

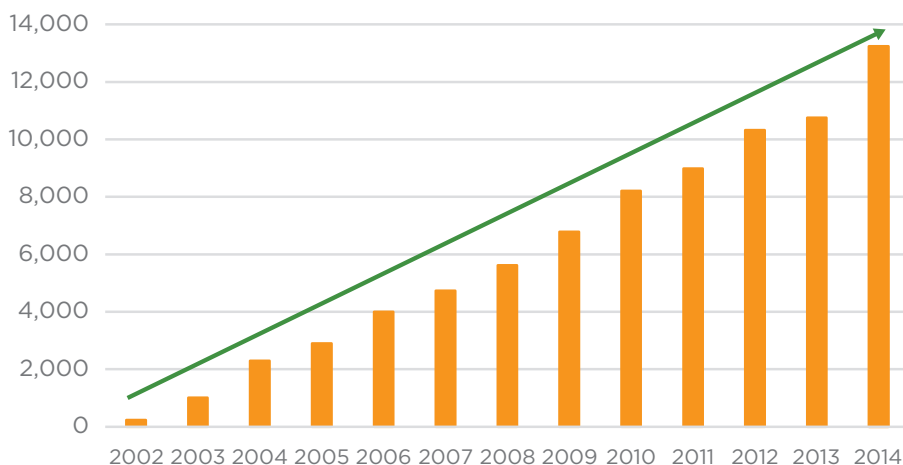
ANNUAL REPORT

FUND UPDATE...

The Multi-Sector Pension Plan (MSPP) had a strong year of growth in terms of assets, membership and pensioners. As of December 31, 2014, MSPP had 13,359 active members, 166 participating employers and 462 retirees. These numbers continue to grow as Canadians are increasingly becoming aware of the importance of pensions plans and the need for retirement planning. The Multi-Sector Pension Plan is a valuable asset to our members as they prepare for their retirement.



Membership



BOARD OF TRUSTEES

Your Plan's Trustees and Alternate Trustees are all appointed by unions which represent MSPP members - Canadian Union of Public Employees (CUPE) and the Service Employees International Union (SEIU).

Throughout the year, the Trustees have a busy schedule of Plan meetings and educational sessions. Trustees have a legal duty to govern the Plan in the best interest of members - a duty they take very seriously.

The Following are the members of the Board of Trustees as of the writing of this report:

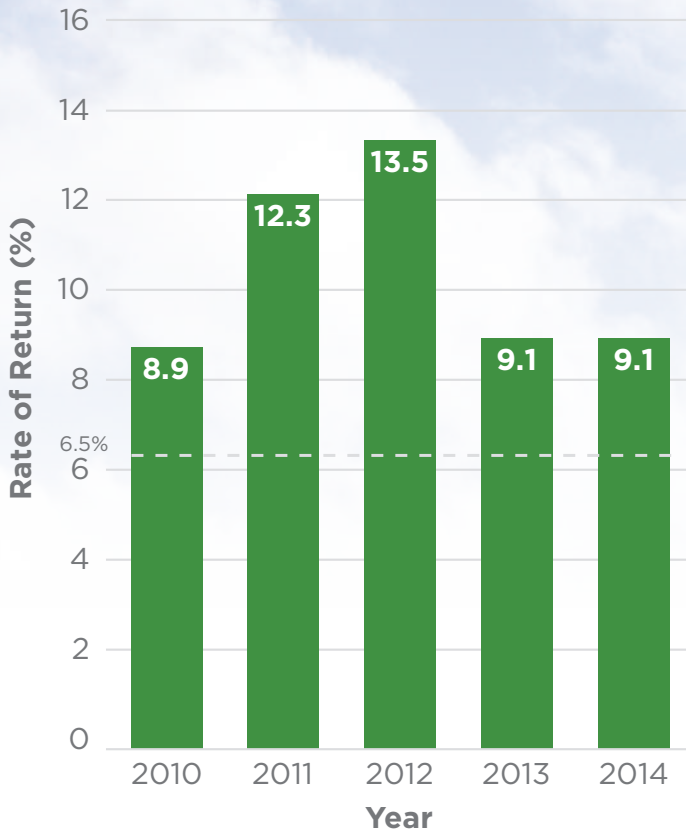
Trustees

Andy Mele - Co-Chair, CUPE
 John Van Beek - Co-Chair, SEIU
 Susan Arab - Representative, CUPE
 Dave Benton - Representative, CUPE
 Jackie Dwyer - Representative, CUPE
 Heather Grassick - Representative CUPE
 Jean Charles Lavigne - Representative, CUPE
 Mike McDonald - Representative, SEIU
 Julie Roberts - Representative, CUPE

Alternate Trustees

Laura Delhenty - Representative, CUPE
 John Klein - Representative, SEIU
 Linda Thurston Neeley - Representative, CUPE
 Peter Paulekat - Representative, CUPE

Your Plan's Investment Returns



The Plan assets grew approximately 24% since 2013!! The growth in assets was mainly due to contributions being made to the MSPP by participants and employers as well as strong investment returns. The year-end value of assets in 2014 was \$184.2 million versus \$148.2 million at the end of 2013.

The Plan's investments earned a return of 9.1% in 2014, and while this did not meet the Total Fund benchmark of 10.4%, it was a strong result considering that it exceeded the long-term target return assumption of 6.5%. Especially in a year that ended with lower market returns. Since inception in 2002, the Fund has returned 8.0% per annum against a benchmark return of 7.3%. Although MSPP has traditionally performed stronger relative to its benchmarks, it faces two key challenges, challenges which impact all Canadian pension plans. First, investment markets are tightening and it will be difficult to continue to earn strong investment returns year over year. The second challenge has been historically low interest rates – low interest rates result in higher pension liabilities. This means that the Board of Trustees is continuously looking at ways to keep the Plan financially healthy, to ensure it's around for many years to come.

KEY HIGHLIGHTS

Your Plan's investments earned a return of 9.1% in 2014 which is well above the annual target rate of 6.5%.

MSPP's Board of Trustees regularly assesses the investment managers and investment allocation to ensure they are best suited for the Plan. In December 2014, the Board of Trustees selected Pyramis Global Advisors to manage a portion of the bond portfolio. Pyramis, a subsidiary of Fidelity, which boasts more than 50 years of money-managing experience.

The pension landscape continues to be challenging facing historically low interest rates, complex legislative requirements and a tightening investment market.



TRUSTEE SPOTLIGHT

Mike McDonald

- SEIU
- Appointed as MSPP Trustee in 2003

What do you like most about being a MSPP Trustee?

I like that different unions and people from different backgrounds come together to bring a benefit to people who would otherwise not be able to retire with a little dignity.

DID YOU KNOW?

Did you know that as a member, you have access to an online Pension calculator? This tool provides an estimate for your monthly pension payments at retirement, helping you plan better for your future. Access the calculator by visiting our website at www.mspp.ca and selecting the calculator under the “Members” tab.

Did you know that as a member, you have the right to make self-payments (contributions to the Plan) while on an approved unpaid leave of absence to keep your pension growing? Ask your employer to complete the Leave of Absence form and submit it to the Fund Office. Once we receive the form, we will contact you with the information you will need to decide if you would like to make self-payments during your absence.

Did you know that MSPP is a multi-employer pension plan? This means you can work for more than one participating employer and each of them will make contributions to the Plan on your behalf. This feature allows you to stay as an active participant if you terminate from one employer and become employed by another within 24 months. Contributions are fixed at the amount you and your employer are required to contribute under your collective agreement.

Did you know that our membership spans the country? The Plan stretches from British Columbia to the Atlantic Provinces, with the majority of members located in Ontario.

Did you know that you should contact the fund office about three months before the date you wish to retire? You will also need to inform your employer in advance that you are retiring. This will help ensure that you begin receiving payments on your retirement date.



MEET ALAIN MALAKET

The Fund Office's new Executive Director has a long history of pension success

The Fund Office is responsible for all of your Plan's day-to-day activities: helping enroll new members in the Plan, collecting contributions, making sure retired members receive their pensions and supporting the Trustees in the work they do. With such a key role to play in your Plan's success, it's important to make sure the right leader is in place. That's why we're excited to announce that Alain Malaket was hired as Executive Director of the Fund Office.

Alain's job is to oversee everything that goes on in the Fund Office. He has almost 25 years of pension and benefit plan experience, including roles with Ontario's pension regulator, as a pension administrator, and as chair of multi-employer plans like ours. So we're confident he has the knowledge your Plan needs.

Alain says the most important part of his job is making sure members have the tools and knowledge they need to make a smooth transition to retirement. "After working 40-plus years, people have earned the right to retire in dignity and enjoy the next stage of their life," he says. "I want to make sure we are working as efficiently and effectively as we can for our members."

He says the main challenges faced by the MSPP – such as the ups and downs in investment markets and members who are living longer in retirement – are the same challenges faced by other plans. But he points out that the MSPP has stayed healthy in recent years, thanks in large part to the hard work of your Plan's team.

NEW ADDRESS?

Don't forget to inform the Fund Office whenever you have a change of address. Inaccurate or outdated contact information on file inhibits the Fund Office from sending important correspondence. This can affect your benefit payments, cause delays in your retirement start date, and a variety of other issues that can easily be avoided by keeping us informed, of any change in contact information.



FOR YOUR INFORMATION

The term Spouse in Ontario is defined as individuals (of the same or opposite sex) who are:

- Married to each other and living together; or
- Not married to each other, but who have been living together in a conjugal relationship for a period of not less than three years; or
- The natural or adoptive parents of a child and are living in a relationship of some permanence, as defined in the Ontario Family Law Act.

CONTACT US

Have a question about your Plan?
We're here to help!

Email: info@mspp.ca

Phone: 905-889-6200

Toll Free: 1-800-287-4816

Fax: 905-889-7313

Don't forget... you can also visit us online anytime at www.mspp.ca



GOOD NEWS

The Fund Office is now open an hour earlier to serve you better! This means that you can now reach the Fund Office staff at 905-889-6200 or 1-800-287-4816 between 8:00 a.m. and 5:00 p.m. EST, Monday to Friday.



Final Word

This newsletter serves only as a summary of information about the Multi-Sector Pension Plan in simple terms. It is not intended to be comprehensive or to provide advice. If there are any differences between the information provided in this newsletter and the legal documents that govern the Plan, the legal documents will apply.