WCEBP

WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM

2011 ANNUAL REPORT

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PROGRAM PROFILE

The Winnipeg Civic Employees' Benefits Program (*WCEBP* or the *Program*) currently serves over 16,000 members (including over 6,800 pensioners) working for nine Participating Employers.

Two boards govern the *Program* under the terms of the Pension Trust Agreement and the Disability Plan Trust Agreement (amended and restated effective September 1, 2011).

Program benefits are described in the legal documents referred to as the *Program's Plan Texts.*

PLAN TEXTS

The *Program* is comprised of:

- The Winnipeg Civic Employees' Pension Plan, a registered pension plan under Manitoba's *Pension Benefits Act* and Canada's *Income Tax Act*
- The Winnipeg Civic Employees' Long Term Disability Plan
- The Winnipeg Civic Employees' Early Retirement Benefits Arrangement

PARTICIPATING EMPLOYERS

- City of Winnipeg
- Riverview Health Centre
- Manitoba Hydro (former Winnipeg Hydro employees)
- Assiniboine Park Conservancy
- Winnipeg Convention Centre
- St. Boniface Museum
- Transcona Historical Museum
- Canlan Ice Sports Corp. (former Highlander employees; excluding Disability Plan)
- The Board of Trustees of The Winnipeg Civic Employees' Benefits Program

HISTORY

Employees of the City of Winnipeg have enjoyed a long and proud history of participation in employee pension and benefit plans in one form or another, with the current *Program's* origins dating back to 1921. Following the unification of the former municipalities into the current City of Winnipeg in 1972, the Employee Benefits Program was created. Then in 1989, all of the prior pension plans that had existed separately for the former municipalities and the Metropolitan Corporation of Greater Winnipeg were amalgamated into the Employee Benefits Program. Effective January 1, 2003, the Employee Benefits Program was restructured as *The Winnipeg Civic Employees' Benefits Program* under joint trusteeship.

GOVERNANCE

The *Program* operates under a jointly-trusteed governance structure according to the terms and conditions of the Pension Trust Agreement and the Disability Plan Trust Agreement entered into by the City of Winnipeg and ten Signatory Unions. Joint trusteeship encompasses both joint governance and surplus- and risk-sharing between Participating Employers and *Program* Members.

JOINT TRUSTEESHIP

A joint Board of Trustees is responsible for the management of the *Program*. The City of Winnipeg and the *Program* Members have equal representation on the joint Board, with the 14 Trustees on the Pension Plan Board being appointed equally by the City of Winnipeg and the civic unions.

These same individuals sit on the Disability Plan Board with the exception of one Employer Trustee and the Member Trustee on behalf of pensioners and deferred members.

SURPLUS- AND RISK-SHARING

Benefits are not guaranteed by the City of Winnipeg or the other Participating Employers. Employers and Members share in the surpluses and the risks associated with the *Program*.

Program benefits are financed entirely by the assets (including investment earnings) of the *Program* and the contributions of the Participating Employers and the active Members under the *Program*.

If the assets of the *Program* are not sufficient to meet the *Program's* liabilities on an ongoing basis, reductions in benefits and/or increases in contributions will be required (any increase in contributions would be subject to agreement by the City of Winnipeg and the Signatory Unions).

THE BOARD OF TRUSTEES

The Board of Trustees is responsible for the overall operation of the *Program*, including

- Ensuring that the *Program* is administered in accordance with the Trust Agreement, Program Text, and applicable legislation
- Adopting and reviewing the investment policy
- Monitoring investment performance
- Adopting and reviewing funding policy

The Board's priorities are:

- To ensure that the *Program* is managed prudently in the interests of all members
- To ensure that the assets of the *Program* are sufficient to fully finance the benefits already earned under the *Program*
- To ensure that the *Program* continues to be sustainable, through an appropriate balance between benefits and contribution rates, for present and future members

The Board is also responsible for ensuring adequate financial records are maintained and for reporting annually on the operations of the *Program* to Participating Employers, Unions, and *Program* Members. To discharge its responsibility, the Board performs in an oversight capacity with respect to all significant aspects of the management of the *Program's* operations.

The Board has established various committees to provide a process to assist in its decisions.

Investment Committee
The Investment Committee is responsible for determining the asset mix of the *Program* (within the parameters of the *Program's* Statement of Investment Policies and Procedures), for recommending the selection or termination of various investment managers, and for monitoring the performance of these investment managers.

The Committee is comprised of three members appointed by Employer Trustees and three members appointed by Member Trustees.

Audit Committee
The Audit Committee oversees the *Program's* financial reporting and accounting policies and systems and makes recommendations to the Board in this regard.

Benefits Committee
The Benefits Committee adjudicates certain categories of long term disability claims with the assistance of the Board's medical consultants and Case Management Team.

Governance Committee
The Governance Committee is charged with making recommendations to the Board on governance policies, guidelines and procedures; assessing the effectiveness of the Board's governance policies; and with responsibility for the orientation of new Trustees.

Administration
The day-to-day administration of the *Program* is carried out under the direction of the Executive Director.

2011 OVERVIEW

The Winnipeg Civic Employees' Benefits Program currently covers over 16,000 Members with assets of almost $3.5 billion.

FINANCIAL POSITION

AS AT DECEMBER 31, 2011

	FAIR VALUE (000's)	ACTUARIAL VALUE (000's)
Net assets available for benefits		
Main Account	$ 3,404,488	$ 3,578,949
Plan Members' Account	2,434	2,434
City Account	70,217	70,217
	$ 3,477,139	$ 3,651,600
Program obligations—as extrapolated	$ 3,443,897	$ 3,443,897
Funded ratio—on extrapolated obligations	101.0%	106.0%

The Pension Trust Agreement was amended, coincident with certain Plan changes affecting contributions and benefits, to combine certain components of the Main Account and the Plan Members' Account. Effective September 1, 2011, the two components of the Main Account, being the Main Account—General Component and the Main Account—Future Contribution Reserve, were combined to form a single Main Account. The two components of the Plan Member's Account, being the Plan Members' Account—Unallocated Portion and the Plan Members' Account—Enhancement Cost Reserve, were combined to form a single Plan Members' Account. The new structure is as follows:

Main Account

All benefits of the Pension Plan are now paid from the combined Main Account.

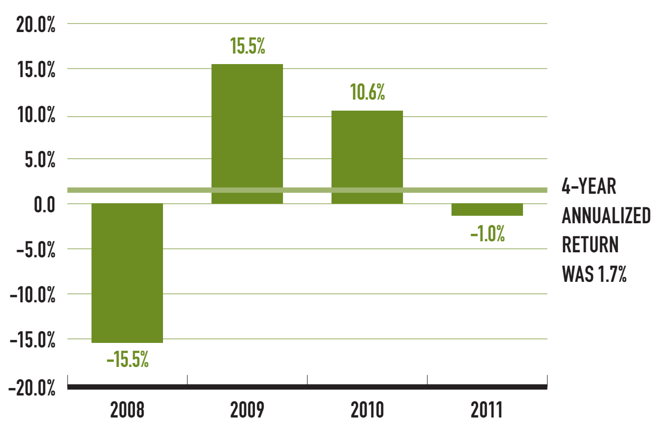
Plan Members' Account

This account may be used to fund improvements in benefits or to reduce Member contributions, subject to the availability of funds.

City Account

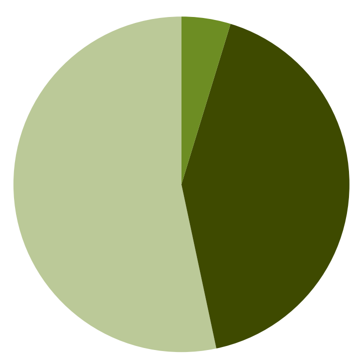
This account is available to the City and other Participating Employers to finance any reduction in employer *Program* contributions below those that match employee contributions, subject to the availability of funds.

ANNUAL INVESTMENT RETURN



MEMBERSHIP PROFILE

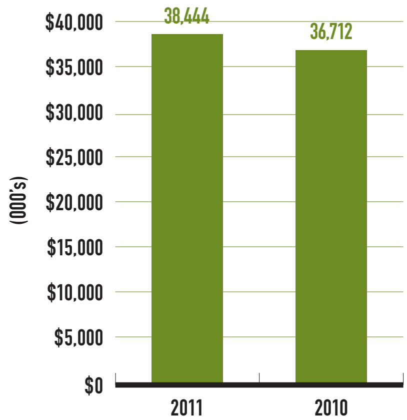
AS AT DECEMBER 31, 2011



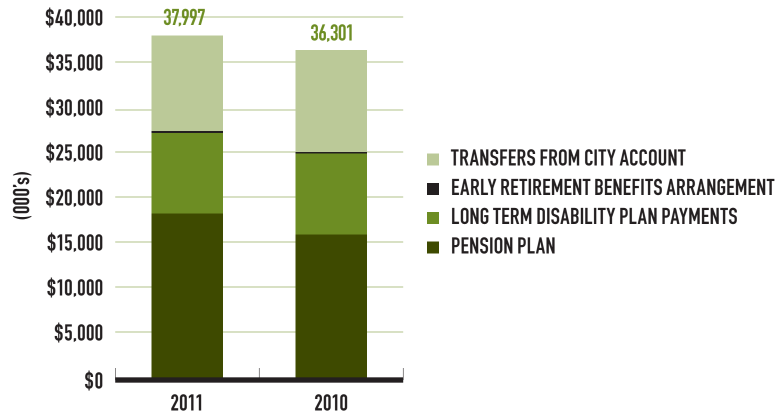
TOTAL MEMBERS: 16,315

- CONTRIBUTING MEMBERS 8,704 (53.3%)
- INACTIVE MEMBERS 795 (4.9%)
- PENSIONERS 6,816 (41.8%)

EMPLOYEE CONTRIBUTIONS

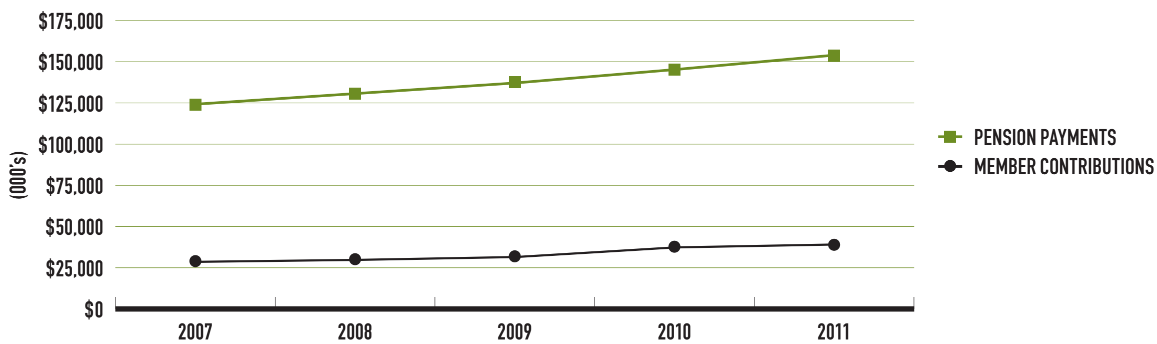


EMPLOYER CONTRIBUTIONS AND TRANSFERS*



* Includes amounts transferred from City Account within the *Program*.

MEMBER CONTRIBUTIONS & PENSION PAYMENTS



COST OF BENEFITS FOR SERVICE IN 2011

From January 1, 2011 – August 31, 2011

	EMPLOYEE CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS*	ALLOCATION FROM RESERVES	TOTAL COST
As % of contributory earnings				
1999 benefits level	7.99%	7.99%	5.01%	20.99%
Benefit enhancements	-	-	2.42%	2.42%
	7.99%	7.99%	7.43%	23.41%

From September 1, 2011 – December 31, 2011

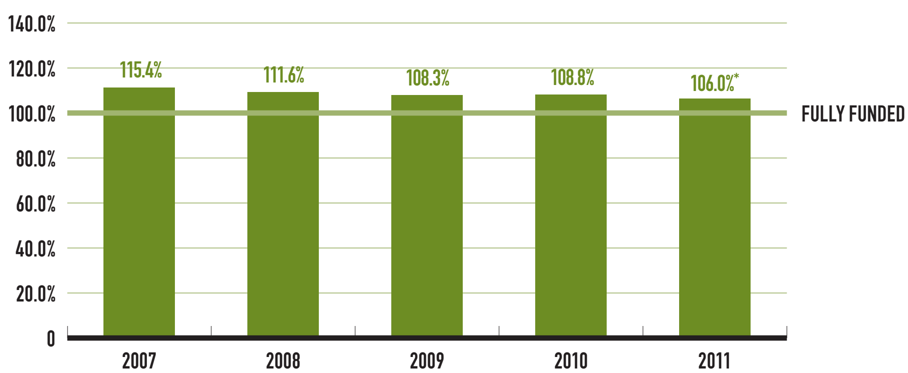
	EMPLOYEE CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS*	ALLOCATION FROM SURPLUS	TOTAL COST
As % of contributory earnings				
September 1, 2011 benefits level	8.50%	8.50%	3.29%	20.29%

* Includes amounts transferred from City Account within the *Program*.

STATEMENT OF ACTUARIAL POSITION

	DECEMBER 31, 2011 (000's)
1. Actuarial value of assets	
Main Account	$ 3,511,890
Plan Members' Account	9,772
City Account	82,079
	$ 3,603,741
2. Actuarial liabilities	
Pension Plan	$ 3,262,120
Long Term Disability Plan	46,354
Early Retirement Benefits Arrangement	4,953
	$ 3,313,427
3. Excess of actuarial value of *Program* assets over actuarial liabilities	$ 290,314
4. Amounts previously allocated	
Future Contribution Reserve	$ 148,908
Plan Members' Account	9,772
City Account	82,079
	$ 240,759
5. Actuarial surplus (*3. - 4.*)	$ 49,555
6. Funded ratio (*1. / 2.*)	
Including Plan Members' and City Accounts	108.8%
Excluding Plan Members' and City Accounts	106.0%

FUNDED RATIO BASED ON ACTUARIAL VALUE OF ASSETS



* Extrapolated: at the time the year-end financial statements were being prepared, the results of the actuarial valuation of the *Program* as at December 31, 2011 were not available. Accordingly, the results of the December 31, 2010 actuarial valuation were extrapolated to December 31, 2011.

MESSAGE FROM THE CHAIR AND EXECUTIVE DIRECTOR

We are pleased to present the annual report of *The Winnipeg Civic Employees' Benefits Program* for the year ended December 31, 2011.

PROGRAM CHANGES IN 2011

The year 2011 marked the conclusion of a strategic review of the *Program*, which began in 2008, and resulted in the implementation of both benefit changes and contribution rate increases.

This strategic review was an important and necessary process given that the cost of benefits accruing under the *Program* each year exceeded the amount of employee and employer annual contributions. As the authority of the Board of Trustees is limited to changes in benefits (that is, no authority to increase contribution rates), at the encouragement of the Board of Trustees, the City of Winnipeg and the Signatory Unions had established a joint committee to review whether or not contribution rates could be increased to help address the imbalance.

In May of 2011, *Program* members were notified that the joint committee had proposed a 4% increase to combined contribution rates (employee and employer), subject to the Board of Trustees making changes to the *Program's* benefit provisions, for future service, sufficient to reduce the future service cost of the *Program* by approximately 4.1% of pensionable earnings.

The Board of Trustees moved the matter of increasing contributions forward by seeking the approval of the City of Winnipeg and the Signatory Unions. At the same time, the Board worked through the details of specific changes in benefits with the *Program's* consulting actuary.

In late July, 2011, with the necessary approvals in place, changes to contribution rates and benefit levels were announced.

The changes—which became effective September 1, 2011—included an increase to contribution rates by a total of 4% to be phased in gradually from 2011 to 2014, and a reduction in the cost of benefits by approximately 4% of pensionable earnings. The reduction to benefits applies only to service on/after September 1, 2011. Benefits areas affected include Cost-of-Living Adjustments (COLA), early retirement, post-retirement survivor pensions, and long term disability.

With the exception of future changes to the COLA rate, none of the changes affect our pensioners who continue to receive their ongoing pension benefits in full.

Significant effort was made to clearly and effectively communicate the changes to active, retired and deferred members, through a detailed notice mailed to all members, and *Program* staff directly reaching out to members who had recently requested retirement estimates. Because the changes apply to service on/after September 1, 2011, the effect of the changes will be gradual.

Overall, the implementation of the new provisions has gone smoothly.

FINANCIAL STATUS

Changes made to *Program* benefit levels and contribution rates in 2011 have better positioned the *Program* to be sustainable. Given the continued challenges in the investment markets, however, considerable uncertainty remains for the future. It is the achievement of sufficient investment returns going forward which will have the most significant bearing on the ultimate sustainability of current benefits and contributions levels.

The most recent actuarial valuation of the *Program*, as at December 31, 2010, showed that, on a going-concern basis, the *Program* was fully funded (going-concern funded ratio of 108.8%) with respect to all benefits in payment and all benefits earned for service up to the valuation date.

This is tempered by the fact that, in 2011, the investment portfolio reported a negative return of -1.0%. The application of a five-year asset smoothing method has had the effect of deferring most of the investment losses to future years (through 2015). Despite the losses experienced in 2011, the extrapolated funded status to December 31, 2011 (prepared for financial reporting purposes) shows a funded status of 106.0% on an actuarial basis. However, excess investment returns (above the assumed 6.25%) will be required over the next four years to offset the unamortized balance of 2011 investment losses, and avoid depletion of existing surplus.

INVESTMENT OUTLOOK

Looking forward, it is desirable to achieve excess returns not only to offset the aforementioned investment losses, but also to finance contribution shortfalls during the phase-in of increased contributions in 2012 through 2013, and to strengthen the existing surplus position.

To facilitate this objective, the Board's Investment Committee began implementation of the new long term policy asset mix adopted by the Board of Trustees in 2010. During 2011, the Plan began funding its initial allocation to the real estate asset class (total allocation of 12.5% of assets), with the Plan holding approximately $20.7 million of real estate assets at year-end 2011. This process will continue in 2012 and beyond.

ACKNOWLEDGEMENTS

In 2011 we welcomed Brad Sacher to the Board of Trustees. Mr. Sacher, Director of Public Works, was appointed as a new Employer Trustee to the Pension Fund in December of 2011. We also welcomed Nestor Theodorou, Vice-President and Portfolio Manager of Wellington West Asset Management, to the Investment Committee. Mr. Theodorou was appointed by Employer Trustees and brings close to two decades of experience as a Chartered Financial Analyst to the Committee.

As always, we express our sincere appreciation to each Trustee and Committee member for their commitment and dedication to the governance of the *Program*. Thank you as well to *Program* employees who continue to work tirelessly to deliver quality and caring service. Our enduring commitment to you, our Members, is to work diligently in your best interest.

Sincerely,

Phil Sheegl
CHAIR

Glenda Willis
EXECUTIVE DIRECTOR

PENSION PLAN

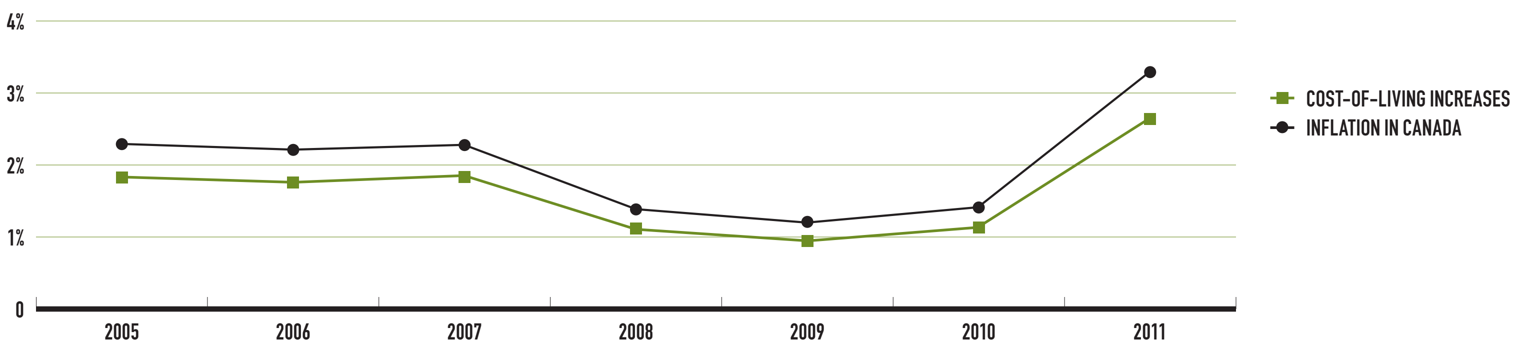
BENEFITS

The Winnipeg Civic Employees' Pension Plan is a defined benefit pension plan, registered under Manitoba's *Pension Benefits Act* and Canada's *Income Tax Act*. The pension benefit is determined by a set formula that is defined in the Pension Plan Text, one of the governing documents of the *Program*. Unlike many traditional defined benefit pension plans, however, the benefits under this plan are not guaranteed by the Participating Employers and are subject to change.

Normal retirement age under the Pension Plan is 65, however, several early retirement options are also available. When a Member dies, survivor benefits may also be paid to an eligible Spouse/Common-law Partner or Dependent Children, or other eligible beneficiaries.

The Pension Plan Text also allows for indexing of pensions. The level of Cost-of-Living Adjustments (COLA) granted is tied to the funded status of the *Program* and can change from year to year. In 2011, COLA was granted at a rate of 80% of the annual increase in Canada's Consumer Price Index at March 31.

COST OF LIVING INCREASES



CONTRIBUTIONS

Employees are required to make regular contributions to the Pension Plan each pay period. On a *Program* basis, the employers will match employee contributions either in cash or through a transfer from the City Account.

A series of contribution rate increases are currently being phased in.

Member Contribution Rate As of January 1, 2011	
Earnings up to the 2011 CPP earnings ceiling[1] of $48,300	7.60%
Earnings over the 2011 CPP earnings ceiling[2] up to $142,290	9.40%
Member Contribution Rate Increased September 1, 2011	
Earnings up to the 2011 CPP earnings ceiling[1] of $48,300	8.05%
Earnings over the 2011 CPP earnings ceiling[2] up to $142,290	10.00%

1. The Yearly Maximum Pensionable Earnings (YMPE) is the maximum pensionable earnings under the Canada Pension Plan which was $48,300 for 2011.

2. Contributions are only required on salary up to the maximum salary for which a benefit can be accrued under the *Income Tax Act*, which was $142,290 for 2011.

MEMBER SERVICES

Membership in the Pension Plan often spans decades of a person's lifetime and *WCEBP* staff are there to provide support all along the way.

Key services to *Program* Members include:

- New Member enrolment and orientation
- Member record management
- Timely, accurate communication of Plan information
- Timely response to daily Member inquiries
- Termination and retirement processing
- Biweekly pension payroll

RETIREMENT PROCESSING

In 2011, *WCEBP* staff calculated over 800 pension estimates for Members who are preparing to retire. On a daily basis, staff will also meet face-to-face with Members nearing retirement to inform them of their options and support them through the decision-making process.

WCEBP staff processed 345 retirements and 72 survivors pensions in 2011.

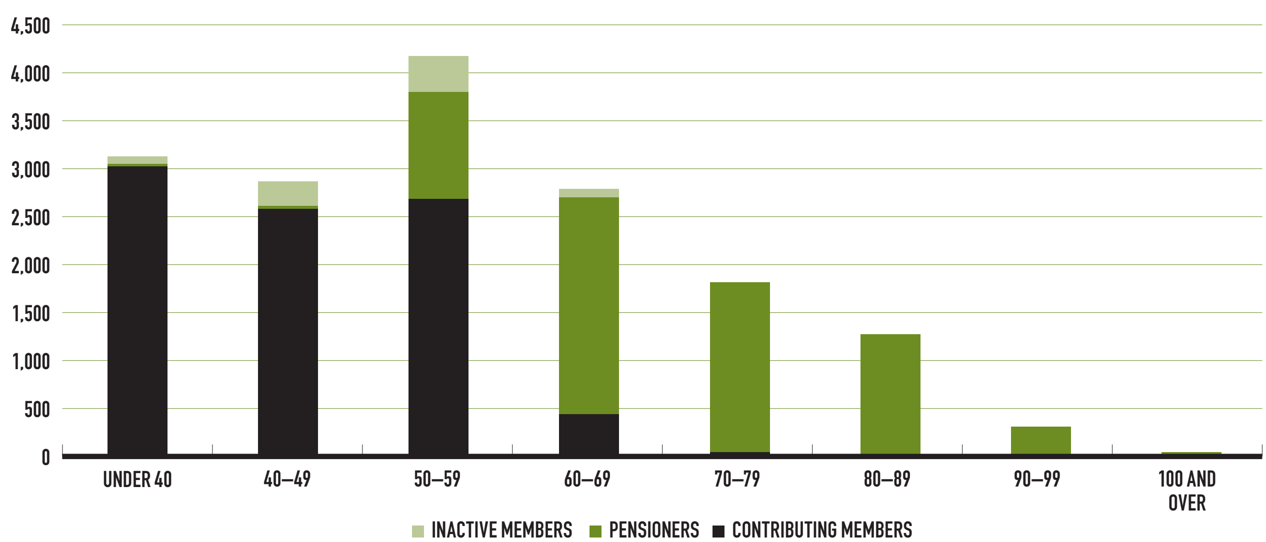
SUMMARY OF MEMBERSHIP

	2011	2010	2009	2008	2007
Contributing Members	8,704	8,634	8,527	8,385	8,304
Inactive Members	795	796	819	877	917
Pensioners	6,816	6,650	6,517	6,328	6,178
Total membership	16,315	16,080	15,863	15,590	15,399

MEMBERSHIP ACTIVITY DURING THE YEAR

	2011	2010	2009	2008	2007
Retirements	345	314	345	310	289
Deaths in service	16	18	15	26	24
Pensioner deaths	241	249	218	225	199
New disabilities	66	64	63	74	85
New members	778	723	826	810	762
Terminations	401	350	420	477	446

MEMBERSHIP PROFILE



MANAGING ASSETS PRUDENTLY

Key Events in 2011

During 2011 several key events occurred which have, and in the future will have, a significant bearing on the financial status and accompanying financial reporting for *The Winnipeg Civic Employees' Benefits Program*. The key events included:

i) Program Changes

During 2011, the City and the Signatory Unions agreed to increase contribution rates by a total of 4% of pensionable earnings, to be phased in gradually from 2011 to 2014. Contribution rates will increase an average of 0.5% of pensionable earnings for both employees and participating employers on each of the following dates: September 1, 2011, January 1, 2012, January 1, 2013, and January 1, 2014. Upon full implementation of the scheduled increases, the average contribution rate will be 10% of pensionable earnings for both employees and Participating Employers.

For 2011, during pay periods preceding September 1, 2011, members contributed 7.6% of their Canada Pension Plan earnings plus 9.4% of any pensionable earnings in excess of Canada Pension Plan earnings to the *Program*, which resulted in an average contribution rate of 8% of pensionable earnings. Effective from the first pay period following September 1, 2011, members contributed 8.05% of their Canada Pension Plan earnings plus 10.0% of any pensionable earnings in excess of Canada Pension Plan earnings to the *Program*, which resulted in an average contribution rate of 8.5% of pensionable earnings.

In conjunction with the above contribution rate increases, the Board amended certain benefit provisions under the *Program*, with effect from September 1, 2011, to reduce the cost of the benefits earned for service on and after September 1, 2011 to approximately 20% of pensionable earnings (from approximately 24% of pensionable earnings). The benefit changes principally included: introduction of a minimum retirement age of 50, introduction of early retirement reductions if certain service thresholds are not met, decreased funding of cost-of-living adjustments, higher reductions to members' pensions to provide for post-retirement survivor benefits, and changes to the indexing and maximum duration of long term disability benefits for members whose date of disability occurs on or after September 1, 2011.

The above noted *Program* changes were communicated in detail to the members, unions, and participating employers. It is believed that the changes made will position the *Program* to be sustainable over the longer horizon.

ii) Changes to Financial Structure

The Winnipeg Civic Employees' Pension Plan is comprised of three accounts, namely the Main Account, the Plan Members' Account and the City Account. The account structure is in accordance with the requirements of the Pension Trust Agreement entered into by the City and ten Signatory Unions. The Pension Trust Agreement was amended, coincident with the above-noted Plan changes affecting contributions and benefits, to combine certain components of the Main Account and the Plan Members' Account.

Effective September 1, 2011, the two components of the Main Account, being the Main Account—General Component (in the amount of $3,242,778,000) and the Main Account—Future Contribution Reserve (in the amount of $180,747,000), were combined to form a single Main Account. In addition, the two components of the Plan Members' Account, being the Plan Members' Account—Unallocated Portion (in the amount of $nil) and the Plan Members' Account—Enhancement Cost Reserve (in the amount of $2,424,000), were combined on September 1, 2011 to form a single Plan Members' Account.

The now larger "combined" Main Account will, in the shorter term, be poised to have sufficient funding to avoid a funding deficiency in 2011 that would otherwise have given rise to a reduction in the rate of Cost-of-Living Adjustment (COLA).

It is very important to note that the application of the *Program* changes (including phased-in contribution increases and immediate benefit reductions for benefits earned for service on and after September 1, 2011) are expected to significantly reduce and ultimately eliminate the dependency on reserves to finance a portion of the current service cost of benefits accruing each year. Upon full implementation, the required contribution rate of 20% of pensionable earnings is expected to be reasonably in line with the ongoing cost of the *Program*.

A further significant change, moving forward, involves the surplus-and risk-sharing provisions. Under the terms of the amended Pension Trust Agreement, surplus within the Main Account which exceeds 105% of *Program* liabilities will be distributed in equal shares to the Plan Members' Account and the City Account. Any excess below the 105% threshold will be retained as a buffer within the Main Account.

iii) Changes to Accounting Standards

In April 2010, the Accounting Standards Board of the Canadian Institute of Chartered Accountants (CICA) issued Part IV—Accounting Standards for Pension Plans which includes section 4600, *Pension Plans*. The new section is applicable to financial statements of pension plans and other benefit plans relating to fiscal years beginning on or after January 1, 2011. Accordingly, the Pension Plan adopted the new standards for its fiscal year beginning January 1, 2011. The standards establish requirements for measurement and presentation of information in general purpose financial statements of pension plans, as well as financial statement disclosures. The Plan has elected to incorporate by reference Part II—Accounting Standards for Private Enterprises (ASPE) of the CICA Handbook for issues not directly addressed in Part IV of the handbook.

The most significant change arising under the new standards is that the Plan's pension obligations are now reported on the Statement of Financial Position (balance sheet) versus in the notes to the financial statements. A significant effect is that the surplus or deficiency disclosed for accounting purposes on the balance sheet, is calculated with reference to the fair value of assets. Disclosure of reconciling items to the estimated actuarially determined surplus/deficit (through applying an asset smoothing technique) is documented in the notes to the financial statements.

The above-noted key changes form an important "backdrop" to the comments which follow about the funded status of the *Program*, as disclosed in the most recent actuarial valuation and financial statements, and its long-term investment goals and performance.

FUNDED STATUS AT DECEMBER 31, 2010

The most recent actuarial valuation of *The Winnipeg Civic Employees' Benefits Program* as at December 31, 2010, disclosed that the *Program* was fully funded and had an excess of smoothed value of assets over actuarial liabilities of $290,314,000—a funded ratio of 108.8% on the basis of actuarial values. If the fair value of assets had been used instead of the smoothed value, there would have been an excess of $312,914,000—which would have resulted in a funded ratio of 109.4% on a fair value basis. The application of an actuarial asset "smoothing" technique has been used by the *Program* for many years.

The results of the measurement, using the smoothed value of assets, continued to portray a picture of relative health for the *Program* with respect to benefits accrued for all service up to December 31, 2010.

The investment markets continued to recover during 2010, wherein the *Program's* rate of investment return for 2010 was 10.6%, significantly exceeding the assumed rate of investment return of 6.25%. The funded ratio remained stable in comparison with the previous year (2010—108.8%, 2009—108.3%), when measured using the smoothed value of assets, but improved when measured using the fair value of assets (2010—109.4%, 2009—105.3%).

Under the terms of the Pension Trust Agreement in existence at the time, the entire excess of smoothed value of assets over actuarial liabilities was allocated to special-purpose Reserves and Accounts that were primarily intended to finance the portion of future service costs which exceeded employee and employer contributions.

The actuarial valuation as at December 31, 2010 disclosed an actuarial surplus of $49,555,000 within the Main Account—General Component which was allocated to the Main Account—Future Contribution Reserve as at January 1, 2011 in accordance with the Pension Trust Agreement.

KEY ACTUARIAL ASSUMPTIONS—DECEMBER 31, 2010 ACTUARIAL VALUATION

One of the key assumptions that underlies the determination of actuarial liabilities, thereby affecting the actuarial surplus, is the valuation interest rate. The valuation interest rate assumed was 6.25% per year in the 2010 actuarial valuation (unchanged from the 2009 actuarial valuation), and was developed with reference to expected long-term economic and investment conditions. The valuation interest rate assumed was carefully and prudently developed, giving recognition to the long-term asset mix expected to be utilized by the *Program*, and after assuming an equity premium that was considered somewhat optimistic by historical standards.

Other key economic assumptions in the 2010 actuarial valuation include future inflation at 2.00% per year (unchanged from the 2009 actuarial valuation), resulting in an assumed real rate of investment return of 4.25% per year and future general increases in pay of 3.50% per year (unchanged from the 2009 actuarial valuation).

Although these assumptions were considered appropriate both for funding and accounting purposes in 2010, there nonetheless is measurement uncertainty associated with these estimates versus actual future investment returns and salary escalation that will impact on the future financial position of the *Program*, possibly in a material way.

It is important to note that the actuarial position described in the preceding sections does not take into account the significant investment losses/shortfalls incurred by the *Program* as a result of the decline in the investment markets during 2011, wherein the *Program's* rate of investment return for 2011 was -1.0%. The "Extrapolated Funded Status" described later in this report includes the impact of such investment losses (on both a smoothed and fair value basis).

EXTRAPOLATED FUNDED STATUS AT DECEMBER 31, 2011

At the time the year-end financial statements were being prepared, the results of the actuarial valuation of the *Program* as at December 31, 2011 were not available. Accordingly, the results of the December 31, 2010 actuarial valuation were extrapolated to December 31, 2011 to determine the actuarial present value of accrued benefits at year-end. Significant long-term actuarial assumptions used in determining the actuarial value of accrued pension benefits included a valuation interest rate of 6.25% per year, inflation of 2.0% per year, and general increases in pay of 3.5% per year (all unchanged from the previous year). The extrapolation is prepared for financial reporting purposes only, with any apparent emerging surplus or deficiency subject to confirmation or revision in the subsequent actuarial valuation report.

Actions that are required under the Pension Trust Agreement, relative to the funded status of the *Program*, are undertaken only with reference to the reported results of the formal actuarial valuation. Readers of the *Program's* financial statements should, therefore, be careful to treat such extrapolated results as preliminary.

The financial statements as at December 31, 2011 disclose an overall surplus for the Winnipeg Civic Employees' Pension Plan in the amount of $32,242,000, with the surplus determined with reference to the fair value of investments. This overall surplus is inclusive of surpluses allocated to the Plan Members' Account, in the amount of $2,434,000 and the City Account, in the amount of $70,217,000. The Main Account was in a deficit position for accounting purposes, with a negative balance of $39,409,000.

The notes to the financial statements disclose the estimated overall surplus for actuarial valuation purposes in the amount of $207,703,000, which is inclusive of $135,052,000 for the Main Account, $2,434,000 for the Plan Members' Account and $70,217,000 for the City Account. The estimated surplus position for actuarial valuation purposes is greater than the surplus position for accounting purposes because the actuarial value of assets of the Main Account (determined using an actuarial asset smoothing method) are greater than the corresponding fair value in the amount of $174,461,000.

Although the estimated actuarial surplus within the Main Account, at $135,052,000, is sizeable, experience gains or losses will also have a bearing on the final level of surplus that is ultimately determined for the Main Account in the next actuarial valuation as at December 31, 2011.

It should also be noted that the application of a five-year asset smoothing method has had the effect of deferring $174,461,000 of investment market losses incurred in 2011 to future years. Accordingly, should the *Program* earn exactly the assumed 6.25% on the actuarial asset base over the next four years, the remaining $174,461,000 smoothing difference would be expected to emerge as in-year funding deficiencies, offsetting any then existing surplus, over this four-year period, a situation that would be detrimental to the financial position of the *Program*. At present, any surplus arising from 2011 operations will be dealt with in accordance with the terms of the Pension Trust Agreement.

In applying the asset smoothing method, unrecognized investment gains from 2010, in the amount of $22,601,000 were first applied against the balance of 2011 investment losses.

After taking into account all the Accounts within the *Program*, the extrapolated funded status remains at 106.0% on an actuarial basis and 101.0% on a fair value basis. These funded positions compare with those from the most recent actuarial valuation one year earlier of 108.8% and 109.4%, respectively.

LONG-TERM INVESTMENT GOALS AND PERFORMANCE

Over the last ten years, the *Program* achieved an average rate of return of 5.0% per year, ranking fourth quartile (81st percentile) among larger pension plans in Canada. The current long-term goal of the *Program* is to achieve a rate of return that exceeds inflation by 5.0% per year. With the ten-year annualized inflation rate being 2.1%, the *Program* fell short of this goal by a margin of 2.1% per year over the last ten years. It should be noted that such measurements are end-date sensitive.

Based on the funding assumption, adopted by the Actuary and the Board as at December 31, 2010, of an average 4.25% per annum real rate of return, net of investment expenses, the *Program* is fully funded with respect to all pensions currently in payment and pension benefits earned for service to date by current and former employees. Despite the earlier-noted contribution and benefit changes, it is desirable to continue to seek real investment returns in excess of 4.25% per annum in order to: i) finance contribution shortfalls during the 2012 and 2013 phase-in period, ii) strengthen the existing surplus position, and iii) in as far as possible, maintain COLA at a rate higher than the 50% of Consumer Price Index increases at which it is being funded.

Accordingly, notwithstanding the assumed 4.25% per year real return used for the actuarial valuation at December 31, 2010, it is desirable to strive for a real rate of return of at least 5% per year over the long-term, and this 5% objective is reflected in the *Program's* Statement of Investment Policies and Procedures.

As the *Program* is presently constituted, it is the achievement of sufficient investment returns in the future which will have the most significant bearing on the ultimate sustainability of current benefits and contribution levels. The Board recognizes that the 5% per year real rate of return objective will prove to be a challenging objective in today's investment markets. To facilitate this objective, as noted in the prior year's report, the Board has revised its long term investment policy, which will include an eventual shift to a higher weight in alternative investment classes, in particular real estate and infrastructure, and to longer duration bonds. During 2011, the Plan commenced funding its initial allocation to the real estate asset class, with the Plan holding approximately $20.7 million of real estate assets at year-end 2011. The Board, and its Investment Committee, will continue to prudently manage the *Program's* assets towards this 5% real return objective.

EARLY RETIREMENT BENEFITS ARRANGEMENT

As the *Program* allows for retirement at or after age 55 without a minimum service requirement, there are some situations where *Program* benefits earned prior to September 1, 2011 exceed the maximum early retirement benefits permitted for registered pension plans under the *Income Tax Act*. Accordingly, *The Winnipeg Civic Employees' Benefits Program* includes an Early Retirement Benefits Arrangement to pay any early retirement pension benefits that cannot be paid by the Winnipeg Civic Employees' Pension Plan, as a registered pension plan. No contributions are made to fund these benefits in advance of their payment, so as not to incur a tax liability, but rather a portion of the employer contributions to the *Program* are used to pay these benefits as they fall due.

Although the Early Retirement Benefits Arrangement has been in existence for quite some time, 1999 was the first year that benefits were paid under the Arrangement. The amount paid out in 2011 was $62,946 (2010—$54,784). Payments under the Winnipeg Civic Employees' Early Retirement Benefits Arrangement will continue to be reported in future years, but financial statements will not be published until the amounts are somewhat significant.

FIVE YEAR FINANCIAL SUMMARY
THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN

	2011 (000's)	2010 (000's)	2009 (000's)	2008 (000's)	2007 (000's)
FINANCIAL POSITION					
Investments at fair value:					
Bonds and debentures	$ 1,078,947	$ 1,201,536	$ 1,247,735	$ 1,288,611	$ 1,328,101
Real return bonds	22,221	20,325	19,425	18,003	18,343
Canadian equities	1,084,250	1,237,028	1,049,583	764,100	1,244,536
Foreign equities	1,085,645	1,058,070	978,479	848,069	1,012,405
Cash and short-term deposits	131,564	61,704	61,126	103,293	122,315
Private equities	61,071	56,888	39,638	43,241	29,536
Real estate	20,741	-	-	-	-
Other liabilities	(7,300)	(9,210)	(8,835)	(11,442)	(9,229)
Net assets available for benefits	3,477,139	3,626,341	3,387,151	3,053,875	3,746,007
Pension obligations	3,443,897	3,357,855	3,236,533	3,127,570	3,216,038
Surplus (deficit)	$ 33,242	$ 268,486	$ 150,618	$ (73,695)	$ 529,969
Surplus (deficit) comprised of:					
Main Account	$ (39,409)	$ 176,635	$ 45,491	$ (188,263)	$ 367,246
Plan Members' Account	2,434	9,772	19,799	27,369	43,437
City Account	70,217	82,079	85,328	87,199	119,286
	$ 33,242	$ 268,486	$ 150,618	$ (73,695)	$ 529,969
CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS					
Contributions:					
Employees	$ 38,444	$ 36,712	$ 30,235	$ 28,728	$ 27,887
City of Winnipeg and Participating Employers	18,130	15,771	5,784	2,684	3,962
Reciprocal transfers	417	375	1,048	653	168
Net investment income (loss)	(35,850)	348,155	455,158	(570,349)	66,705
	21,141	401,013	492,225	(538,284)	98,722
Pension payments	152,907	144,169	137,758	130,450	122,887
Lump sum benefits	14,389	14,330	17,568	20,593	20,921
Administration	3,047	3,324	3,623	2,805	2,317
	170,343	161,823	158,949	153,848	146,125
Increase (decrease) in net assets available for benefits	$ (149,202)	$ 239,190	$ 333,276	$ (692,132)	$ (47,403)
Annual rates of return	-1.0%	10.6%	15.5%	-15.5%	2.0%

FIVE YEAR FINANCIAL SUMMARY
THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN

	2011 (000's)	2010 (000's)	2009 (000's)	2008 (000's)	2007 (000's)
CHANGES IN PENSION OBLIGATIONS					
Accrued pension benefits, beginning of year	$ 3,357,855	$ 3,236,533	$ 3,127,570	$ 3,216,038	$ 2,987,442
Increase in accrued pension benefits:					
Interest on accrued pension benefits	204,767	199,229	192,070	185,882	183,512
Benefits accrued	104,574	112,186	110,587	99,866	105,179
Change in actuarial assumptions	-	-	2,984	-	108,714
	309,341	311,415	305,641	285,748	397,405
Decrease in accrued pension benefits:					
Benefits paid	175,068	166,365	164,025	160,584	153,872
Experience gains and losses and other factors	41,723	19,821	28,780	16,428	11,615
Change in actuarial assumptions	2,705	-	-	193,071	-
Administration	3,803	3,907	3,873	4,133	3,322
	223,299	190,093	196,678	374,216	168,809
Net increase (decrease) in accrued pension benefits for the year	86,042	121,322	108,963	(88,468)	228,596
Accrued pension benefits, end of year	$ 3,443,897	$ 3,357,855	$ 3,236,533	$ 3,127,570	$ 3,216,038
CHANGES IN SURPLUS (DEFICIT)					
Surplus (deficit), beginning of year	$ 268,486	$ 150,618	$ (73,695)	$ 529,969	$ 805,968
Increase (decrease) in net assets available for benefits	(149,202)	239,190	333,276	(692,132)	(47,403)
Net increase (decrease) in accrued pension benefits for the year	(86,042)	(121,322)	(108,963)	88,468	(228,596)
Surplus (deficit), end of year	$ 33,242	$ 268,486	$ 150,618	$ (73,695)	$ 529,969
Surplus (deficit) comprised of:					
Main Account	$ (39,409)	$ 176,635	$ 45,491	$ (188,263)	$ 367,246
Plan Members' Account	2,434	9,772	19,799	27,369	43,437
City Account	70,217	82,079	85,328	87,199	119,286
	$ 33,242	$ 268,486	$ 150,618	$ (73,695)	$ 529,969

	2011 (000's)	2010 (000's)	2009 (000's)	2008 (000's)	2007 (000's)
RECONCILIATION OF SURPLUS (DEFICIT) FOR FINANCIAL STATEMENT REPORTING PURPOSES TO ESTIMATED ACTUARIAL VALUATION POSITION					
Surplus (deficit) for financial statement reporting purposes—Main Account	$ (39,409)	$ 176,635	$ 45,491	$ (188,263)	$ 367,246
Fair value change not reflected in actuarial value of assets	174,461	(22,601)	141,970	492,345	(73,096)
Surplus (deficit) for actuarial valuation purposes—Main Account	135,052	154,034*	187,461*	304,082*	294,150*
Add: special purpose reserves and accounts					
Plan Members' Account (2007–2010, *Plan Members' Account—Enhancement Cost Reserve*)	2,434	9,772	19,799	27,369	43,437
City Account	70,217	82,079	85,328	87,199	119,286
Surplus (deficit) for actuarial valuation purposes including special-purpose reserves and accounts, as estimated	$ 207,703	$ 245,885	$ 292,588	$ 418,650	$ 456,873

*Main Account—General Component and Main Account—Future Contribution Reserve were combined September 1, 2011. Comparative figures for 2007 to 2010 include the former Main Account—Future Contribution Reserve in the following amounts: 2010—$148,908,000, 2009—$239,531,000, 2008—$243,451,000, 2007—$259,017,000.

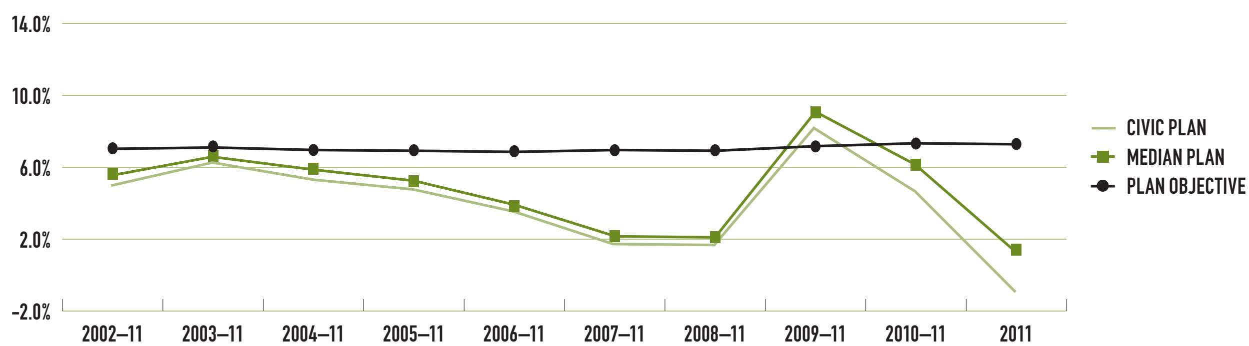
REPORT ON INVESTMENTS

The Board of Trustees of *The Winnipeg Civic Employees' Benefits Program* delegates to its Investment Committee the responsibility for determining the *Program's* asset mix, within the parameters of the *Program's* Statement of Investment Policies and Procedures, for recommending the selection or termination of various investment managers, and for monitoring the performance of these investment managers. The *Program* utilizes external investment managers to manage the equity portfolios. The short-term investments and the bond portfolio, including real return bonds, are managed internally.

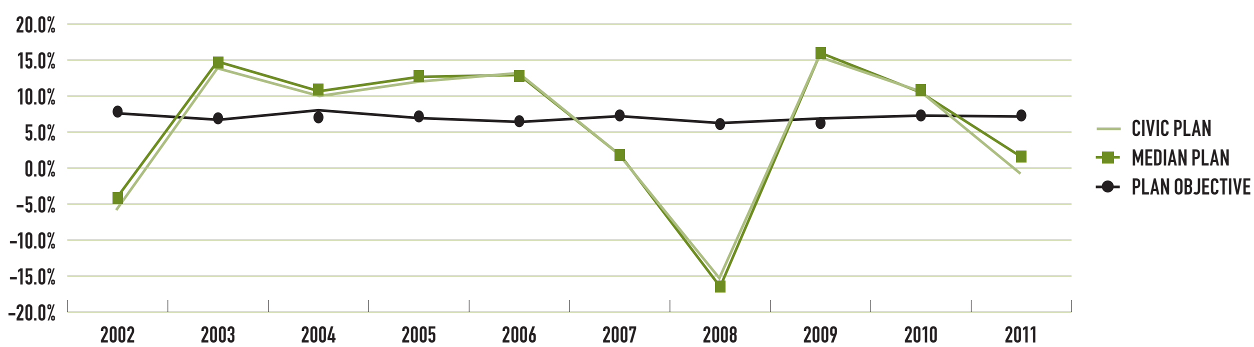
In 2011, the investment portfolio reported a return of -1.0%, underperforming the median Canadian pension fund return of 1.4% as measured by RBC Dexia Investor Services, an independent measurement service. The underperformance can be explained primarily by the short duration of the *Program's* fixed income portfolio and by an above-median allocation to Canadian equities.

Over the last ten years, returns were below the *Program's* CPI+5% objective, as abnormally high returns in years 2003–2006 and 2009–2010 were largely offset by negative returns in 2002 and 2008. The *Program's* four-year and ten-year annualized rates of return were 1.7% and 5.0%, which placed the *Program* at the 63rd percentile and 81st percentile ranking, respectively, of Canadian pension funds. The below median ten-year performance (median return of 5.55%) can be attributed to the underperformance of the Canadian equity managers and the bond portfolio.

ANNUALIZED RATES OF RETURN



ANNUAL RATES OF RETURN



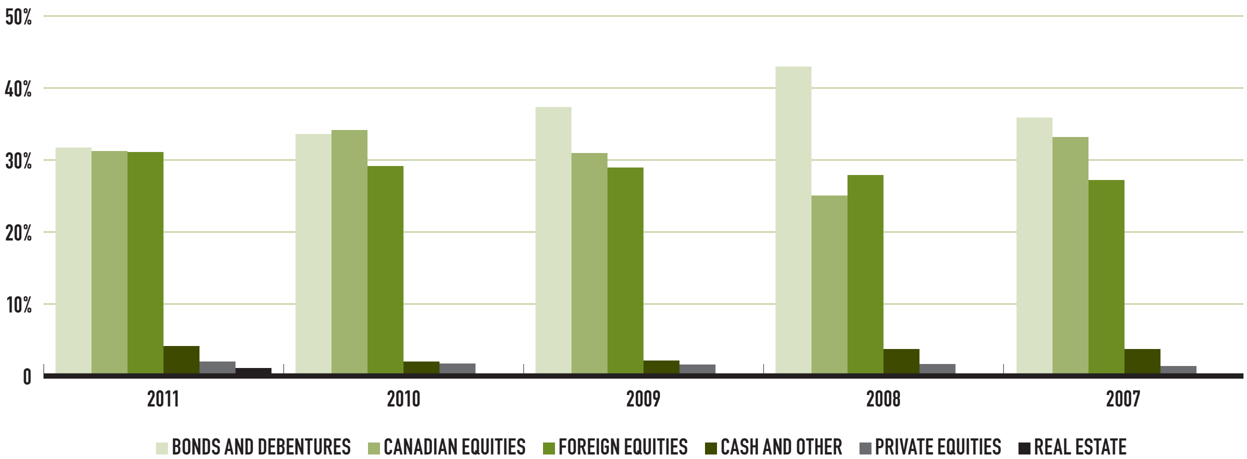
ASSET MIX

As a result of the *Program's* new long term policy asset mix, assets have been allocated out of Canadian equities into foreign equities and alternative assets. Overall, the *Program* has had a small net decline in the allocation to equity investments—from 63.1% of the portfolio at the beginning of the year to 62.3% at year-end.

ASSET MIX

	2011	2010	2009	2008	2007
Bonds and debentures	31.6%	33.6%	37.3%	42.6%	35.9%
Canadian equities	31.1%	34.0%	30.9%	24.9%	33.1%
Foreign equities	31.2%	29.1%	28.8%	27.7%	26.9%
Cash and other	3.8%	1.7%	1.8%	3.4%	3.3%
Private equities	1.7%	1.6%	1.2%	1.4%	0.8%
Real estate	0.6%	0.0%	0.0%	0.0%	0.0%
	100.0%	100.0%	100.0%	100.0%	100.0%

ASSET MIX



EQUITY INVESTMENTS

In 2011, the *Program's* Canadian equity managers achieved a return of -7.2%, ahead of the median pension fund return of -9.0% and the S&P/TSX Composite Index return of -8.7%.

The *Program's* foreign equity managers, collectively, reported a return of -3.7% in Canadian dollar terms in 2011, ahead of the median pension fund return of -3.9% but underperforming the benchmark (50% S&P500 [CAD], 50% MSCI Europe, Australasia, Far East [CAD] Index [CAD]) return of -2.9%. Over the last ten years, the foreign equity markets have significantly underperformed the Canadian equity market in Canadian dollars.

In 2011, the *Program's* US equity managers, collectively, reported a return of 3.2%, in Canadian dollars, matching the median pension fund return of 3.2%, but lagging the S&P 500 (CAD) Index return of 4.6%.

The *Program's* Non-North American equity managers reported a combined return of -10.3%, underperforming both the MSCI Europe, Australasia, Far East (CAD) Index return of -10.0% and the median pension fund return of -8.6%.

FIXED INCOME INVESTMENTS

The *Program's* bond portfolio achieved a rate of return of 8.2% in 2011, which underperformed both the median pension fund return of 11.1%, and the DEX Universe Index return of 9.7%. Due to an emphasis on shorter maturity bonds, the portfolio did not fully benefit from the significant decline in interest rates during 2011.

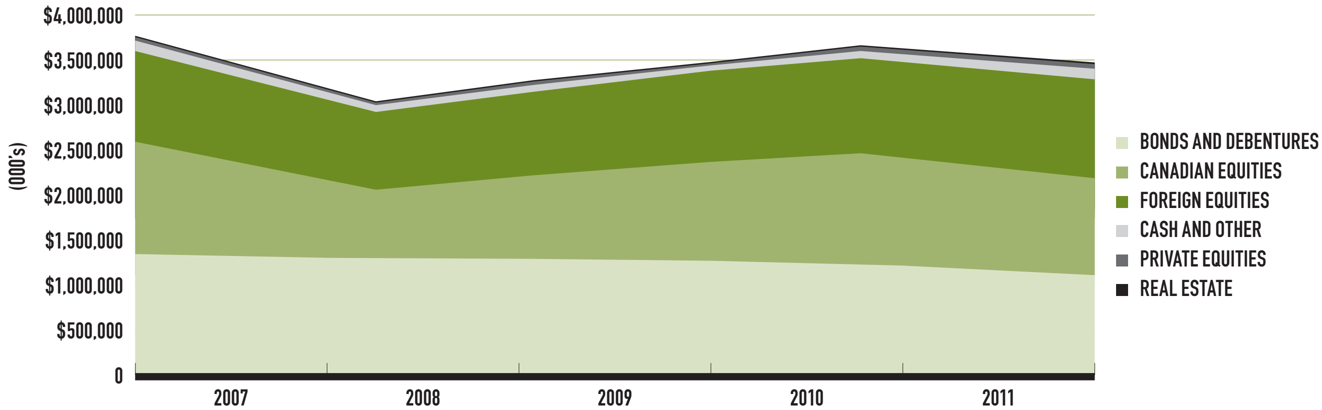
For the four- and ten-year periods ended December 31, 2011, the bond portfolio returned 6.5% and 6.5%, respectively. Over ten years, the portfolio matched the performance of the DEX Universe Index but underperformed the median pension fund return of 7.3%.

FIXED INCOME INVESTMENTS SUMMARY

AS AT DECEMBER 31, 2011

DESCRIPTION	MATURITY DATE	PENSION PLAN MARKET VALUE (000's)
Government of Canada bonds	2012–2023	$ 256,418
Provincial bonds	2013–2024	501,915
Municipal bonds (excluding Winnipeg bonds)	2012–2015	5,057
Corporate and other institutions bonds	2012–2021	333,569
Accrued interest		4,209
Total bonds and debentures		$ 1,101,168
Call funds—City of Winnipeg		$ 131,330
Cash		234
Total short-term investments		$ 131,564

INVESTMENTS



TOTAL RETURNS*

	ONE YEAR	FOUR YEARS	TEN YEARS
Total Fund	-1.0%	1.7%	5.0%
Bonds and debentures	8.2%	6.5%	6.5%
Canadian equities	-7.2%	0.5%	7.3%
Foreign equities	-3.7%	-3.9%	-0.9%
Benchmarks			
DEX Universe Bond Index	9.7%	7.1%	6.5%
S&P/TSX Composite Index	-8.7%	-0.7%	7.0%
S&P 500	4.6%	-0.9%	-1.6%
Europe, Australasia, Far East Stock Market Index	-10.0%	-7.6%	0.1%
Consumer Price Index (CPI)	2.3%	1.8%	2.1%

* Real estate investment returns are not presented as the *Program* has invested in this investment class for less than one year.

ASSET MIX STRATEGY FOR 2012

In 2010, the *Program* conducted a comprehensive asset-liability study, on the basis of which, the Board of Trustees adopted a new long term policy asset mix. The new policy asset mix is expected, over the long term, to achieve the objective of CPI+5% with an acceptable level of risk exposure to the *Program*.

Among the notable changes arising from the study were new allocations to real estate and infrastructure, offset by reductions in equities and fixed income. These changes are being implemented over a three- to four-year period. To that end, Greystone Managed Investments Inc. was appointed as one of the *Program's* real estate managers in November 2011, and further allocations to real estate are expected to occur over the course of 2012.

ACTUARIAL OPINION

Mercer has conducted an actuarial valuation of *The Winnipeg Civic Employees' Benefits Program* as at December 31, 2010, relying on data and other information provided to us by the Board of Trustees of the *Program*. The results of the valuation are contained in our report dated February 2012.

The principal results of the valuation are as follows:

ACTUARIAL POSITION

The *Program* is fully funded on a going-concern basis in respect of benefits earned for service up to December 31, 2010 and has an excess of smoothed value of assets over the going concern funding target of $290,314,000 as at that date, on the basis of the assumptions and methods described in our report. Of this excess, $240,759,000 has been previously allocated to the Future Contribution Reserve, the Plan Members' Account and the City Account.

The remaining actuarial surplus of $49,555,000 will be allocated to the Future Contribution Reserve in accordance with the terms of the Pension Trust Agreement in effect on January 1, 2011.

The *Program* has a solvency shortfall of $431,291,000 as at December 31, 2010, based on a smoothed value of assets. The Board of Trustees has elected to have *The Winnipeg Civic Employees' Pension Plan* exempted from the solvency provisions and the transfer deficiency provisions of *The Pension Benefits Act* (Manitoba) and Regulations, pursuant to *The Solvency Exemption for Public Sector Pension Plans Regulation*. As a result, no special payments or other remedies are required for solvency purposes.

COST OF BENEFITS FOR SERVICE IN 2011

The normal actuarial cost of the benefits expected to be earned under the *Program* for service from January 1, 2011 to August 31, 2011 is 23.41% of contributory earnings. This cost is expected to be financed by employee contributions averaging 7.99% of contributory earnings, employer contributions and transfers from the City Account of 7.99% of contributory earnings, transfers from the Future Contribution Reserve of 5.01% of contributory earnings and transfers from the Enhancement Cost Reserve within the Plan Members' Account of 2.42% of contributory earnings.

The normal actuarial cost of the benefits expected to be earned under the *Program* for service from September 1, 2011 to December 31, 2011 is 20.29% of contributory earnings. This cost is expected to be financed by employee contributions averaging 8.50% of contributory earnings, and employer contributions and transfers from the City Account of 8.50% of contributory earnings. The remaining 3.29% of contributory earnings will be drawn down from the funding excess.

In our opinion:

- the actuarial valuation and our report thereon present fairly the actuarial position of *The Winnipeg Civic Employees' Benefits Program* as at December 31, 2010 on the basis of the actuarial assumptions and valuation methods adopted,
- the data on which the valuation is based are sufficient and reliable for the purposes of the valuation,
- all assumptions were independently reasonable at the time the valuation was prepared and are, in aggregate, appropriate for the purposes of the valuation, and
- the methods employed in the valuation are appropriate for the purposes of the valuation.

Our report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada. It has also been prepared in accordance with the funding and solvency standards set by *The Pension Benefits Act* (Manitoba).

Naveen Kapahi
FELLOW OF THE CANADIAN INSTITUTE OF ACTUARIES

Ryan Welsh
FELLOW OF THE CANADIAN INSTITUTE OF ACTUARIES

INDEPENDENT AUDITOR'S REPORT

THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN

To the Chairperson and Members of The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Pension Fund)

We have audited the accompanying financial statements of The Winnipeg Civic Employees' Pension Plan, which comprise the statements of financial position as at December 31, 2011 and 2010, and their statements of changes in net assets available for benefits, changes in pension obligations and changes in surplus (deficit) for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Winnipeg Civic Employees' Pension Plan as at December 31, 2011 and December 31, 2010, and the changes in its net assets available for benefits, changes in its pension obligations and changes in surplus (deficit) for the years then ended in accordance with Canadian accounting standards for pension plans.

Deloitte & Touche LLP

Chartered Accountants
WINNIPEG, MANITOBA
JUNE 14, 2012

THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31	2011 (000's)	2010 (000's)
ASSETS		
Investments, at fair value		
Bonds and debentures	$ 1,096,959	$ 1,216,294
Canadian equities	1,084,250	1,237,028
Foreign equities	1,085,645	1,058,070
Cash and short-term deposits	131,564	61,704
Private equities	61,071	56,888
Real estate	20,741	-
	3,480,230	3,629,984
Accrued interest	4,209	5,567
Participants' contributions receivable	7	26
Employers' contributions receivable	7	10
Accounts receivable	811	571
Total Assets	3,485,264	3,636,158
LIABILITIES		
Accounts payable	7,839	9,633
Due to other plans	286	184
Total Liabilities	8,125	9,817
NET ASSETS AVAILABLE FOR BENEFITS	3,477,139	3,626,341
PENSION OBLIGATIONS	3,443,897	3,357,855
SURPLUS (DEFICIT)	$ 33,242	$ 268,486
SURPLUS (DEFICIT) COMPRISED OF:		
Main Account	$ (39,409)	$ 176,635
Plan Members' Account	2,434	9,772
City Account	70,217	82,079
	$ 33,242	$ 268,486

See accompanying notes to the financial statements.

THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 31	2011 (000's)	2010 (000's)
INCREASE IN ASSETS		
Contributions		
Employees	$ 38,444	$ 36,712
City of Winnipeg and participating employers	18,130	15,771
Reciprocal transfers from other plans	417	375
	56,991	52,858
Investment income (Note 5)	118,679	115,657
Current period change in fair value of investments	(147,610)	239,607
Total increase in assets	28,060	408,122
DECREASE IN ASSETS		
Pension payments	152,907	144,169
Lump sum benefits	14,389	14,330
Administrative expenses (Note 7)	3,047	3,324
Investment management and custodial fees	6,919	7,109
Total decrease in assets	177,262	168,932
(Decrease) increase in net assets	(149,202)	239,190
Net assets available for benefits at beginning of year	3,626,341	3,387,151
Net assets available for benefits at end of year	$ 3,477,139	$ 3,626,341

See accompanying notes to the financial statements.

THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN

STATEMENT OF CHANGES IN PENSION OBLIGATIONS

FOR THE YEARS ENDED DECEMBER 31	2011 (000's)	2010 (000's)
ACCRUED PENSION BENEFITS, BEGINNING OF YEAR	$ 3,357,855	$ 3,236,533
INCREASE IN ACCRUED PENSION BENEFITS		
Interest on accrued pension benefits	204,767	199,229
Benefits accrued	104,574	112,186
Total increase in accrued pension benefits	309,341	311,415
DECREASE IN ACCRUED PENSION BENEFITS		
Benefits paid	175,068	166,365
Experience gains and losses and other factors	41,723	19,821
Changes in actuarial assumptions	2,705	-
Administration expenses	3,803	3,907
Total decrease in accrued pension benefits	223,299	190,093
NET INCREASE IN ACCRUED PENSION BENEFITS FOR THE YEAR	86,042	121,322
ACCRUED PENSION BENEFITS, END OF YEAR	$ 3,443,897	$ 3,357,855

See accompanying notes to the financial statements.

THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN

STATEMENT OF CHANGES IN SURPLUS (DEFICIT)

FOR THE YEARS ENDED DECEMBER 31	2011 (000's)	2010 (000's)
SURPLUS, BEGINNING OF YEAR	$ 268,486	$ 150,618
(Decrease) increase in net assets available for benefits for the year	(149,202)	239,190
Net increase in accrued pension benefits for the year	(86,042)	(121,322)
SURPLUS, END OF YEAR	$ 33,242	$ 268,486

See accompanying notes to the financial statements.

THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN

SCHEDULE 1: SCHEDULE OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS BY ACCOUNT

	2011			
FOR THE YEAR ENDED DECEMBER 31	MAIN ACCOUNT (000's)	PLAN MEMBERS' ACCOUNT (000's)	CITY ACCOUNT (000's)	TOTAL (000's)
INCREASE IN ASSETS				
Contributions				
Employees	$ 38,444	$ -	$ -	$ 38,444
City of Winnipeg and participating employers	18,130	-	-	18,130
Reciprocal transfers from other plans	417	-	-	417
	56,991	-	-	56,991
Transfers from/to other accounts and reserves				
City Account	11,054	-	(11,054)	-
Enhancement Cost Reserve	7,262	(7,262)	-	-
	75,307	(7,262)	(11,054)	56,991
Investment income (Note 5)	115,981	149	2,549	118,679
Current period change in fair value of investments	(144,188)	(215)	(3,207)	(147,610)
Total increase (decrease) in assets	47,100	(7,328)	(11,712)	28,060
DECREASE IN ASSETS				
Pension payments	152,907	-	-	152,907
Lump sum benefits	14,389	-	-	14,389
Administrative expenses (Note 7)	3,047	-	-	3,047
Investment management and custodial fees	6,759	10	150	6,919
Total decrease in assets	177,102	10	150	177,262
(Decrease) in net assets	(130,002)	(7,338)	(11,862)	(149,202)
Net assets available for benefits at beginning of year				
Main Account—General Component	3,385,582	-	-	3,385,582
Main Account—Future Contribution Reserve	148,908	-	-	148,908
Plan Members' Account—Enhancement Cost Reserve	-	9,772	-	9,772
City Account	-	-	82,079	82,079
	3,534,490	9,772	82,079	3,626,341
Net assets available for benefits at end of year	$ 3,404,488	$ 2,434	$ 70,217	$ 3,477,139

See accompanying notes to the financial statements.

THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN

SCHEDULE 2: SCHEDULE OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS BY ACCOUNT

	2010			
FOR THE YEAR ENDED DECEMBER 31	MAIN ACCOUNT (000's)	PLAN MEMBERS' ACCOUNT (000's)	CITY ACCOUNT (000's)	TOTAL (000's)
INCREASE IN ASSETS				
Contributions				
Employees	$ 36,712	$ -	$ -	$ 36,712
City of Winnipeg and participating employers	15,771	-	-	15,771
Reciprocal transfers from other plans	375	-	-	375
	52,858	-	-	52,858
Transfers from/to other accounts and reserves (Note 1)				
City Account	11,560	-	(11,560)	-
Enhancement Cost Reserve	11,494	(11,494)	-	-
	75,912	(11,494)	(11,560)	52,858
Investment income (Note 5)	112,408	488	2,761	115,657
Current period change in fair value of investments	232,877	1,010	5,720	239,607
Total increase (decrease) in assets	421,197	(9,996)	(3,079)	408,122
DECREASE IN ASSETS				
Pension payments	144,169	-	-	144,169
Lump sum benefits	14,330	-	-	14,330
Administrative expenses (Note 7)	3,324	-	-	3,324
Investment management and custodial fees	6,908	31	170	7,109
Total decrease in assets	168,731	31	170	168,932
Increase (decrease) in net assets	252,466	(10,027)	(3,249)	239,190
Net assets available for benefits at beginning of year				
Main Account—General Component	3,042,493	-	-	3,042,493
Main Account—Future Contribution Reserve	239,531	-	-	239,531
Plan Members' Account—Enhancement Cost Reserve	-	19,799	-	19,799
City Account	-	-	85,328	85,328
	3,282,024	19,799	85,328	3,387,151
Net assets available for benefits at end of year	$ 3,534,490	$ 9,772	$ 82,079	$ 3,626,341

See accompanying notes to the financial statements.

THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN

SCHEDULE 3: SCHEDULE OF CHANGES IN SURPLUS (DEFICIT) BY ACCOUNT

2011

FOR THE YEAR ENDED DECEMBER 31	MAIN ACCOUNT (000's)	PLAN MEMBERS' ACCOUNT (000's)	CITY ACCOUNT (000's)	TOTAL (000's)
SURPLUS, BEGINNING OF YEAR	$ 176,635	$ 9,772	$ 82,079	$ 268,486
(Decrease) in net assets available for benefits for the year	(130,002)	(7,338)	(11,862)	(149,202)
Net increase in accrued pension benefits for the year	(86,042)	-	-	(86,042)
SURPLUS (DEFICIT), END OF YEAR	$ (39,409)	$ 2,434	$ 70,217	$ 33,242

2010

FOR THE YEAR ENDED DECEMBER 31	MAIN ACCOUNT (000's)	PLAN MEMBERS' ACCOUNT (000's)	CITY ACCOUNT (000's)	TOTAL (000's)
SURPLUS, BEGINNING OF YEAR	$ 45,491	$ 19,799	$ 85,328	$ 150,618
Increase (decrease) in net assets available for benefits for the year	252,466	(10,027)	(3,249)	239,190
Net increase in accrued pension benefits for the year	(121,322)	-	-	(121,322)
SURPLUS, END OF YEAR	$ 176,635	$ 9,772	$ 82,079	$ 268,486

See accompanying notes to the financial statements.

THE WINNIPEG CIVIC EMPLOYEES' PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

1. DESCRIPTION OF PLAN

a) General

The Winnipeg Civic Employees' Pension Plan is a defined benefit pension plan which provides pension benefits for all City of Winnipeg employees, with the exception of police officers, and employees of certain other employers which participate in the Plan. The Plan is part of *The Winnipeg Civic Employees' Benefits Program* which also includes The Winnipeg Civic Employees' Long Term Disability Plan and The Winnipeg Civic Employees' Early Retirement Benefits Arrangement.

All employees of participating employers who work full time throughout the year are required to become members of the Plan at the commencement of their employment. Seasonal and part-time employees are required to become members when they have earned 25% of the maximum pensionable earnings under the Canada Pension Plan in each of two consecutive years.

b) Administration

The Plan is administered by The *Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Pension Fund)*. The Board of Trustees is comprised of seven employer appointed Trustees and seven member appointed Trustees, of whom one member Trustee is a retired member.

The Plan is registered under the *Pension Benefits Act* of Manitoba. The Plan is a registered pension plan, under the *Income Tax Act*, and is not subject to income taxes.

c) Financial structure

The Winnipeg Civic Employees' Pension Plan is comprised of three accounts, namely the Main Account, the Plan Members' Account and the City Account. The account structure is in accordance with the requirements of a Pension Trust Agreement entered into by the City and ten Signatory Unions. The Pension Trust Agreement was amended, coincident with certain Plan changes affecting contributions and benefits, to combine certain components of the Main Account and the Plan Members' Account.

Effective September 1, 2011, the two components of the Main Account, being the Main Account—General Component (in the amount of $3,242,778,000) and the Main Account—Future Contribution Reserve (in the amount of $180,747,000), were combined to form a single Main Account. In addition, the two components of the Plan Members' Account, being the Plan Members' Account—Unallocated Portion (in the amount of $Nil) and the Plan Members' Account—Enhancement Cost Reserve (in the amount of $2,424,000), were combined on September 1, 2011 to form a single Plan Members' Account.

i) Main Account

Prior to September 1, 2011, all benefits of the Pension Plan were paid from the former Main Account—General Component. With effect from September 1, 2011, all benefits of the Pension Plan are paid from the combined Main Account.

During 2011, for pay periods preceding September 1, 2011, members contributed 7.6% of their Canada Pension Plan earnings plus 9.4% of any pensionable earnings in excess of Canada Pension Plan earnings to the Program. Effective from the first pay period following September 1, 2011, members contributed 8.05% of their Canada Pension Plan earnings plus 10.0% of any pensionable earnings in excess of Canada Pension Plan earnings to the Program.

All Program member contributions and employer contributions, other than those directed to The Winnipeg Civic Employees' Long Term Disability Plan or The Winnipeg Civic Employees' Early Retirement Benefits Arrangement, are credited to the Main Account. Prior to September 1, 2011, they were credited to the Main Account—General Component.

The City and participating employers are required to match the members' contributions to the Program, but may contribute at less than matching levels for any year provided that an amount equal to the difference is transferred from the City Account to the Main Account.

Until August 31, 2011, the Main Account—Future Contribution Reserve financed, through transfers to the Main Account—General Component, the portion of the current service cost of the Program's 1999 benefits level that exceeded the Program members' and employers' matching contributions. During the period between January 1, 2011 and August 31, 2011, $15,034,000 was transferred from the Main Account—Future Contribution Reserve to the Main Account—General Component.

The Plan has been designated as a "multi-unit pension plan" under the *Pension Benefits Act* of Manitoba. As a "multi-unit pension plan", the financial obligations of the participating employers are limited to those specified in the Pension Trust Agreement.

An actuarial valuation of the future benefit obligations of the Main Account is carried out each year. Actuarial surpluses and funding deficiencies are dealt with in accordance with the terms of the Pension Trust Agreement.

ii) *Plan Members' Account*

The Plan Members' Account is credited with the share of all actuarial surpluses that are allocated to the Program members. The Pension Trust Agreement provides that the Plan Members' Account may be used to fund improvements in benefits or to reduce member contributions.

Until August 31, 2011, the former Plan Members' Account—Enhancement Cost Reserve financed, through transfers to the Main Account—General Component, the current service cost of all benefit enhancements above the Program's 1999 benefits level.

During the period between January 1, 2011 and August 31, 2011, there was no activity in the Plan Members' Account—Unallocated Portion.

iii) *City Account*

The City Account is credited with the share of all actuarial surpluses that are allocated to the participating employers. The City Account finances, through transfers to the Main Account (Main Account—General Component until August 31, 2011), any reduction in the participating employers' contributions from the amounts needed to match the Program members' required contributions.

d) Retirement pensions

The Plan allows for retirement at or after age 55 or following completion of 30 years of service, (if hired before September 1, 2011) or when the sum of a member's age plus service equals 80. The pension formula prior to age 65 is equal to 2% of the best 5-year average earnings for each year of credited service. The pension formula after age 65 is equal to 1.5% of the 5-year average Canada Pension Plan earnings plus 2% of the best 5-year average non-Canada Pension Plan earnings for each year of credited service. Early retirement reductions apply to pensions derived from service on and after September 1, 2011 if certain service thresholds are not met. Pensions are subject to the maximum benefit limits prescribed for registered pension plans under the *Income Tax Act.*

Retirement and survivor pensions, including deferred pensions, are increased annually to provide cost-of-living adjustments at the stated level in the Program text, which level is currently 80% of the percentage change in the Consumer Price Index for Canada.

e) Disability benefits

The Plan provides long term disability benefits for employees who were totally or partially disabled prior to December 31, 1991. All long term disability benefits for employees who became totally or partially disabled subsequent to December 31, 1991 are provided by The Winnipeg Civic Employees' Long Term Disability Plan. If an employee is totally disabled, the disability benefits payable from the Plan, together with the disability benefits from the Canada Pension Plan, will equal at least 66⅔% of the current earnings rate for the position occupied by the employee prior to becoming disabled.

f) Survivor's benefits

The Plan provides survivor pensions or lump sum benefits on death prior to retirement. On death after retirement, eligible surviving spouses normally receive 66⅔% of the member's pension.

g) Termination benefits

Upon application and subject to vesting and locking-in provisions, deferred pensions or equivalent lump sum benefits are payable when a member terminates employment.

h) Funding deficiencies

Funding deficiencies are dealt with in accordance with the terms of the Pension Trust Agreement. Remedies available under the Pension Trust Agreement generally include revising the actuarial assumptions, reducing the anticipated level of future cost-of-living adjustment, increasing contributions (if agreed upon by the City and the Signatory Unions), drawing upon available reserves, and if necessary, reducing benefits.

i) Plan changes during 2011

During 2011, the City and the Signatory Unions agreed to increase contribution rates by a total of 4% of pensionable earnings, to be phased in gradually from 2011 to 2014. Contribution rates will increase an average of 0.5% of pensionable earnings for both employees and participating employers on each of the following dates: September 1, 2011, January 1, 2012, January 1, 2013, and January 1, 2014. Upon full implementation of the scheduled increases, the average contribution rate will be 10% of pensionable earnings for both employees and participating employers.

In conjunction with the above contribution rate increases, the Board amended certain benefit provisions under the Program, with effect from September 1, 2011, to reduce the cost of the benefits earned for service on and after September 1, 2011 to approximately 20% of pensionable earnings (from approximately 24% of pensionable earnings). The benefit changes principally included: introduction of a minimum retirement age of 50, introduction of early retirement reductions if certain service thresholds are not met, decreased funding of cost-of-living adjustments, higher reductions to members' pensions to provide for post-retirement survivor benefits, changes to the indexing and maximum duration of long term disability benefits for members whose date of disability occurs on or after September 1, 2011, and cessation of credited service accruals (upon meeting certain service thresholds) beginning September 1, 2013 for members whose date of disability occurred prior to September 1, 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

These financial statements are prepared in accordance with Canadian accounting standards for pension plans on a going-concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity, independent of the participating employers and Program members. They are prepared to assist Program members and others in reviewing the activities of the Plan for the fiscal period.

These financial statements include the financial statements of the Plan and its wholly-owned subsidiary, 5332657 Manitoba Ltd., which was incorporated on July 14, 2006. The Plan accounts for its investment in its subsidiary on a non-consolidated basis. The purpose of the subsidiary corporation is to invest in and hold certain private equity investments on behalf of the Plan.

b) Investments and investment income

Investments are stated at fair value. Fair value represents the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction.

Publicly traded equity investments are valued using published bid prices. For private equity investments, where quoted market prices are not available, various methods of valuation are used by the external managers to determine fair value including the use of: discounted cash flows, earnings multiples, prevailing market rates for instruments with similar characteristics or other pricing models as appropriate. Real estate investments are valued based on the most recent valuations or appraisals of the underlying properties.

Fixed income investments are valued either using published bid prices or by applying valuation techniques that utilize observable market inputs.

Cash and short-term investments are recorded at cost, which, together with accrued interest income, approximates fair value.

Investment transactions are recognized on a trade date basis. Investment income is recorded on the accrual basis.

The Plan's investment income, current period change in fair value of investments and investment management and custodial fees are allocated between the Accounts and Reserves based on the average balance of each Account and Reserve during the year.

c) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing at the year end. Income and expenses, and the purchase and sale of investments, are translated into Canadian dollars at the exchange rates prevailing on the transaction dates.

d) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets, obligations, and surplus during the year. Actual results could differ from those estimates.

e) Accounting changes

In April 2010, the Accounting Standards Board of the Canadian Institute of Chartered Accountants (CICA) issued Part IV—Accounting Standards for Pension Plans which includes Section 4600, *Pension Plans*. The new section is applicable to financial statements of pension plans and other benefit plans relating to fiscal years beginning on or after January 1, 2011. Accordingly, the Plan adopted the new standards for its fiscal year beginning January 1, 2011. The standards establish requirements for measurement and presentation of information in general purpose financial statements of pension plans, as well as financial statement disclosures. The Plan has elected to incorporate by reference Part II—Accounting Standards for Private Enterprises (ASPE) of the CICA Handbook for issues not directly addressed in Part IV of the handbook.

The comparative information presented for the year ended December 31, 2010 is also in accordance with the new financial reporting standards. The adoption of the new reporting standards did not result in any change to the net assets available for benefits as previously reported in 2010.

The following changes to the 2010 comparative figures result from accounting for the Plan's investment in its subsidiary on a non-consolidated basis:

EFFECTS ON 2010 STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS:	MAIN ACCOUNT (000's)	PLAN MEMBERS' ACCOUNT (000's)	CITY ACCOUNT (000's)	TOTAL (000's)
Changes to income items:				
Investment income	$ (4)	$ -	$ -	$ (4)
Current period change in fair value of investments	(280)	(1)	(6)	(287)
	(284)	(1)	(6)	(291)
Changes to expense items:				
Administrative expenses	(15)	-	-	(15)
Investment management fees	(269)	(1)	(6)	(276)
	(284)	(1)	(6)	(291)
Effect on net assets available for benefits	$ -	$ -	$ -	$ -

EFFECTS ON 2010 STATEMENT OF FINANCIAL POSITION:	TOTAL (000's)
Changes to assets:	
Cash and short-term deposits	$ (8,521)
Private equity	8,508
	(13)
Changes to liabilities:	
Accounts payable	(13)
	(13)
Effect on net assets available for benefits	$ -

The financial statement presentation for the year ended December 31, 2010 also reflects, for comparison purposes only, the financial structure changes that became effective with the revised Pension Trust Agreement on September 1, 2011, wherein certain components within the special purpose reserves and accounts were combined.

3. OBLIGATIONS FOR PENSION BENEFITS

An actuarial valuation of *The Winnipeg Civic Employees' Benefits Program* was made as of December 31, 2010 by Mercer (Canada) Limited. The results of the December 31, 2010 actuarial valuation were extrapolated to December 31, 2011 to determine the actuarial present value of accrued benefits disclosed in the Statement of Financial Position as at December 31, 2011. The assumptions used were approved by the Board of Trustees for purposes of preparing the financial statements. The economic assumptions used in determining the actuarial value of accrued pension benefits were developed by reference to expected long term economic and investment market conditions. Significant long term actuarial assumptions used in the valuation included a valuation interest rate of 6.25% (2010 extrapolation—6.25%) per year, inflation of 2.0% (2010 extrapolation—2.0%) per year and general increases in pay of 3.50% (2010 extrapolation—3.50%) per year. The demographic assumptions, including rates of termination of employment, disability, retirement and mortality were chosen after detailed analysis of past experience. The actuarial present value of accrued benefits was determined using the projected benefit method pro-rated on services.

The actuarial valuation as at December 31, 2010 disclosed an actuarial surplus of $49,555,000 within the Main Account—General Component which was allocated to the Main Account—Future Contribution Reserve as at January 1, 2011 in accordance with the Pension Trust Agreement. The actuarial valuation as at December 31, 2009 disclosed no actuarial surplus; however, the surplus of $46,447,000 that would have emerged was applied against the balance of the fair value changes not reflected in the actuarial value of assets.

The actuarial present value of accrued benefits disclosed in the Statement of Financial Position as at December 31, 2011 includes the obligations of The Winnipeg Civic Employees' Long Term Disability Plan and The Winnipeg Civic Employees' Early Retirement Benefits Arrangement in the amounts of $52,325,000 (2010—$65,816,000) and $5,447,000 (2010—$5,270,000) respectively. These obligations are included because the Pension Trust Agreement requires that all Program obligations be taken into account in determining the periodic actuarial surplus or funding deficiency.

The assets available to finance the Program's accrued benefits are those allocated to the Main Account (for 2010 the Main Account—General Component). In determining the surplus or deficiency for actuarial valuation purposes, and to be consistent with the assumptions used to determine the actuarial present value of benefits, the actuarial value of the assets of the Main Account (for 2010 the Main Account—General Component) was determined from fair values. The actuarial value placed on the assets smoothes out fluctuations in fair values by spreading the difference between expected returns and actual returns, including unrealized gains and losses, over five years.

The effect of using a smoothed value of assets for the Main Account (2010, *Main Account—General Component*) in determining the estimated actuarial surplus or deficiency is as follows:

	2011 (000's)	2010 (000's)
Surplus (deficit) for financial statement reporting purposes, Main Account (2010 includes Future Contribution Reserve)	$ (39,409)	$ 176,635
Less: Main Account—Future Contribution Reserve	-	(148,908)
Fair value changes not reflected in actuarial value of assets	174,461	(22,601)
Surplus (deficit), for actuarial valuation purposes, Main Account (2010, *Main Account—General Component*), as estimated	135,052	5,126
Add: special purpose reserves and accounts		
Main Account—Future Contribution Reserve	-	148,908
Plan Members' Account (2010, *Plan Members' Account—Enhancement Cost Reserve*)	2,434	9,772
City Account	70,217	82,079
Surplus (deficit), for actuarial valuation purposes, including special purpose reserves and accounts, as estimated	$ 207,703	$ 245,885

A full actuarial valuation of the Program is being carried out as of December 31, 2011. Any actuarial surplus or funding deficiency disclosed in that valuation will be dealt with in accordance with the Pension Trust Agreement.

4. MANAGEMENT OF FINANCIAL RISK

In the normal course of business, the Plan's investment activities expose it to a variety of financial risks. The Plan seeks to minimize potential adverse effects of these risks on the Plan's performance by hiring professional, experienced portfolio managers, by regular monitoring of the Plan's position and market events, by diversifying the investment portfolio within the constraints of the investment policy and objectives, and occasionally through the use of derivatives to hedge certain risk exposures. Significant risks that are relevant to the Plan are discussed below.

a) Credit risk

Credit risk arises from the potential for an investee to fail or to default on its contractual obligations to the Plan, and is concentrated in the Plan's investment in bonds and debentures and short-term deposits. At December 31, 2011, the Plan's credit risk exposure related to bonds and debentures, accrued interest, and short-term deposits totaled $1,232,732,000 (2010—$1,283,565,000).

The Plan's concentration of credit risk as at December 31, 2011, related to bonds and debentures, is categorized amongst the following types of issuers:

TYPE OF ISSUER	2011 FAIR VALUE (000's)	2010 FAIR VALUE (000's)
Government of Canada and Government of Canada guaranteed	$ 256,418	$ 313,211
Provincial and Provincial guaranteed	501,915	426,307
Canadian cities and municipalities	5,057	3,962
Corporations and other institutions	333,569	472,814
	$ 1,096,959	$ 1,216,294

The Plan's investments include short-term deposits with the City of Winnipeg which have a fair value of $131,330,000 at December 31, 2011 (2010—$61,472,000).

The Plan limits credit risk by investing in bonds and debentures of investees that are considered to be high quality credits and by utilizing an internal Investment Policy Guideline monitoring process. All bond transactions are settled upon delivery using licensed brokers. The risk of default on settlement is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

As at December 31, bonds and debentures analyzed by credit rating are as follows:

	2011		2010	
CREDIT RATING	PERCENT OF TOTAL BONDS	PERCENT OF NET ASSETS	PERCENT OF TOTAL BONDS	PERCENT OF NET ASSETS
AAA	37.4	11.8	41.3	13.8
AA	51.9	16.5	45.2	15.2
A	8.5	2.7	10.5	3.5
BBB	1.8	0.5	2.7	0.9
BB	0.4	0.1	0.3	0.1
	100.0	31.6	100.0	33.5

The Plan participates in a securities lending program, managed by the Plan's custodian, wherein securities are loaned to counterparties in exchange for lending fees. In this regard, the Plan's exposure to credit risk relates to the potential for a counterparty to not return a security and the related collateral held is insufficient to replace the security in the open market. The Manager has responsibility to monitor the credit worthiness of counterparties and to regularly monitor and maintain collateral greater than the value of the loans.

b) Liquidity risk

Liquidity risk is the risk that the Plan will encounter difficulty in meeting obligations associated with financial liabilities. The Plan ensures it retains sufficient cash and short-term investment positions to meet its cash flow commitments, including the ability to fund the pensioner payroll costs and to fund investment commitments. The Plan primarily invests in securities that are traded in active markets and can be readily disposed. The Plan may invest in private equity, which is not traded in an organized market and may be illiquid, but only up to a maximum of 5% of the Plan's assets, as stipulated in the Plan's Statement of Investment Policies and Procedures. The Plan may also invest in real estate, which is not traded in an organized market and may be illiquid, but only up to a maximum of 16% of the Plan's assets, as stipulated in the Plan's Statement of Investment Policies and Procedures.

c) Interest rate risk

Interest rate risk is the risk that the fair value of the Plan's interest bearing investments will fluctuate due to changes in market interest rates. The Plan's exposure to interest rate risk is concentrated in its investment in bonds and debentures and short-term investments.

The Plan's actuarial liabilities are also exposed to fluctuations in long term interest rates as well as expectations of inflation and salary escalation. The Plan's primary exposure is to a decline in the long-term real rate of return which may result in higher contribution rates or lower benefit levels.

The Plan has approximately 35% (2010—35%) of its assets invested in fixed income securities as at December 31, 2011. The returns on fixed income securities are particularly sensitive to changes in nominal interest rates.

The term to maturity and related fair values of investments in bonds and debentures held by the Plan at December 31, 2011 are as follows:

TERM TO MATURITY	2011 FAIR VALUE (000's)	2010 FAIR VALUE (000's)
Less than one year	$ 153,643	$ 187,098
One to five years	419,527	476,112
Greater than five years	523,789	553,084
	$ 1,096,959	$ 1,216,294

As at December 31, 2011, had prevailing interest rates raised or lowered by 0.5% (2010—0.5%) assuming a parallel shift in the yield curve, with all other variables held constant, the fair value of investments in bonds and debentures would have decreased or increased, respectively, by approximately $24,572,000 (approximately 0.7% of total net assets) (2010—$27,002,000, approximately 0.7% of total net assets). The Plan's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, the actual results may differ and the difference could be material.

d) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency exposure arises from the Plan's holdings of foreign equity investments. The Plan's investment managers may, from time to time, hedge some of this exposure using forward contracts. The table below indicates the Plan's net foreign currency exposure after giving effect to the net related hedge as at December 31, 2011. The table also illustrates the potential impact to the Plan's net assets, all other variables held constant, as a result of a 10% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

	2011				2010	
	GROSS EXPOSURE (000's)	NET FOREIGN CURRENCY HEDGE (000's)	NET EXPOSURE (000's)	IMPACT ON NET ASSETS (000's)	NET EXPOSURE (000's)	IMPACT ON NET ASSETS (000's)
United States	$ 655,126	$ -	$ 655,126	$ 65,513	$ 566,097	$ 56,610
Euro countries	138,064	-	138,064	13,806	146,680	14,668
United Kingdom	105,171	-	105,171	10,517	108,344	10,835
Japan	57,045	-	57,045	5,704	65,104	6,510
Switzerland	36,367	-	36,367	3,637	36,232	3,623
Sweden	25,442	-	25,442	2,544	32,230	3,223
Australia	21,675	-	21,675	2,167	27,669	2,767
Hong Kong	20,376	-	20,376	2,038	26,740	2,674
Other	71,467	-	71,467	7,147	86,062	8,606
	$ 1,130,733	$ -	$ 1,130,733	$ 113,073	$ 1,095,158	$ 109,516

e) Other price risk

Other price risk is the risk that the value of investments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to an individual asset or its issuer, or factors affecting all securities traded in the market. All securities present a risk of loss of capital. The Plan's policy is to invest in a diversified portfolio of investments. As well, the Plan's Managers moderate this risk through careful selection of securities and other financial instruments within the parameters of the investment policy and strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For this Plan, the most significant exposure to other price risk is from its investment in equity securities. As at December 31, 2011, had the prices on the respective stock exchanges for these securities increased or decreased by 15%, with all other variables held constant, net assets would have increased or decreased by approximately $325,484,000 (approximately 9.4% of total net assets) (2010—$344,265,000, approximately 9.5% of total net assets). In practice, the actual results may differ and the difference could be material.

The Plan also has exposure to equity valuation risk through its holdings of private equity and real estate investments, for which quoted market prices are not available. As at December 31, 2011, the estimated fair value of private equity investments is $61,071,000 (2010—$56,888,000), approximately 1.8% of total net assets (2010—1.6%), and the related change in fair value of investments recognized for the year ended December 31, 2011 is $3,857,000 (2010—$9,882,000). As at December 31, 2011, the estimated fair value of real estate investments is $20,741,000 (2010—$Nil), approximately 0.6% of total net assets (2010—Nil), and the related change in fair value of investments recognized for the year ended December 31, 2011 is $951,000 (2010—$Nil).

f) Fair value hierarchy

Financial instruments recorded at fair value on the Statement of Financial Position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1—valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2—valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and, Level 3—valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The following tables present the investment assets recorded at fair value in the Statement of Financial Position as at December 31, 2011 and December 31, 2010, classified using the fair value hierarchy described above:

	LEVEL 1 (000's)	LEVEL 2 (000's)	LEVEL 3 (000's)	2011 TOTAL INVESTMENT ASSETS AT FAIR VALUE (000's)
Bonds and debentures	$ -	$ 1,096,959	$ -	$ 1,096,959
Canadian equities	1,080,721	3,529	-	1,084,250
Foreign equities	1,075,375	10,270	-	1,085,645
Cash and short term deposits	131,564	-	-	131,564
Private equities	-	-	61,071	61,071
Real estate	-	-	20,741	20,741
	$ 2,287,660	$ 1,110,758	$ 81,812	$ 3,480,230

	LEVEL 1 (000's)	LEVEL 2 (000's)	LEVEL 3 (000's)	2010 TOTAL INVESTMENT ASSETS AT FAIR VALUE (000's)
Bonds and debentures	$ 13,049	$ 1,203,245	$ -	$ 1,216,294
Canadian equities	1,236,997	-	31	1,237,028
Foreign equities	1,051,016	7,054	-	1,058,070
Cash and short term deposits	61,704	-	-	61,704
Private equities	-	-	56,888	56,888
	$ 2,362,766	$ 1,210,299	$ 56,919	$ 3,629,984

During the year, there has been no significant transfer of amounts between Level 1 and Level 2.

The following tables reconcile the fair value of financial instruments classified in Level 3 from the beginning balance to the ending balance:

CANADIAN EQUITIES	2011 (000's)	2010 (000's)
Fair value, beginning of year	$ 31	$ 30
Gains recognized in increase in net assets	1	1
Purchases	-	-
Sales	(32)	-
	$ -	$ 31

PRIVATE EQUITIES	2011 (000's)	2010 (000's)
Fair value, beginning of year	$ 56,888	$ 39,637
Gains recognized in increase in net assets	3,857	9,882
Purchases	8,682	11,670
Sales	(8,356)	(4,301)
	$ 61,071	$ 56,888

REAL ESTATE	2011 (000's)	2010 (000's)
Fair value, beginning of year	$ -	$ -
Gains recognized in increase in net assets	951	-
Purchases	19,790	-
Sales	-	-
	$ 20,741	$ -

5. INVESTMENT INCOME

	2011 (000's)	2010 (000's)
Bonds and debentures	$ 62,988	$ 67,382
Canadian equities	29,286	26,236
Foreign equities	24,047	20,749
Cash and short-term deposits	2,358	1,290
	$ 118,679	$ 115,657

Allocated to:

Main Account	$ 115,981	$ 112,408
Plan Members' Account	149	488
City Account	2,549	2,761
	$ 118,679	$ 115,657

6. INVESTMENT TRANSACTION COSTS

During 2011, the Plan incurred investment transaction costs in the form of brokerage commissions, in the amount of $1,270,000 (2010—$1,174,000). Investment transaction costs are included in the current period change in fair value of investments.

7. ADMINISTRATIVE EXPENSES

	2011 (000's)	2010 (000's)
Salaries and benefits	$ 1,416	$ 2,893
Actuarial fees	663	577
Other professional services	310	459
Office and administration	642	1,012
Capital expenditures	41	75
Less: recoveries from other plans	(25)	(1,692)
	$ 3,047	$ 3,324

Certain of the above administrative expenses, including salaries and benefits, represent the reimbursement by the Plan to the City of Winnipeg for the cost of supplying such services.

8. COMMITMENTS

The Plan's wholly-owned subsidiary, 5332657 Manitoba Ltd., has entered into an investment management agreement wherein it has authorized an investment manager to make private equity investment commitments on its behalf, with aggregate commitments not to exceed $80,000,000. Commitments will be funded over the next several years. As at December 31, 2011, $56,720,000 had been funded.

DISABILITY PLAN

LONG TERM DISABILITY BENEFITS

The Winnipeg Civic Employees' Long Term Disability Plan provides long term disability benefits for all City of Winnipeg employees (with the exception of police officers) and for employees of other Participating Employers.

All contributing *Program* members are automatically enrolled in the Disability Plan. A portion of the Participating Employers' contributions to the *Program* is used to pay the benefits and expenses of the Disability Plan as they fall due.

The Disability Plan is intended to replace a portion of an employee's income if he or she qualifies for disability benefits under the terms of the Plan. The amount payable, together with disability benefits from the Canada Pension Plan, will equal at least 66⅔% of an employee's average biweekly earnings at the date of disability.

HOW CLAIMS ARE PROCESSED

The Winnipeg Civic Employees' Benefits Program and the Benefits Committee are responsible for making claims decisions. The Benefits Committee is comprised of six members of *The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Disability Fund)*. Resources available to assess claims include medical consultants, case management consultants and staff members of the *Board's* administration.

CASE MANAGEMENT AND REHABILITATIVE EMPLOYMENT

The *Program* promotes an integrated and equitable approach to assisting disabled members.

If approved for a disability benefit, a member will receive the services of a dedicated case manager. Case managers help members to understand their benefits and responsibilities under the Disability Plan and generally support the members through the application, workplace reintegration, and other processes. For example, the Case Management Team makes it a priority to help members take advantage of other benefits available to them such as Canada Pension Plan Disability (CPPD) benefits. Acceptance by CPPD reduces costs for the Disability Plan and provides the member with additional benefits through CPPD.

Case managers play an active role in the rehabilitation of members receiving disability benefits by monitoring their recovery and helping them to transition smoothly back to the workplace if and when they are medically ready. A key responsibility of the Case Management Team is to work with the employing departments to develop a rehabilitation and return to work plan. This process promotes open communication among all parties and includes ongoing reassessment throughout the disability claim and workplace reintegration period. In 2011, the Case Management Team helped 36 members to return to their own occupation and coordinated alternate duty placements for 80 others.

CHARACTERISTICS OF THE PROGRAM

The Case Management Team is comprised of a disability benefits manager, three case management consultants and the on-site guidance of two physician medical consultants. The *Program* also has a disability officer to help guide members through the disability claim application process and provide information about benefit payments.

External resources such as specialists, occupational therapists, physiotherapists and psychologists are utilized as required to facilitate workplace reintegration.

CLAIM ACTIVITY

Orthopaedic and psychological related illnesses continue to be the basis for the majority of claims being processed. An evidence-based claim adjudication and integrated approach to Case Management— including initial and ongoing claim triage, streamlined processes, and focus on workplace reintegration— resulted in:

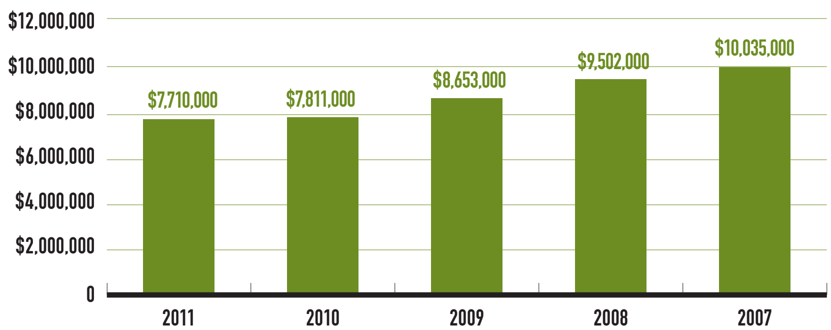
- Lower claim incidence
- Successful return to work results
- Positive outcomes in open claim volumes
- Decrease in disability benefits paid

The Board acknowledges the efforts of those Participating Employers who are taking a proactive approach to working with their employees early in their illness, to minimize the effects on the employee, the workplace and the Disability Plan.

THE WINNIPEG CIVIC EMPLOYEES' LONG TERM DISABILITY PLAN ACTIVITY SUMMARY

FOR THE YEARS ENDED DECEMBER 31	2011	2010	2009	2008	2007
Employees receiving disability benefits	380	400	424	456	498
Employees returning to pre-disability duties	36	44	36	46	51
Employees working in alternate duties	80	105	113	117	128

DISABILITY BENEFITS PAID



INDEPENDENT AUDITOR'S REPORT
THE WINNIPEG CIVIC EMPLOYEES' LONG TERM DISABILITY PLAN

To the Chairperson and Members of The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Disability Fund)

We have audited the accompanying statement of contributions and expenses of The Winnipeg Civic Employees' Long Term Disability Plan for the year ended December 31, 2011, and a summary of significant accounting policies and other explanatory information (together "the financial statement").

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of this financial statement in accordance with those requirements of The Winnipeg Civic Employees' Benefits Program Disability Plan Trust Agreement relevant to preparing such financial statement, and for such internal controls as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statement presents fairly, in all material respects, the contributions and expenses of The Winnipeg Civic Employees' Long Term Disability Plan for the year ended December 31, 2011 in accordance with those requirements of The Winnipeg Civic Employees' Benefits Program Disability Plan Trust Agreement relevant to preparing such a financial statement.

Deloitte & Touche LLP

Chartered Accountants
WINNIPEG, MANITOBA
JUNE 14, 2012

THE WINNIPEG CIVIC EMPLOYEES' LONG TERM DISABILITY PLAN

STATEMENT OF CONTRIBUTIONS AND EXPENSES

FOR THE YEARS ENDED DECEMBER 31	2011 (000's)	2010 (000's)
CONTRIBUTIONS		
City of Winnipeg and Participating Employers	$ 8,750	$ 8,915
Total contributions	8,750	8,915
EXPENSES		
Administration	1,040	1,104
Disability payments	7,710	7,811
Total expenses	8,750	8,915
	$ -	$ -

See accompanying notes to the financial statement.

THE WINNIPEG CIVIC EMPLOYEES' LONG TERM DISABILITY PLAN

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2011

1. DESCRIPTION OF PLAN

a) General

The Winnipeg Civic Employees' Long Term Disability Plan is part of *The Winnipeg Civic Employees' Benefits Program* and provides long term disability benefits for all City of Winnipeg employees and employees of certain other employers who are contributing members of The Winnipeg Civic Employees' Pension Plan.

b) Administration

The Plan is administered by *The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Disability Fund)* in accordance with the terms of *The Winnipeg Civic Employees' Benefits Program Disability Plan Trust Agreement*. The Board of Trustees is comprised of six employer appointed Trustees and six member appointed Trustees.

c) Contributions

The City of Winnipeg and participating employers contribute amounts equal to the benefits and expenses of the Plan. Employee contributions are not required or permitted. Accordingly, the Plan does not hold any net assets available for benefits.

d) Disability benefits

The Plan provides long term disability benefits, following a 26-week waiting period, for employees who become totally or partially disabled after December 31, 1991. If an employee is totally disabled, the disability benefits payable from the Plan, together with the disability benefits from the Canada Pension Plan, will equal at least 66⅔% of the employee's average biweekly earnings prior to disability. Disability benefits are increased annually, based on either the percentage increase in the pay rate for the position regularly occupied (for disabilities occurring before September 1, 2011) or the cost-of-living adjustment rate for The Winnipeg Civic Employees' Pension Plan (for disabilities occurring on or after September 1, 2011).

If a member has at least two years of credited service, disability benefits are payable as long as the member is totally or partially disabled and under the personal care of a medical doctor until the maximum duration of benefits ends, at which time the member is eligible to commence receiving a retirement pension under the Pension Plan. The maximum duration of benefits ends between age 60 and age 65, depending on the member's length of service and date of commencement of disability.

If a member has less than two years of credited service, then benefits are payable for a maximum of two years.

The Program provides that Plan benefits can be reduced if Program funding is insufficient.

2. OBLIGATIONS FOR LONG TERM DISABILITY BENEFITS

An actuarial valuation of *The Winnipeg Civic Employees' Benefits Program* was made as of December 31, 2010 by Mercer (Canada) Limited. The valuation disclosed obligations related to The Winnipeg Civic Employees' Long Term Disability Plan in the amount of $46,354,000. The results of the December 31, 2010 actuarial valuation were extrapolated to December 31, 2011, to determine the actuarial present value of accrued benefits. The assumptions used by the actuary were approved by the Board of Trustees for purposes of extrapolating the obligation, which is estimated at $52,325,000 as at December 31, 2011.

To determine the overall Program actuarial surplus or funding deficiency, the above obligations are included in the obligations disclosed by The Winnipeg Civic Employees' Pension Plan, as the pension plan holds all assets available for benefits under the Program.

In the event the Program is ever terminated, any shortfall of assets versus obligations for the Plan, as measured by the Program's Actuary, must be transferred from The Winnipeg Civic Employees' Pension Plan to the City of Winnipeg, who thereupon is required to immediately contribute such amount to the Plan.

APPENDICES

APPENDIX A

TOP 50 CORPORATE SHARE HOLDINGS* AS AT DECEMBER 31, 2011

		PENSION PLAN MARKET VALUE (000's)			PENSION PLAN MARKET VALUE (000's)
1	Toronto-Dominion Bank	$58,111	26	Microsoft Corp.	12,129
2	Royal Bank of Canada	53,799	27	Finning International Inc.	12,084
3	Bank of Nova Scotia	45,120	28	Chevron Corp	11,208
4	Canadian Natural Resources Limited	40,876	29	Magna International Inc., Class A, SV	11,106
5	Apple Inc.	22,887	30	Procter & Gamble Co.	10,990
6	Goldcorp Inc.	22,750	31	Canadian Pacific Railway Limited	10,914
7	Canadian National Railway Company	22,700	32	Trilogy Energy Corp	10,800
8	Cenovus Energy Inc.	22,499	33	Atlas Copco, Class "A"	10,750
9	Suncor Energy Inc.	21,033	34	Teck Cominco Limited, Class B, SV	10,465
10	Potash Corporation of Saskatchewan Inc.	20,280	35	Rakuten Inc.	10,373
11	Thompson Reuters Corporation	18,220	36	Kinross Gold Corporation	10,157
12	Imperial Oil Limited	18,166	37	TELUS Corporation	10,140
13	Intact Financial Corporation	16,950	38	British American Tobacco	10,096
14	EnCana Corporation	16,769	39	Dollarama Inc.	9,882
15	Power Corporation of Canada, SV	16,694	40	Alimentation Couche-Tard Inc., Class B, SV	9,875
16	Canadian Imperial Bank of Commerce	16,616	41	Ensign Energy Services Inc.	9,693
17	Rogers Communications Inc., Class "B" NV	16,035	42	Husky Energy Inc.	9,632
18	Loblaw Companies Limited	15,935	43	Bank of Montreal	9,391
19	ShawCor Ltd., Class "A" SV	15,539	44	Gildan Activewear Inc.	9,287
20	Tim Hortons Inc.	15,217	45	Ivanhoe Mines Ltd.	9,133
21	Exxon Mobil Corporation Common	14,567	46	Quebecor World Inc., SV	9,102
22	SNC-Lavalin Group Inc.	13,664	47	BHP Billiton	9,039
23	Nexen Inc.	13,366	48	Baidu Inc.	8,857
24	MEG Energy Corp	13,346	49	BCE Inc.	8,692
25	Barrick Gold Corporation	12,154	50	Sun Life Financial Inc.	8,612

*Includes effective holdings through participation in pooled funds, including index funds.

APPENDIX B

INVESTMENT MANAGERS AS AT DECEMBER 31, 2011

Fixed Income

Mr. K. Merlevede,
Manager of Fixed Income Investments

Canadian Equities

Burgundy Asset Management Ltd.
Foyston, Gordon and Payne Inc.
Guardian Capital L.P.
TD Asset Management Inc.

US Equities

J.P. Morgan Investment Management Inc.
State Street Global Advisors, Ltd.

Non-North American Equities

Baillie Gifford Overseas Ltd.
Franklin Templeton Investments Corp.

Private Equities

Hamilton Lane Advisors LLC
Richardson Capital Limited

Real Estate

Greystone Managed Investments Inc.

2011 DIRECTORY

THE BOARD OF TRUSTEES OF THE WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM AS AT DECEMBER 31, 2011

BOARD OF TRUSTEES

Employer Trustees
Appointed by City of Winnipeg

Phil Sheegl (Chair)
CHIEF ADMINISTRATIVE OFFICER

Linda Burch
DIRECTOR, CORPORATE SUPPORT SERVICES

Neil Duboff
DUBOFF EDWARDS HAIGHT & SCHACTER LAW CORP.

Deepak Joshi
CHIEF OPERATING OFFICER

Mike Ruta
CHIEF FINANCIAL OFFICER

Brad Sacher
DIRECTOR OF PUBLIC WORKS
(PENSION FUND BOARD ONLY)

Dave Wardrop
DIRECTOR, TRANSIT

Member Trustees

Brian Ellis (Vice-Chair)
CUPE, LOCAL 500

Rick Borland
PENSIONERS AND DEFERRED MEMBERS
(PENSION FUND BOARD ONLY)

James Girden
AMALGAMATED TRANSIT UNION

Rob Labossiere
UNITED FIRE FIGHTERS OF WINNIPEG

Bob Ripley
CUPE, LOCAL 500

Bob Romphf
OTHER UNIONIZED AND NON-UNIONIZED EMPLOYEES

Bryan Verity
WINNIPEG ASSOCIATION OF PUBLIC SERVICE OFFICERS

COMMITTEES

Investment Committee
Appointed by Employer Trustees

Eric Stefanson F.C.A. (Chair)

Phil Sheegl
EMPLOYER TRUSTEE

Nestor Theodorou
WELLINGTON WEST ASSET MANAGEMENT

Appointed by Member Trustees

Jon Holeman
RBC DOMINION SECURITIES

Bob Romphf
MEMBER TRUSTEE

Gary Timlick
WAWANESA INSURANCE

Audit Committee
(Pension Fund)

Mike Ruta (Chair)

Rick Borland

Bryan Verity

Dave Wardrop

Audit Committee
(Disability Fund)

Mike Ruta (Chair)

Bob Ripley

Bryan Verity

Dave Wardrop

Benefits Committee
(Disability Fund)

Bob Ripley (Chair)

Dave Wardrop (Vice-Chair)

Linda Burch

James Girden

Mike Ruta

Rob Labossiere (ex-officio)

Governance Committee

Bryan Verity (Chair)

Neil Duboff

Rob Labossiere

Bob Ripley

Phil Sheegl

Vacant

MANAGEMENT

Glenda Willis
EXECUTIVE DIRECTOR

Kirk Merlevede
MANAGER, FIXED INCOME INVESTMENTS

Bill Battershill
MANAGER, INFORMATION SYSTEMS

Amanda Jeninga
MANAGER, COMMUNICATIONS

Eleanore Kraynyk
MANAGER, PENSION AND GROUP INSURANCE BENEFITS

Cathie Langdon
MANAGER, DISABILITY BENEFITS

Rob Sutherland
MANAGER, FINANCE AND ADMINISTRATION

ADVISORS

Actuary
Mercer (Canada) Limited

Consulting Actuary
Western Compensation & Benefits Consultants

Investment Consultant
Aon Hewitt

Auditor
Deloitte & Touche, LLP

Legal Counsel
Koskie Minsky
Taylor McCaffrey

Medical Consultants
Dr. Lori Koz

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