



April 2010

BLUEPRINTS

Prepared for members of the Millwright Regional Council of Ontario Pension Plan | Volume 1, Number 1

On the road to recovery

Reviewing our plan's financial health

There's no getting around it, the recent years have taken a serious toll on Canadian pension plans. Many plans, including our own, have been hit hard over the past 24 months by the combined effects of a stock market meltdown, global credit crunch, and panic selling in investment markets. We know some of you are concerned about the impact of these economic events on the Millwright Pension Plan ("pension plan"), and it's only natural for you to have questions about the safety of your retirement benefits.

While there isn't a whole lot we can do to control the global economy, we're pleased to confirm that the pension plan has managed to hold its own during these extremely difficult times – thanks to a continued focus on good governance, effective plan management, and sound investment practices.

Better yet, after their grisly performance in 2008, markets are showing signs of recovery. They continued to edge lower during the first two months of 2009 before turning a corner and starting what appears to be a long climb back to pre-meltdown levels.

This bulletin provides a summary of the pension plan's most recent financial results. We encourage you to read it carefully – and share the information with your family members or financial advisors. If you have any questions – or suggestions for future newsletter topics – please contact the Administrator, Manion Wilkins & Associates Ltd. at 1-800-263-5621 or visit the website at www.manionwilkins.com. We look forward to hearing from you.

Sincerely,

The Board of Trustees of the Millwright Regional Council
of Ontario Pension Plan

WHAT'S INSIDE

- **Managing risk**
- **By the numbers**
- **Q & As**

Managing risk

The right balance

Pension plans like ours are designed to operate over long time horizons (30 years and more). When you consider that some Millwright members will collect a pension cheque for more years than they collect a paycheque, our investment approach is – by necessity – focused on achieving strong returns over extended time periods – without exposing the plan (and, by extension, our members) to unnecessary investment risk.

Managing a pension plan's investments is all about balance. It's about balancing risk and reward. And it's about balancing the objectives of our younger members (accumulating savings) with the needs of those members approaching retirement (preserving savings).

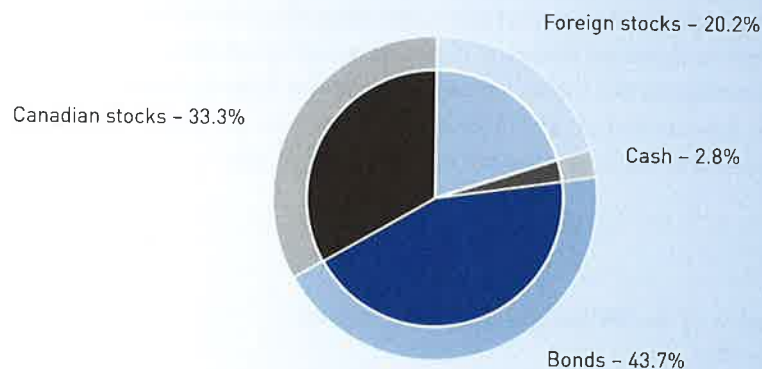
If your only goal is to maximize returns, you would invest 100% in growth-oriented investments (mainly stocks). If you are simply looking to preserve your savings, on the other hand, you would opt for the security of bonds and money market securities.

In an effort to balance both objectives, we have opted to invest your pension money – with some of Canada's most successful investment managers (see page 3) – in a broad mix of stock and bond funds that fits our plan's profile and extended time horizon. Our advisors regularly monitor and adjust that portfolio based on changing conditions and objectives.

Taking a balanced, long-term approach to investing may be a little on the boring side. But it does help to minimize the possibility of the plan suffering large losses during difficult times. When it comes to pension investing, the over-riding goal is to protect the interests of all members – at all times and under all conditions.

Managing a pension plan's investments is all about balance. It's about balancing risk and reward.

Asset mix as of December 31, 2009

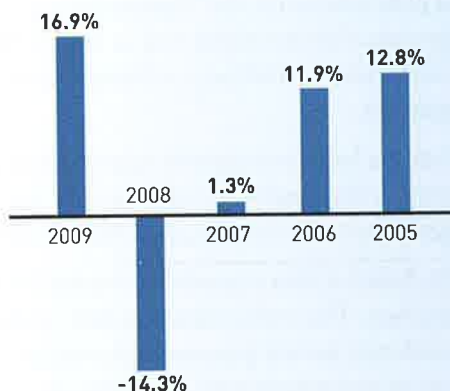


By the numbers

A look at some key plan facts and figures

Despite the horrible market conditions in 2008, the pension plan remains an important source of financial protection for you and the other members. As of December 31, 2009, our plan earned a respectable 16.9% for the year – a vast improvement over the prior year’s earnings of -14.3%.

Annual rates of return at year-end



Change in value of plan

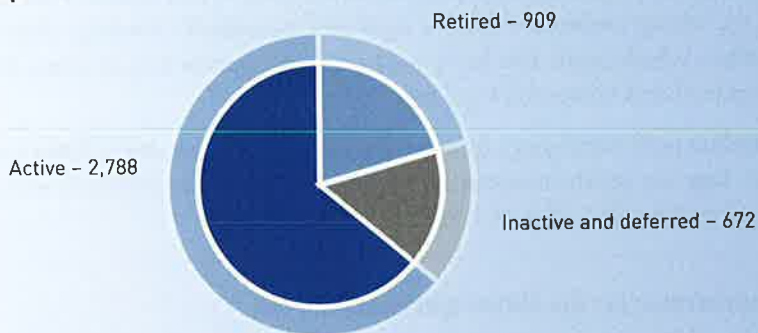
Market value of assets at beginning of 2009:	\$370,665,499
<i>Money in:</i>	
○ Contributions:	\$16,623,759
○ Investment earnings:	\$60,061,984
<i>Money out:</i>	
○ Benefit payments:	(\$19,394,398)
○ Fees and expenses:	(\$390,497)
<hr/>	
Market value of assets at end of 2009:	\$427,566,347

The plan earned a respectable 16.9% rate of return in 2009 – which helped to make up for the losses we suffered the year before.

Investment managers

- CI/KBSH
- Foyston Gordon Payne
- Jarislowsky Fraser

Plan membership



Q & As

How is our pension plan governed?

The pension plan is governed by a joint Board – comprised of labour and management Trustees – which functions as a single, independent committee. Due to the complex nature of managing a pension plan like ours, the Trustees must complete formal orientation and educational programs to help them understand and perform their fiduciary and governance duties.

As plan fiduciaries, the Trustees have a legal obligation to manage our plan in the best interests of its members, and to ensure that it adheres to the Statement of Investment Policies and Procedures – a formal, written policy that guides our plan’s investment approach.

With the help from outside administrative, legal, investment, and actuarial advisors, the Board is responsible for making sure the plan is well run, remains compliant with all regulatory requirements, and meets its financial obligations.

The Board is also responsible for disclosing plan activities and communicating with its members. The communication and disclosure practices include the distribution of this newsletter, annual personalized pension statements (which are legally required), and other various announcements and bulletins.

Manion Wilkins & Associates Ltd. looks after the day-to-day operations of our plan. This includes enrolling new plan members, receiving and reconciling contributions from employers, and answering questions. For more information, go to www.manionwilkins.com.

Now that things have started to recover, shouldn't we sell and get out of the market?

In a word, no. This is what is known as market timing, a strategy under which investors buy or sell their investments (usually stocks) based on whether they think stock prices will rise or fall. While market timing works in theory – buy low, sell high – very few investors can accurately predict these price changes on a consistent basis. There are simply too many factors that can influence stock prices from one day to the next.

While it is important to monitor the markets and to adjust our asset mix from time to time, the key to successful long-term investing is to take a balanced, diversified approach – and stay invested in the market. If an investor tried to time the market (and missed out on the top 10 market-performance days since January 1, 1980 in the process), he would have experienced a 50% drop in his overall returns for that period. This is not the kind of risk that we can accept for our pension plan.

Have you checked your beneficiary lately?

It is extremely important that you review and update your plan beneficiary from time to time, especially after a marriage breakdown. Unless you update your file, it's possible that the wrong person will have a legal (and potentially binding) claim to your survivor benefits – which could also leave your preferred beneficiary or estate with some unexpected and unwanted legal fees.

To update your beneficiary, you must request, complete, and submit a new beneficiary form. You can get the necessary form by contacting our Administrator, Manion Wilkins & Associates Ltd. at 1-800-263-5621.

Administrator for the Millwright Pension Plan

MANION WILKINS & ASSOCIATES LTD.

500 - 21 Four Seasons Place, Etobicoke, ON M9B 0A5

Toll-free: 1-800-263-5621 | Website: www.manionwilkins.com

The Trustees have a legal obligation to manage our plan in the best interests of its members.

THE FINAL WORD

This bulletin provides summary information about the Millwright Regional Council of Ontario Pension Plan. It is not intended to provide a comprehensive description of the plan, or to provide legal advice. If there are any discrepancies between this bulletin and the wording of the legal documents that govern the plan, the legal documents will apply in all cases.