

**Presentation to:**

**COPE Local 15 Pension Plan Participants**

**June 7, 2011**

**Presented By:** Bill Dye, CFA  
Leith Wheeler Investment Counsel Ltd.

# Proposed Agenda

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1. Update on Leith Wheeler Investment Counsel Ltd.
2. Your Investment Objectives
3. Your Investment Returns
4. Our Investment Outlook
5. Your Questions

## Update on Leith Wheeler Investment Counsel

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- A Vancouver based investment manager
- Established in June 1982
- We currently have 48 employees and manage \$11.3 billion of client assets
  - Primarily pension and other benefit plans

# The Investment Objectives of Your Plan

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1. Preservation of Capital
  - Core holdings of Canadian bonds and money market securities
2. Enhance Members' Purchasing Power For Retirement
  - Add Canadian, U.S. and International stocks to provide long-term growth and add diversification

<u>Asset Category</u>
• Bonds
• Money Market Securities
• Stocks



<u>Target Portfolio Allocation</u>
45.0% of Portfolio
5.0% of Portfolio
<u>50.0% of Portfolio</u>
100.0%

# COPE Local 15 Investment Results



	Gross Return	Net Return
1991	15.7%	15.3%
1992	8.1%	7.0%
1993	19.8%	19.4%
1994	-2.5%	-3.2%
1995	14.1%	12.5%
1996	13.7%	14.6%
1997	14.9%	12.9%
1998	8.6%	7.87%
1999	2.0%	1.78%
2000	9.5%	8.22%
2001	5.2%	3.37%
2002	3.4%	2.04%
2003	12.7%	11.06%
2004	11.6%	10.13%
2005	9.5%	8.57%
2006	13.4%	12.51%
2007	1.1%	-0.05%
2008	-14.3%	-15.14%
2009	16.5%	15.34%
2010	11.4%	10.26%
First 5 Mths 2011	3.8%	3.4 (e)

# COPE Local 15 Investment Results A Closer Look at 2008, 2009 and 2010

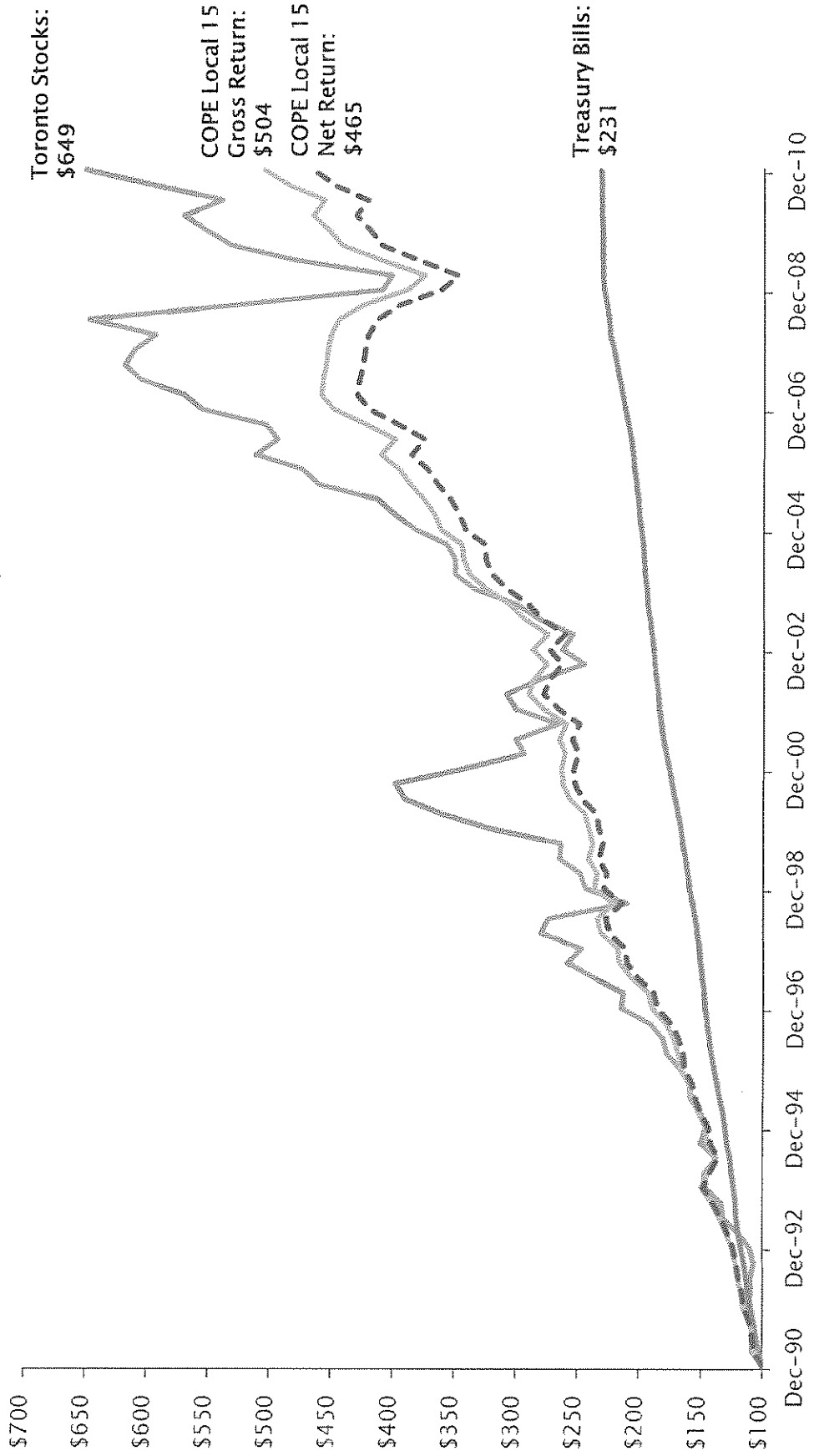


	COPE Local 15 Gross Return	Treasury Bills	Canadian Bonds	Canadian Stocks	U.S. Stocks	International Stocks
2008	-14.3%	3.3%	6.4%	-33.0%	-21.9%	-29.8%
2009	16.5%	0.6%	5.4%	35.1%	8.1%	12.6%
2010	11.4%	0.5%	6.7%	17.6%	9.4%	2.4%

# COPE Local 15 Historical Performance



COPE Local 15 Portfolio Investment Returns  
December 31, 1990 to December 31, 2010



# COPE Local 15 Pension Plan Returns to December 31, 2010



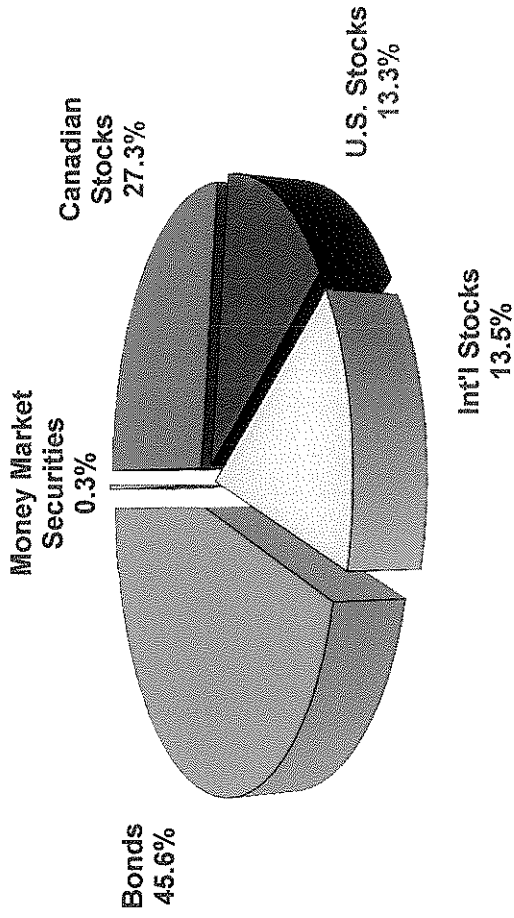
	1 Year	5 Years	10 Years
COPE Local 15 Pension Plan Gross Returns	11.4%	5.0%	6.7%
Benchmark Returns	9.1%	4.3%	4.8%
Difference	+2.3%	+0.7%	+1.9%



# COPE Local 15 Pension Plan Asset Mix

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May 31, 2011



- ◆ 54% stocks, 46% bonds and money market securities
- ◆ Portfolio Value = \$27,089,276

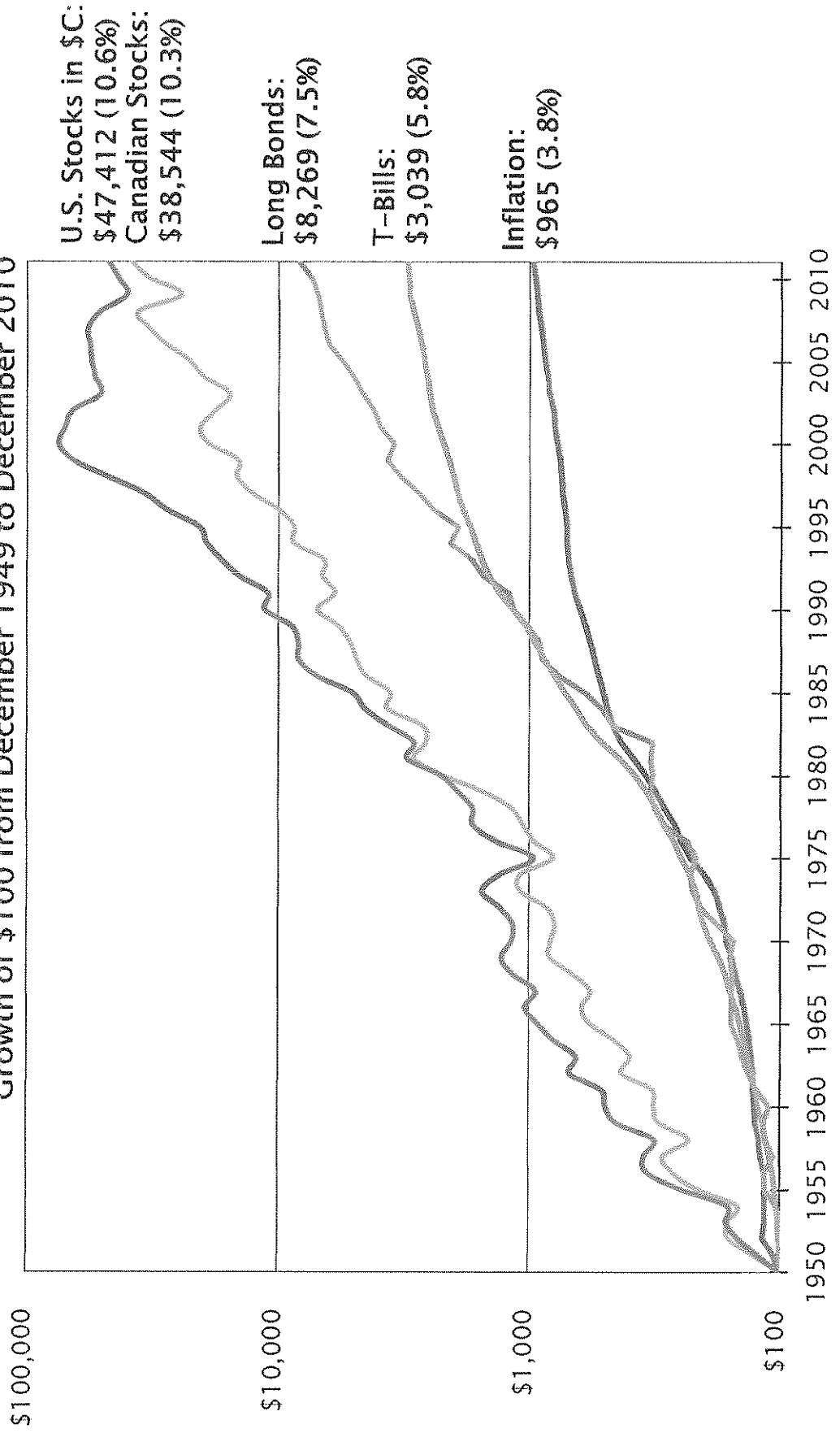
# Some Current Investment Issues

# Long Term Market Returns



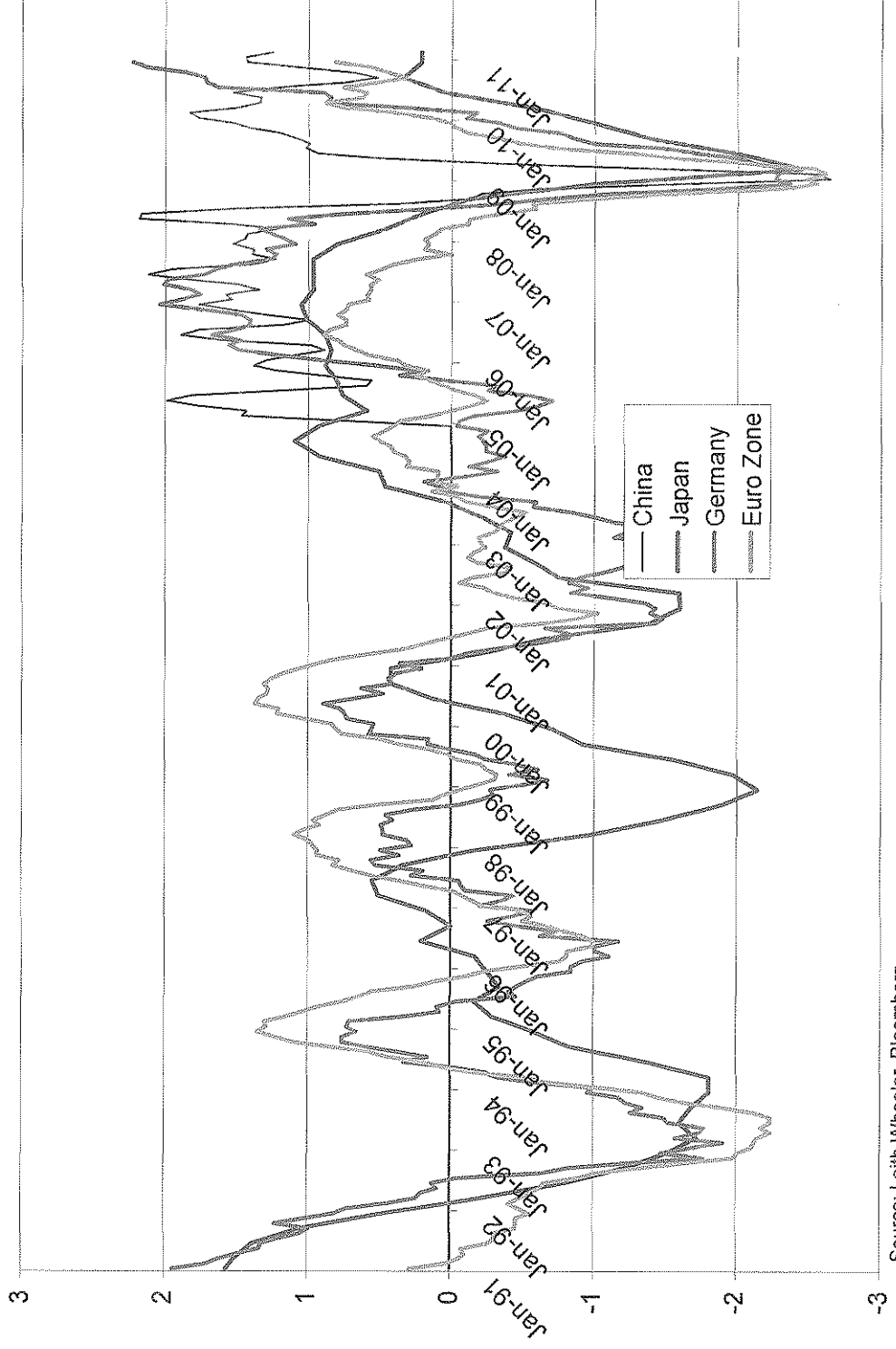
## Investment Results

Growth of \$100 from December 1949 to December 2010



# Global Economic Growth

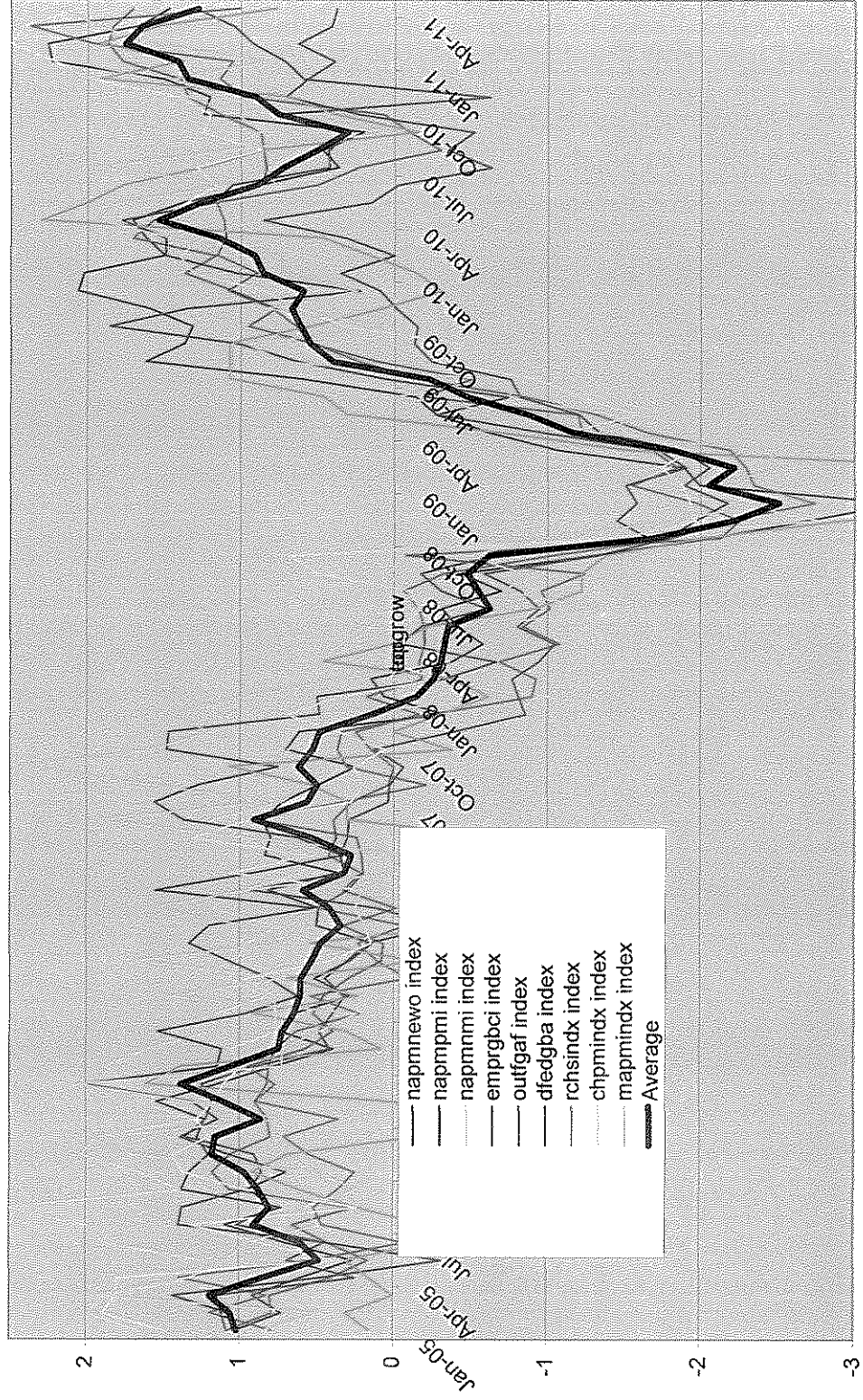
## Global Diffusion Indices



Source: Leith Wheeler, Bloomberg

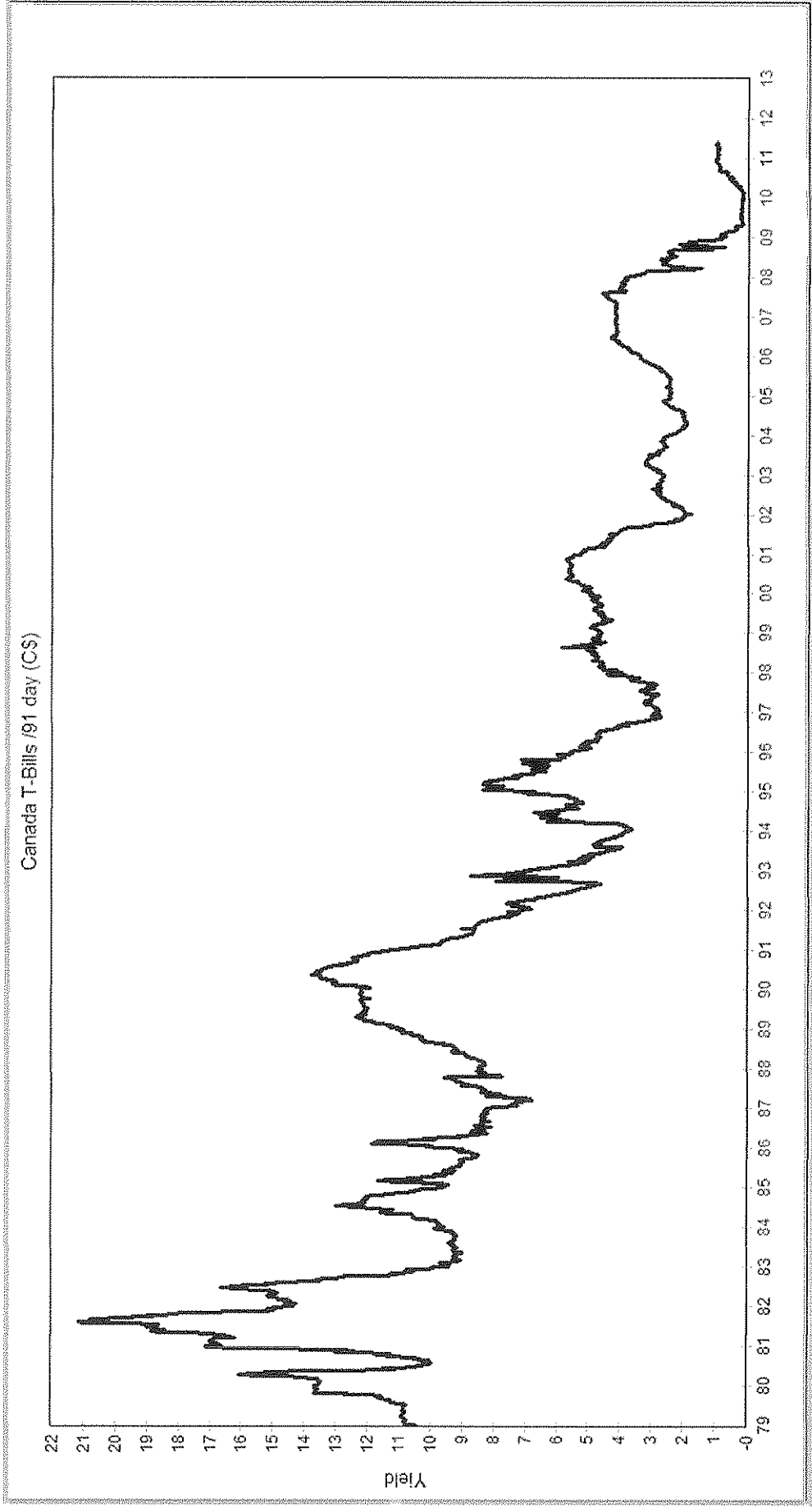
# U.S. Economic Growth

## U.S. Diffusion Indices

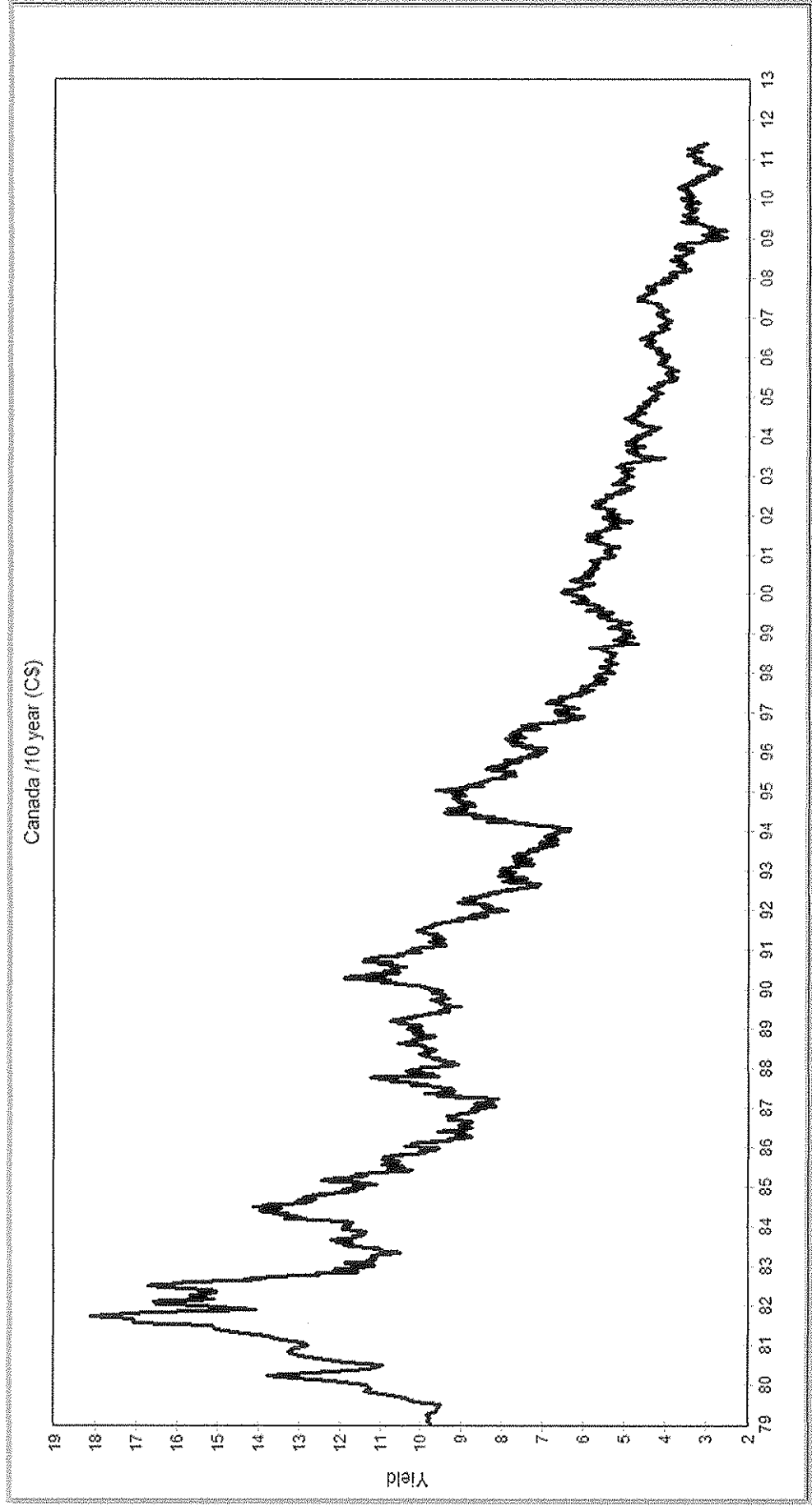


Source: Leith Wheeler, Bloomberg

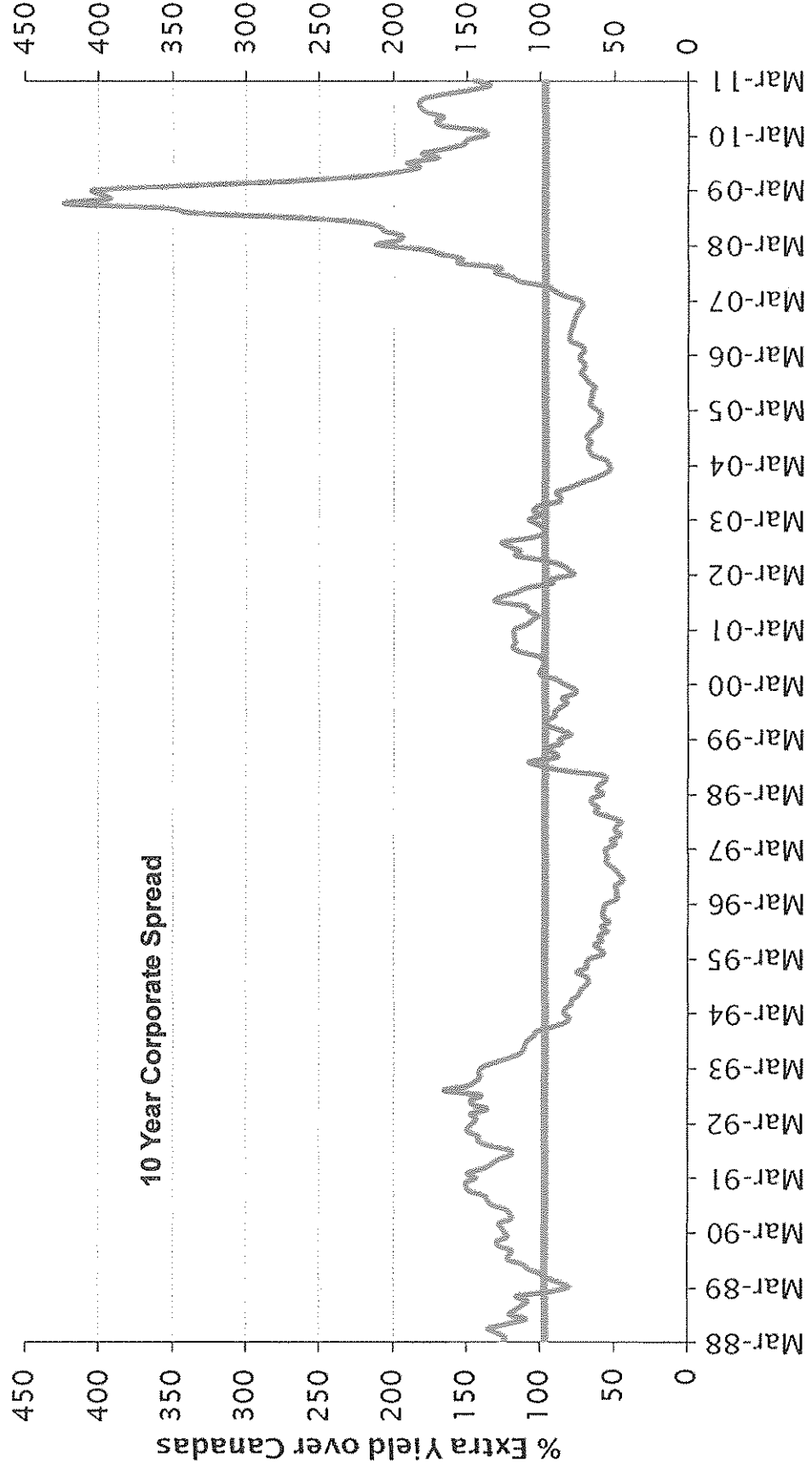
# Money Market Yields Have Fallen Dramatically



# Bond Yields Have Fallen Dramatically

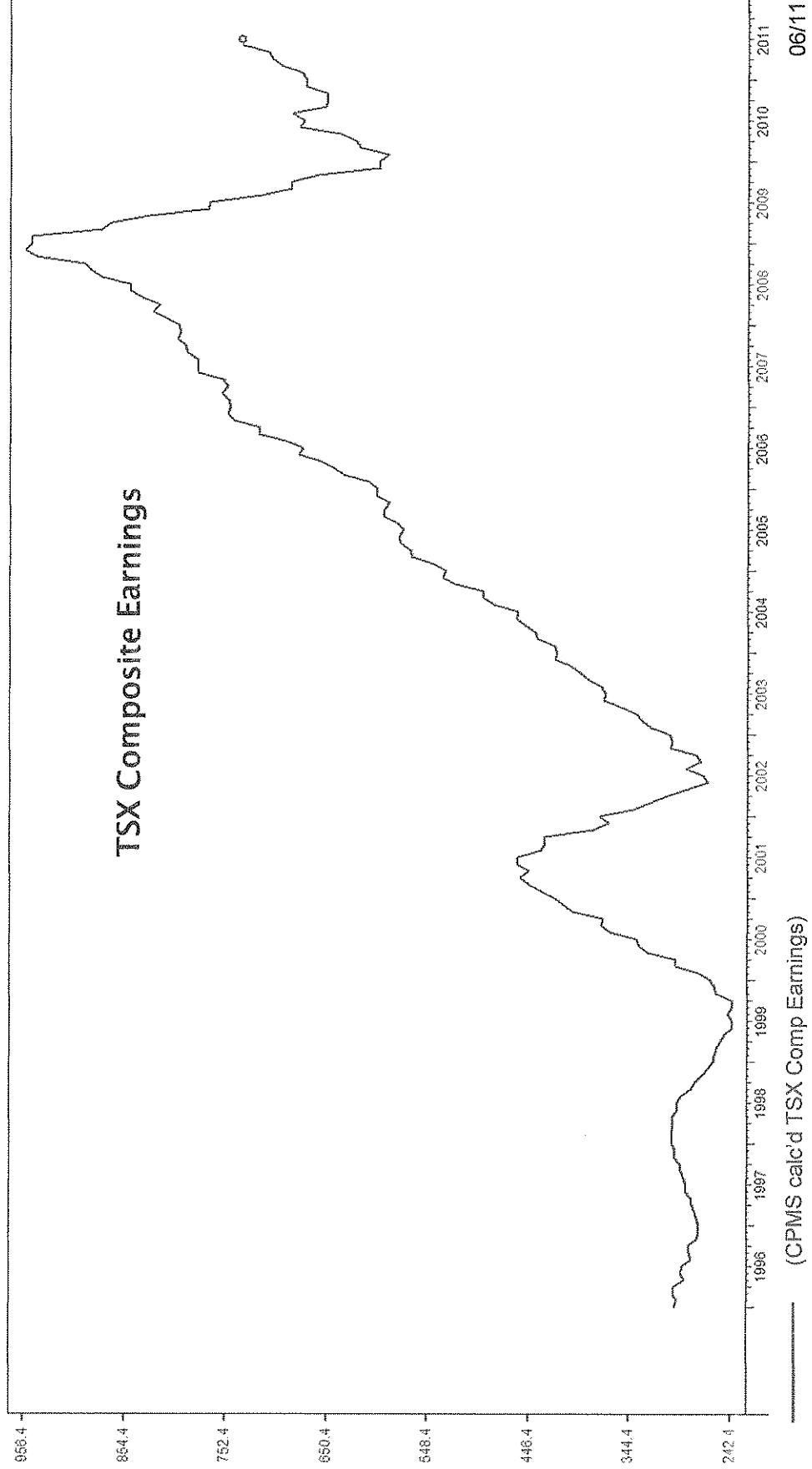


# Corporate Spreads





# Corporate Earnings are Recovering Quickly From the Recession



# The Benefits of Global Diversification



## 10 Year Returns Ending December 31

	2010	2000	1990	1980
Canadian Stocks	4.2%	10.6%	3.7%	9.1%
U.S. Stocks	-4.5%	17.9%	9.0%	5.6%
International Stocks	-3.0%	9.4%	13.9%	11.1%

\*\*\*\*\* Best Performer

# Summary of Leith Wheeler's Current Investment Outlook

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- **Bonds and Treasury Bills**
  - Less short-term volatility than stocks
  - Canadian interest rates likely to stay low
  - Treasury bill returns about 1-2% per year over next 3 years
  - Bond returns about 3-4 % per year over next 3 years
  
- **Stocks**
  - Volatile short-term returns
  - Attractive long-term hedge against inflation
  - Corporate earnings are recovering strongly
  - Stock market valuations are reasonable, but not cheap
  - Stock returns 7-10% per year over next 3 years but very volatile
  
- **Pension Plan**
  - From current levels, 5-7% per year returns likely over next 3 years