

A Newsletter for Members of the BCGEU Pension Plan

October 2008

BCGEU Pension Plan Board of Trustees

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The BCGEU Pension Plan Board of Trustees is reporting results to August 31, 2008.

Please let us know if there are topics you would like to see included in future issues of the Pension Plan newsletter. You may mail, fax or e-mail your request to the Pension Plan administrator. The contact information is noted below.

Investment Commentary

The past few months have been unsettling as the global credit crisis continued to negatively affect financial markets worldwide. Equity markets were extremely volatile and down sharply in September. Several U.S. financial institutions also became casualties of the crisis in September. Central banks pumped billions of dollars into the financial system in an attempt to provide some relief from the crisis. Fixed income investments in Canadian bonds also declined in September. Real estate investments have provided stable returns. The Trustees reviewed the Plan's long-term investment strategy at their October Trustee meeting and decided to hold the course on the Plan's current asset mix and investment strategy. Due to the extreme volatility in the market at the moment, the Trustees will review the Plan's investment strategy again before year end. Please note that the Plan has weathered serious downturns in the past and the Trustees believe that the current asset mix is both prudent and reasonable.

Pension Plan Performance

Main Fund

At August 31, 2008, the annual return for the Plan was -5.50%. The August 31, 2008 unit value is 451.95. To illustrate the return you have earned in the Plan, you may find it interesting that the unit value at commencement of the Plan in March 1989 was 100.

The year to date return to August 31, 2008 is -3.52%.

Following are the one, three, five, ten and fifteen year annualized rates of return at August 31, 2008.

Average Annualized Rate of Return (%)

1 Year	3 Year	5 Year	10 Year	15 Year
-5.50%	3.46%	6.95%	6.53%	7.81%

Immunization Fund

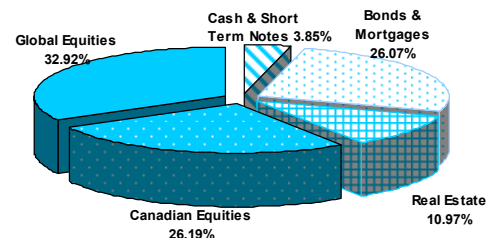
The rate of return for the Immunization Fund was 4.29% for the 12-month period ending August 31, 2008 with total assets of \$2.4 million. The Immunization Fund is comprised solely of short-term notes.

Asset Distribution at August 31, 2008

Main Fund

The assets of the Main Pension Fund as at August 31, 2008 were approximately \$130.5 million and are comprised of the following asset classes:

Cash & Short Term Notes:	3.85%
Bonds and Mortgages:	26.07%
Canadian Equities:	26.19%
Real Estate:	10.97%
Global Equities:	32.92%
Total Investments:	100.00%



Annuity or Life Income Fund (LIF)?

When it comes time to retire you will have a number of choices but ultimately it will be between an annuity or a LIF. Determining which retirement income option is right for you is a personal decision based on you and your family's needs as well as your comfort level in managing your money. Consider the following when making your decision:

	Annuity	Life Income Fund (LIF)
Income	<ul style="list-style-type: none"> • Fixed monthly payments 	<ul style="list-style-type: none"> • Amount of payment fluctuates depending on performance of underlying investments and the account balance on January 1st of each year • You have flexibility in determining the amount of payments as long as they are within minimums and maximums as determined by tax rules • An annuity can be purchased at any time with the balance in your account
Income for Surviving Spouse	<ul style="list-style-type: none"> • Election of a joint & survivor annuity will provide guaranteed income throughout your and your spouse's lifetime 	<ul style="list-style-type: none"> • The balance at time of your death can be rolled over to your spouse without tax consequences
Estate Preservation	<ul style="list-style-type: none"> • If you die prior to the end of the guarantee period (if elected), monthly payments will be made to your beneficiary for the amount of time remaining in the guarantee period • If no guarantee period was elected, or if the guarantee period has expired, payments will end when you die 	<ul style="list-style-type: none"> • If you do not have a surviving spouse, the balance at the time of your death will be paid to your designated beneficiary or estate, subject to tax
Risks	<ul style="list-style-type: none"> • Interest rates at the time the annuity is purchased affect the monthly payment (the higher the rate, the higher the payment) • Once the annuity is purchased, the monthly payment is fixed and the decision cannot be reversed 	<ul style="list-style-type: none"> • Payments are not guaranteed and you may outlive your savings • Payments change from year to year • Poor investment decisions and market fluctuations may result in loss of principal • You are responsible for investment decisions
Fees	<ul style="list-style-type: none"> • Annuity purchases made directly from the BCGEU Pension Plan are not charged commission resulting in higher monthly annuity payments • No ongoing administration fees 	<ul style="list-style-type: none"> • Fees may be charged to account including investment management, commissions, front or rear end loads & administration fees • Fees levied may significantly reduce investment returns

Important Reminders:

- If you move, **please make sure you provide the Plan Administrator and the Union with your change of address.** If you know anyone that did not receive a statement, ask them to make sure that the Plan Administrator and Union have their current address.
- Check that your employer is remitting the correct percentage of employee and employer contributions as prescribed in the Collective Agreement.
- If you are retiring this year, you should be aware that annuities purchased through the Plan are purchased on a "net of commission" basis. This results in annuity payments which are higher compared to annuities purchased after Plan funds have been transferred out of the Plan.
- For more information about your Plan, please refer to the relevant sections of your pension booklet before contacting the Union or the Plan Administrator.

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