

Attached is a summary of the annualized performance of the Defined Benefit Pension Plan over the past number of years as at December 31, 2012.

Glossary of terms

Total Fund – refers to the performance of the entire investment fund held by the Defined Benefit component of the Pension Plan

Benchmark – refers to the performance of the underlying stock or bond market as defined in the Plan's Investment Policy (e.g. S&P/TSX Capped Composite Index, MSCI World Ex-Canada Index, DEX Universe Bond Index). The Plan benchmark is the combination of the three benchmarks in the proportions described in the Plan's investment policy.

The **S&P/TSX Composite Index** is an index of the stock (equity) prices of the largest companies on the Toronto Stock Exchange (TSX) as measured by market capitalization.

The **MSCI World** is a stock market index maintained by MSCI Inc. and is often used as a common benchmark for 'world' or 'global' stock funds. The Plan uses the **Ex-Canada** variant of this index to reflect a benchmark for non-Canadian equities.

DEX Universe Bond Index tracks the broad Canadian bond market

Parentheses contain the percentage ranking of the return versus its peer universe, for example, (75) means that 75% of fund manager returns in that universe were higher.

Note: we don't have performance information for the Universe Bonds component of the portfolio available at this time. We only have the performance of the High Yield Bond fund and total fixed income information as shown in the report.

All returns are gross of fees which is industry standard

Summary

Over the longer term the Plan has performed reasonably well, better than 50% of the managers over 10 years and better than 58% of the managers over 5 years.

The trustees have developed a new investment policy which will be implemented in 2013 followed by a review of existing managers and appointment of new managers. Further information will be communicated about the new investment policy once it is finalized.