

TimeWise

A PUBLICATION OF THE CSS PENSION PLAN

The ups & downs

of principled
investing

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It's about the people.

Meet our new Director, Member Experience and discover how she is planning to enhance the service we provide to you.

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Account statements now available online

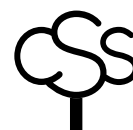
Learn how to access your account statements online and set your delivery preferences for the future.

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Has it really only been one year?

How we are remaining focused on the wellbeing of our members despite the uncertainty surrounding the pandemic.

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THE UPS AND DOWNS OF PRINCIPLED INVESTING
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Your account statements are now available online.

The CSS Pension Plan sends our members' **annual statements** and **tax statements** in paper format unless you tell us otherwise.

If you no longer wish to receive your statements in paper format, please provide your consent below to receive electronic statements through your myCSPEN account. You can switch back to paper at any time.

ANNUAL STATEMENTS NOW AVAILABLE ONLINE
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Has it really only been one year?

Remarkably, it was only a little bit more than a year ago that the COVID-19 global pandemic was declared. It took some time for us to realize that what many of us thought (hoped?) would be with us only a short while was going to significantly change how we work, shop, attend school, socialize and generally live our lives for a significant period of time. Given all the change we have endured, it sure feels like much more than just a year has passed since the pandemic was declared.


And, unfortunately, we're not done yet. Globally, unprecedented progress was made developing and producing vaccines and we are well on our way to having all Canadian citizens "stick it to COVID" as the Saskatchewan Government's vaccine campaign encourages us to do. Yet, variants of the virus have emerged, new cases continue to climb, and government, businesses, communities and individuals continue to work through the challenges presented by an ever-changing pandemic landscape.

As an organization, CSS acted promptly in 2020 to shift operations to a primarily remote model, developed and delivered more digital communications, accelerated our adoption of digital practices, and closed our doors to walk-in traffic. These steps were designed to protect our team, our members, and other CSS stakeholders as well as to ensure we could continue to effectively serve our CSS membership. While there have been some bumps and unexpected learnings along the way, the plans that CSS had in place to deal with this type of serious business disruption have served us well. CSS will continue to remain focused on the health and safety of our team and our members and adapt our business practices as information and guidance comes to us from government and health authorities.

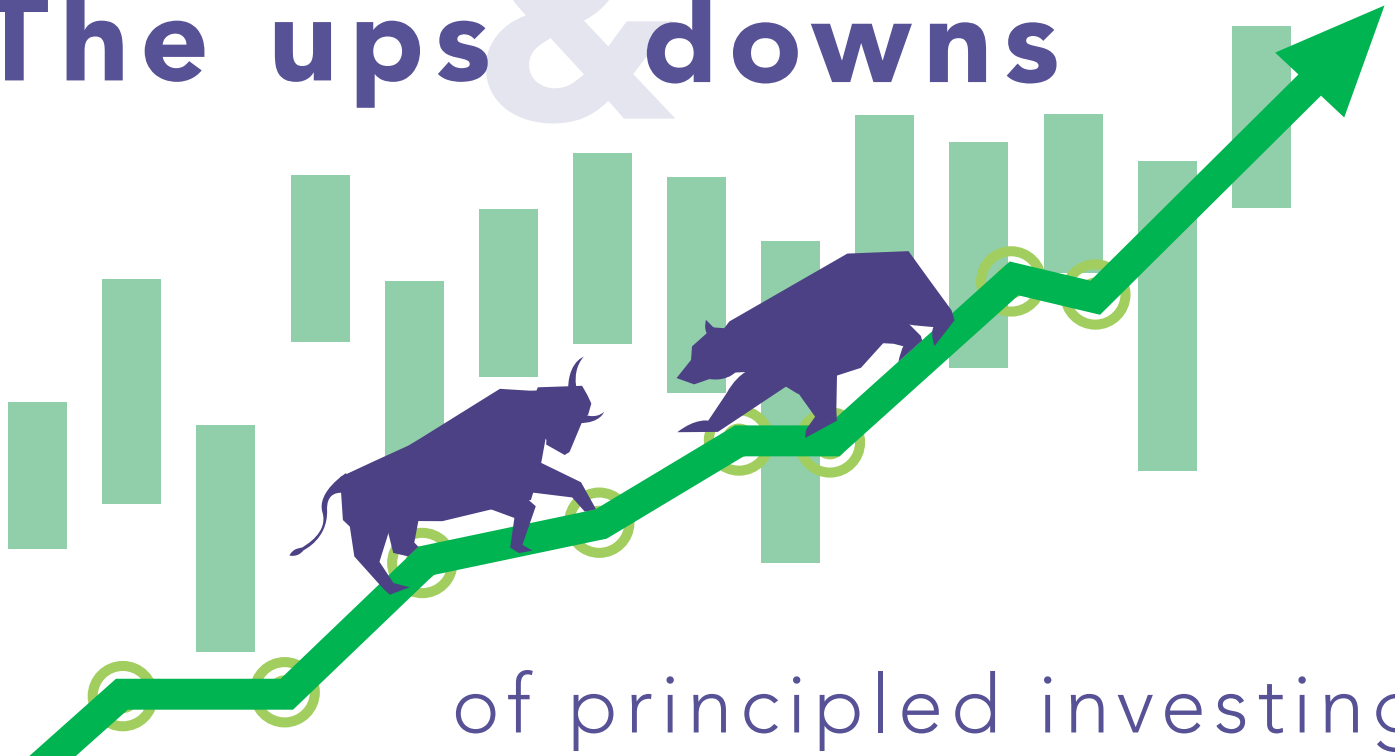
With respect to our pension investments...more specifically

from a short-term perspective, if we had to choose one word to describe our equities investment performance in 2020, "disappointing" might be a fair choice. We've communicated previously on this subject (for example, "[A word or two about recent performance](#)," [TimeWise Fall/Winter 2020](#), and [TimeWise Spring/Summer 2020](#)). From a long-term perspective, however, we remain confident that our investing philosophy that has worked for us for many, many years will reward our patient, principled and disciplined investment approach, as it always has.

Looking out from here, much uncertainty with respect to COVID-19 remains at the time this article is being written. On the upside: businesses and consumers appear to be cautiously optimistic that we'll be on the other side of the worst of the pandemic in the near-term; economists and central bankers are forecasting very robust predictions for gross domestic product (GDP) growth later in 2021 and beyond; and stock markets set new record highs on almost a daily basis. On the downside: there have been hiccups in the distribution of vaccines in Canada (although, generally, vaccinations are progressing globally); variants of COVID-19 continue to emerge; and talk of a "third wave" is prevalent. On the whole, it is probably fair to say that the potential for more volatility in investment returns is present in the near-term.

If you are closing in on retirement, it may be wise to consult with one of CSS' Pension Plan Consultants or your financial advisor to discuss strategies for preparing your CSS portfolio for your transition to retirement. For those of us with many years left before retirement, keeping a long-term perspective and looking out past any short-term volatility is likely the best path forward. Having a long-term retirement plan, and sticking to it, is one of the best strategies to help you do that. 

The ups & downs



of principled investing

Making annual statements available online was a popular request in our most recent member survey. In that same survey, members told us that their annual statement is one of their top sources for information about their CSS holdings. We were very pleased to roll this functionality out in the myCSPEN area of our website recently (see page 9 for more information on this initiative).

We know that many members read their annual statements because our call volumes spike significantly in late February and throughout March every year. The statement is a reminder for our retirees receiving Variable Benefit payments from the Plan to review and possibly rebalance their holdings. For those not yet retired, the statement is a reminder to check in on their portfolio and evaluate progress against their individual retirement plan. It is also an opportunity to check in on the Plan's

performance over the past year.

In reviewing their annual statement, members will have noted that 2020 was a disappointing year in terms of the Plan's equities investment performance when compared to its benchmarks. We've written on the ups and downs of the markets in 2020 on several occasions over the past year or so (for example, "[A word or two about recent performance](#)," "[A look at recent market performance...](#)," "[Navigating the market downturn](#)," and "[Riding the market roller coaster](#)"). We do receive frequent calls from members asking why the performance of the Plan's investments in 2020 (and for the past several years, in fact) are different from equity market indices such as the S&P 500, for example.

The table on the following page will provide an overview of CSS' investment principles, in no particular order.

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Our approach to portfolio construction is intended to provide better long-term outcomes for members.

That does not mean that the portfolio won't incur periods of time with below benchmark (or even negative) returns.

.....

INVESTMENT PRINCIPLES

**Maintain a long-term investment horizon**

Many of our members will invest with CSS for a 35-40+ year career and a 25+ year retirement

**Learn from the past**

We leverage learnings from academic and empirical research and overlay those with current trends and future expectations

**Protection of capital**

We must accept risk to earn returns necessary to generate adequate retirement savings; however, we lean towards investment styles that incorporate margins of safety, quality, lower volatility and defensive characteristics

**Member outcomes are paramount**

We study behavioural finance and other disciplines to understand investor behaviour and leverage this knowledge to design our investment strategies, products and education

**Discipline**

We rely on a disciplined approach, especially in times of heightened uncertainty, to avoid making decisions tainted by emotion and recent events

**Utilize high-quality investment partners**

We regularly review and monitor the performance of our investment advisors and managers

**Diversification**

We diversify across asset classes, geographies, sources of risk and return, and investment approaches and styles to mitigate risk; we particularly try to avoid the type of concentration risk present in the US stock market today through diversification

**Responsible and sustainable investing**

We integrate environmental, social, and governance (ESG) risks and opportunities into our investment processes with a view to enhancing investment performance

**Expense management and control is critical**

Cost efficiency and cost control directly affects net investment returns and outcomes for members

Members will note from the above that CSS purposefully constructs our portfolios to be different than the market indices that members may be familiar with. Our approach to portfolio construction is intended to provide better long-term outcomes for members. That does not mean that the portfolio won't incur periods of time with below benchmark (or even negative) returns. We expect there to be periods of time, sometimes multi-year, where our investment approach will provide below benchmark results in the short- or even medium-term. Our overriding investment philosophy has a very long time horizon and is designed to help members achieve financial security in their retirement, not to beat short- and medium-term market benchmarks.

While we don't have a crystal ball or any certainty over what the future may hold for investment returns in our portfolio, we have seen a significant uptick in the performance of our equities portfolio in the fourth quarter of 2020 and the first quarter of 2021 compared to the Plan's benchmarks. In other words, the principles described above that guide the Plan's portfolio construction have been rewarded over the past six months.

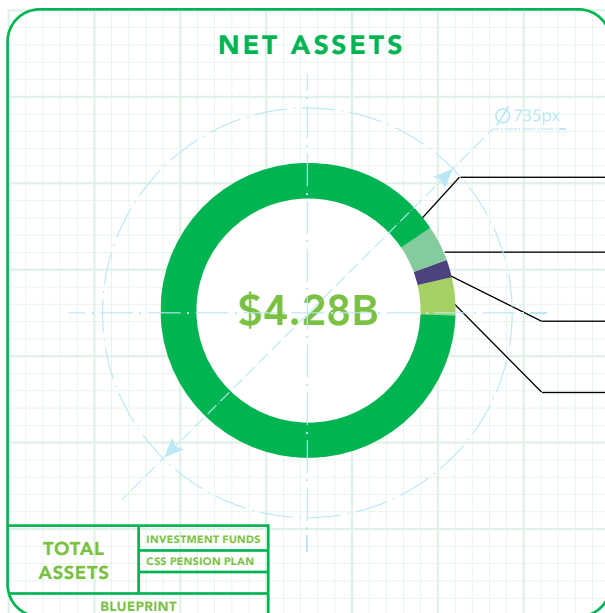
Six months, of course, is too short a period to say with any certainty that things have changed. Nonetheless, we may very well be seeing the beginning of a period where our investment approach is once again rewarded, as it has for decades in the past. 💰



2020 HIGHLIGHTS

At CSS, it's always been our prerogative to keep your - our 50,000+ members and over 300 employers - best interests at the forefront of everything that we do. Despite the global pandemic that challenged businesses across the world, we were able to weather the storm and keep your pension plan running smoothly with solid foundations in place. Our long-term investment strategy at CSS is purpose-built to withstand such unforeseen circumstances. In fact, Covid also helped to fast-track many of our digital projects at CSS, including the addition of new self-serve tools on myCSSPEN to help members layout their retirement blueprints.

Investment highlights



INVESTMENT FUNDS

\$3.85B	BALANCED FUND
\$195M	MONEY MARKET FUND
\$78M	BOND FUND
\$161M	EQUITY FUND

PENSIONS FUND*

\$768M

2020 RATES OF RETURN

BALANCED FUND	4.49%
MONEY MARKET FUND	1.12%
BOND FUND	8.10%
EQUITY FUND	2.92%

2020 MERs

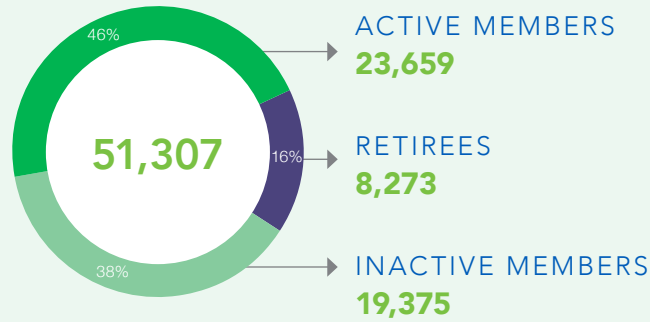
BALANCED FUND	0.43%
MONEY MARKET FUND	0.14%
BOND FUND	0.31%
EQUITY FUND	0.46%

* CSS monthly pensions are paid from our Pensions Fund, which is invested in high-quality, long-term bonds, private debt and commercial mortgages.

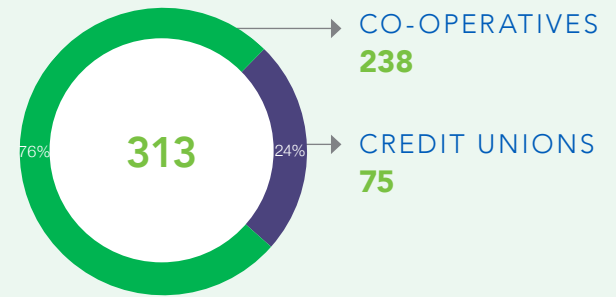
BUILT TO LAST.

Membership highlights

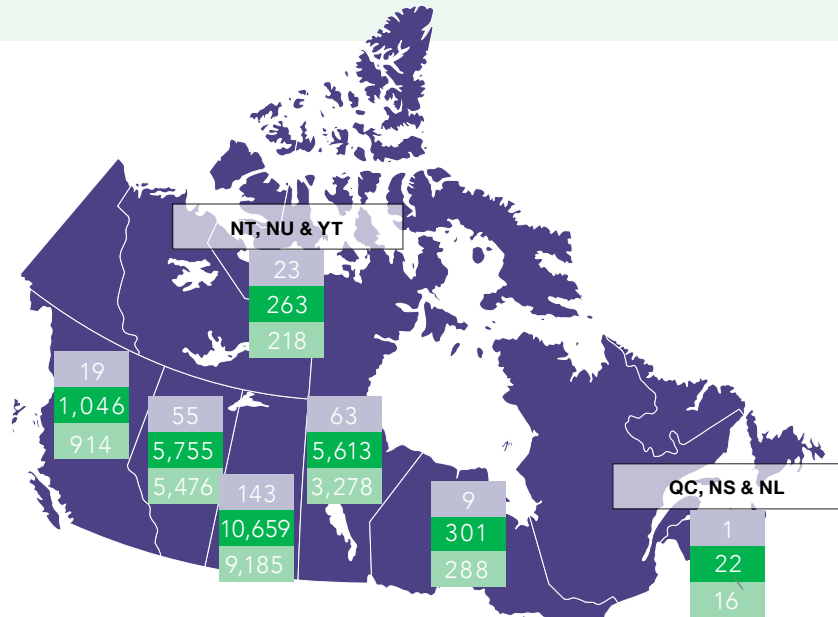
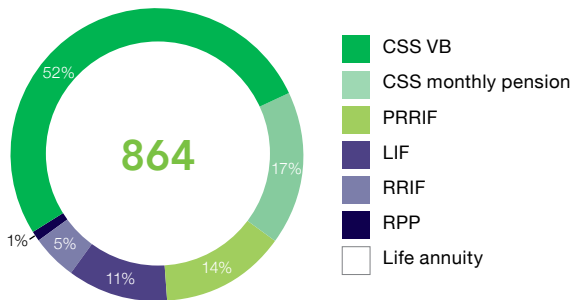
EMPLOYEE MEMBERSHIP



EMPLOYER MEMBERSHIP



RETIREMENT INCOMES STARTED

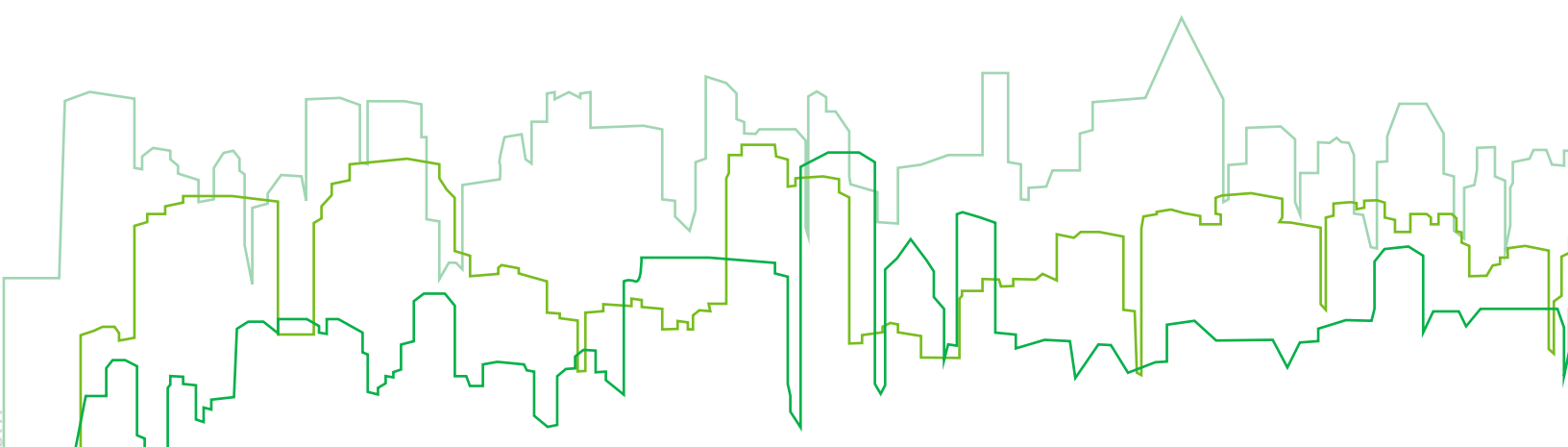


NEW VB STARTS

Total funds: \$108,287,255
Average funds: \$240,638

NEW MONTHLY PENSIONS

Total funds: \$22,629,949
Average funds: \$155,000





It's about the people.

A profile of Tami Dove, Director, Member Experience

As the CSS Pension Plan continues to focus on enhancing the experience we provide to CSS employers and members – from hire to retire and beyond – we are excited to welcome Tami Dove as our new Director, Member Experience.

In this brand-new role, Tami will lead CSS into the next frontier to expand the overall service we deliver to you as a Plan member. Under Tami's leadership, CSS will seek to adopt a member experience strategy to ensure that each point of contact you have with CSS results in a positive and memorable experience for you.

"I want to help members identify ways to leverage CSS. To leverage the value that we bring," Tami says. "I want members to see how CSS is part of their world and how we can help them reach their goals."

Whether you are looking for personalized retirement advisory services or plan to use our online educational tools and resources, the CSS team will focus on the optimal delivery of these services through technology and other leading-edge methods.

The key goal? To help you more easily navigate your retirement planning journey and achieve the retirement outcome you've envisioned.

COMING BACK TO THE CO-OPERATIVE SYSTEM

Most recently the Director, Strategic Initiatives with the Financial and Consumer Affairs Authority of Saskatchewan (FCAA) in Regina, Tami comes to CSS armed with vast expertise in pensions (in all jurisdictions in Canada) and the retirement industry including regulator law, investments, insurance and taxation.

As a former credit-union system employee herself, Tami has also been a member of CSS. Her knowledge of CSS was also amplified during her 13 years of working in the Saskatchewan pension industry. By wearing both a member's and regulator's hat over the years, she has encompassed a thorough understanding of CSS and appreciation and passion for the industry within which the Plan operates.

“I had these interactions with CSS, and I knew that they embraced the co-operative values that also speak to me,” she says.

Tami says she always wanted to come back to the co-operative system. While she is an entrepreneur and innovator at heart, she says the people she serves remain at the core of everything she does. It goes without saying that the key co-operative value that has stuck with her throughout her career is ‘caring for others.’

“The fact that co-operatives care for others, that it’s part of our values, is important. It’s about the people,” she says.

“I hope that the membership realizes and understands that the CSS Pension Plan can impact their life from the day that they join the Plan and well into their late retirement years, because we are a type of pension plan that is quite unique,” Tami notes.

She highlights the fact that CSS offers post-retirement income options, including Variable Benefit (VB) payments and annuities, is quite rare in the Canadian defined contribution (DC) pension space. This means you can continue to reap the benefits of being a CSS member for life if you choose to.

Tami says the other value-add she appreciates about the Plan is that members can create their own portfolio mix using the four professionally managed investment funds with management expense ratios (MERs), or

fees, ranging from 0.14% to 0.46%.

“It’s like a DIY portfolio using those four professionally managed funds and with that low MER. That is really amazing, and it’s also somewhat unique in the DC pension world,” Tami says. “That flexibility and that choice that we give our members is important.”



I want members to see how CSS is part of their world and how we can help them reach their goals.

~Tami Dove

FINDING THE GOOD IN OTHERS

Tami was born in Regina but grew up in several different communities across Saskatchewan.

“An interesting tidbit is by the time I was 19, I had lived in 21 different homes,” Tami recalls.

Tami says because her parents moved so frequently, the on-the-go experience encouraged her to get to know people and foster meaningful connections quickly.

“I feel my parents were gypsies at heart,” she says. “They really just liked to move and start new and fresh with a new environment. So that was a different experience growing up, but it also made me pretty flexible. It made me find the good in people and find common traits in people to connect with them quickly.”

She attributes her parents’ own experience with retirement planning as a key influence in her decision to enter into the financial services industry.

“As I reached my teenage years, my parents were trying to retire,” she remembers. “However, they never had a retirement planner or financial planner to guide them throughout their careers and into their retirement years. So they were entering their retirement in what appeared to me to not be the best financial position; I feared that retirement goals were not going to be met.”

Tami says her parents’ situation inspired her to help those in need of retirement planning guidance. She figured if she could help someone in their 20s, 30s or 40s get ahead of the retirement planning wave and improve their retirement outcome, then that is what she wanted to do.

“That’s why. That’s the passion. That’s what keeps me connected to the pension industry,” she says.

Tami would get the chance to pursue this passion at Border Credit Union (now amalgamated to Servus Credit Union), in Lloydminster in 2001, launching her career in the finance industry.

She began taking financial planning classes through CuSource while working in the credit union system across western Canada, including Cornerstone Credit Union in Yorkton, Saskatchewan and PlanWright Financial (a subsidiary of Encompass Credit Union) in Wainwright, Alberta.

During that time, Tami developed a very targeted and specialized focus on pensions and annuities amid completing her commerce degree and Certified Financial Planner (CFP) designation, among other finance and pension industry-specific credentials.

BRINGING HER KNOWLEDGE TO CSS

After working in the credit union system for many years, Tami decided to switch gears. She took a post with the Saskatchewan government in Regina as a retirement information consultant before moving into the policy arm of the public service pension plan and then eventually the FCAA – the provincial financial regulator for all pension plans in Saskatchewan.

“I went into policy, because I realized that while I could continue to help people one-on-one and do retirement planning and financial planning and help people reach their goals, that in policy and in regulation and in pension law, I could do a lot more. I could reach more people and help more people,” she says.


With a full agenda of projects slated over the coming year at CSS, Tami will have

many more opportunities to continue her mission as she brings her expertise to CSS members this May. With plans to continue building out CSS’ digital communications technologies, including enhancing to the online myCSSPEN member portal, creating a new video series, and developing a mobile app, Tami’s robust background in policy and developing retirement planning tools will be an asset, and she is excited about the opportunities that await.

“These initiatives are definitely aligned with where we’re going with the member experience strategy,” she says. “This is us responding to the members, and that’s the point.”

Tami and her husband, Clayton, and their two kids, Nathen and Aric, have lived in Regina since 2007 but will be moving to Saskatoon as Tami assumes her new role with CSS this spring.

The busy family is looking forward to moving north to be closer to Tami’s parents and to the lakes that they often frequent.

Expanding her educational horizon is also one of Tami’s cherished hobbies when she is not immersed in the pension industry. She is currently completing her MBA and plans to complete her PhD in the future; two additional designations that will certainly aid in her mission of helping others. 

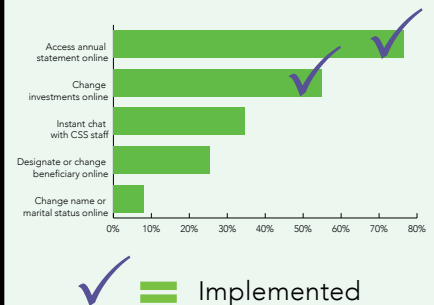


What’s new in myCSSPEN?

As part of our ongoing commitment to enhance the experience we provide to members, we’ve continued to add new features and functionality to myCSSPEN.

Based on a recent survey, over 55% of members said they wanted the ability to change their investments online. A further 80% of members said they wanted to be able to access their annual statement online (see page 9 for instructions on how to access your account statements). We listened and are very pleased to have implemented both of these self-serve tools in the myCSSPEN portal. Stay tuned as we launch additional enhancements to better serve you!

Most wanted self-serve tools



How to access myCSSPEN

To log in or register for myCSSPEN, visit members.csspen.com

Account statements now available online

You can now access your 2020 CSS Pension Plan annual statement online through the *My Documents* area of your myCSSPEN profile. Retired members of CSS are also able to access their 2020 T4A slips online.

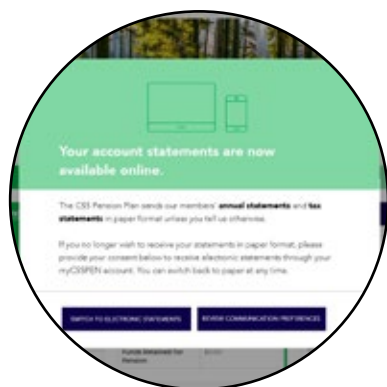
You can securely view, print or save your account statements at your convenience.

Follow the steps below to access your documents online and ensure your account information is up to date.



Step 1 – Log in or register for myCSSPEN.

1. Visit members.csspen.com
2. Select the “Register” button (skip to number 5 if you are already registered for myCSSPEN)
3. Enter your **Member ID** (available in the top right corner of your annual statement), **birthdate** and **last 3 digits of your SIN** to begin the registration process
4. Follow the steps to complete your registration
5. Log in to myCSSPEN



Step 2 – Set your delivery preference.

Once you have logged in to myCSSPEN, you will be prompted to provide your consent to receive your account statements electronically.

You can choose to switch to electronic document delivery or review your communications preferences.

You can update your document delivery preference at any time by selecting **Account Menu > Communication Preferences**.

Annual statement and T4A documents will be available in the *My Documents* area of your profile.



Step 3 – Review your contact information to ensure it is up to date.

Please ensure we have your correct email address and mailing address so you can receive account notifications and statements without any delays.

If you need to update your contact information, select the “**Update Contact Information**” link in the *My Profile* area to make changes.

Strength in Numbers.

Co-operative Superannuation Society Pension Plan
www.csspen.com



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