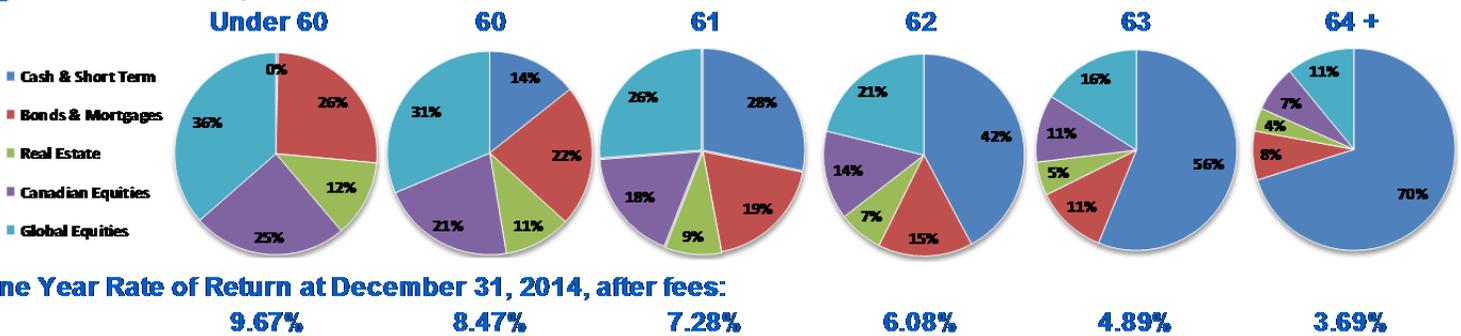
Main Fund Annualized Rates of Return at December 31, 2014						
1 Year	3 Year	5 Year	10 Year	15 Year	20 Year	25 Year
9.67%	10.64%	7.51%	4.80%	4.98%	7.05%	7.24%

The Immunization fund is comprised solely of short term, fixed income investments that do not depreciate in value and is used to limit exposure to market volatility for members over age 60 who are nearing retirement. The assets of the Immunization Fund as at December 31, 2014 total \$13.2 million.

It is important for members, age 60 and older, to view their account in total (Main fund plus Immunization fund). At the end of each year, member accounts are rebalanced and transfers are made to the Immunization fund so that the total member account evolves to a more conservative asset mix. At all ages, member accounts continue to be diversified and invested in Canadian and Global stocks, bonds and real estate.

The following charts illustrate the various asset mixes and investment returns based on members' ages:

### Age at December 31, 2014:



#### Your Plan Administrator

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#### BCGEU Pension Plan-Board of Trustees

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