serving
those
who
serve

Annual Report

Lutheran Church–Canada Pension Plan

	Worker Benefit Plans		**2014**

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Two Steps Forward and One Step Back

Recovery, despite all our best efforts sometimes doesn't come easy and certainly isn't always linear. First the good news – investment returns within the Defined Benefit Pension Plan (DB) portfolio continued to be strong in 2014 following on the heels of the great returns we had in 2013. The cumulative returns of both years boosted the DB portfolio assets close to $100 million at the close of 2014. These returns along with the special payments made into the pension plan translated into steady improvements to our going concern funded position. However, rising interest rates which reduced plan's solvency liabilities in 2013 were short-lived. Dropping interest rates in 2014 resulted in a significant increase to our solvency liabilities. Solvency funding ratios continue to resemble an EKG monitor with every peak followed by a valley, with every leap forward, a stumble back. The following provides details on these events.

Investments

The DB pension fund assets grew to more than $ 98 million with a portfolio return of 9.9% in 2014. This strong result was obtained despite a lot of headwind from sliding oil prices, low interest rates and turbulent markets and was just slightly below the benchmark return of 9.99%. US equity markets performed strongly in 2014 with a 23.54% return compared to the benchmark return of 23.93%. The Canadian equity component of the portfolio brought in an 8.87% return for the year compared to a 10.55% return for the S&P/TSX Composite. Once again, bonds bounced back with a return of 8.43% as bond rates went up in the early part of the year and then dropped again

In the fall, Sky Investment council advised they would be winding down their operations. This notice proved timely as the Board of Managers (BOM) had just decided to move half of the international portfolio from Sky to a manager with less volatility. After a search for an international investment manager was conducted, Mawer Investment Management was selected.

In 2014, the BOM also decided to remove the currency hedge on the US portfolio to boost returns as a result of a declining Canadian dollar.

The BOM continues to support the plans' current asset allocation (60% equities, 40% bonds) for the defined benefit plan as the best way to ensure the long-term growth of the fund. The BOM does periodically conduct a review of the fund's asset allocation to ensure the asset allocation is the most appropriate one for meeting the obligations of the DB plan.

Plan Funded Status

As a result of a new government regulation – requiring an annual valuation only when a plan is funded below 85% on a going concern basis – relieved us from an actuarial valuation in 2014. However, with Concordia University of Edmonton (CUE) seeking to establish its own plan (including the transfer of liabilities and assets for its members), the regulators required a Plan valuation at December 31, 2014.

The actuarial valuation conducted at December 31, 2014 showed the going concern funding basis, had improved to 92 %. This was up from 88% in the prior year. The unfunded liability decreased to $ 8 million - compared to $11.8 in the prior year. The improvement in the going concern funding position was due to the employers' contributions going into the plan, as well as, favorable investment returns.

The valuation also showed that the solvency funding ratio of the plan has changed significantly and has dropped from 80% to 73% (solvency funding is an assessment of the assets and liabilities of the Plan assuming it is wound up on the date of valuation). This was due to a drop in interest rates at the end of 2014 compared to the rate at December 31, 2013. Interest rates, which have declined globally since 2008, as a result of central banks using rates as a tool to support economic growth, are a major lever in solvency funding. Small increases or decreases such as half a percent can translate to significant changes in liabilities. The solvency deficit grew from $ 22.5 million at December 31, 2013 to $ 36.7 million at the end of 2014. This 14 million dollar increase was largely due to a decrease in long bond yields from the end of 2013, which in turn increased the liabilities of the plan. Good investment returns along with employer contributions going into the plan helped mitigate the growth of the deficit.

Government Consultation

We anticipated government regulations to offer flexible funding options, but it was not to be the case. In August 2014, the release of pension regulations did not yield the options that we had anticipated. The regulators, however, have extended a great deal of understanding to us and have not required us to make solvency deficiency payments. While the government has not committed to anything specific, their aim is the same as ours: to ensure members receive their full defined benefit pension. This objective, however, needs to be balanced with our employers' capacity to pay for both ongoing pension benefits and pension legacy costs. It should also be noted that we are making special payments towards the going concern deficit.

We are hopeful that ongoing dialogue with the government will result in long-term funding solutions to protect members, provide an affordable and financially stable solution for employers. Furthermore, we question the validity of requiring pension plans to use a point in time measurement such as solvency, given that a 2% increase in long-term interest rates would essentially result in the plan being fully funded.

Administrative Changes

Effective March 1, 2014, the BOM appointed Ellement Consulting, replacing Towers Watson in the provision of actuarial, investment and consulting services. The change in consultant was sought in order to lower our consultant costs without sacrificing the quality of service. Annual savings in consulting costs for 2014 were about $ 109,000 (a decrease of 42% compared to the prior year). Ellement Consulting also quoted and was subsequently awarded the contract to provide administrative services (member enrollments, retirement and termination calculations and employer billings) to the Worker Benefit Plans effective January 1, 2015. Ellement worked with the WBP staff throughout 2015 to smoothly transition the administration of the plans to their offices. The outsourcing further improves service to members while creating a more favorable cost structure.

The Year Ahead

CUE Withdrawal

Concordia University of Edmonton (CUE), the largest participating employer in the Plan, notified LCC that it wishes to withdraw from the Plan effective January 1, 2015. Concordia and LCC have entered into a Letter of Intent Agreement to identify the process that will need to be followed in order to give effect to the intentions of Concordia as expressed in the notice. The terms and conditions under which such withdrawal might occur are yet to be determined. As a result of this change we say farewell to Richard Currie who left the BOM at the end of 2014 and thank him for contributing his time and expertise to the LCC Pension Plan.

Plan Funding and Structure

As noted earlier in this report, new legislation that we had hoped would provide new funding options for the DB plan was not enacted. The regulators have raised the issue of restructuring our plan from a single employer plan to a multi-employer plan because that is how we administratively and functionally operate and the regulators feel the registration should be consistent. The BOM believes clarifying our status as a multi-employer plan rather than a single employer plan has merit as it will ensure all stakeholders clearly understand their rights and responsibilities under the plan. A consultative process will be undertaken in the coming months.

The BOM will also be investigating options for mitigating future market and longevity risks in the DB plan by considering asset mix changes and potentially annuitizing a portion of the liabilities (retiree and deferred pensioners) with an insurance carrier.

Challenges Ahead

The BOM recognizes the significant importance of the pension and benefit programs to members and their families.

The BOM also understands the pressures employers are under to reduce cost and we are in turn doing the utmost to deliver programs competently in the most cost effective manner.

We feel the decisions taken by the BOM over the last few years are fair and balanced. They meet our goal and commitment of providing an appropriate pension and benefits program that is valued by members, affordable to employers and members, and sustainable over the longer term. This will continue to be our goal when considering future changes.

We thank-you for your understanding and assure you that we will continue to carry out our role prayerfully and conscientiously, asking for God's wisdom and blessing on our efforts.

Dr. Dieter Kays	Dwayne Cleave
Chair, Board of Managers	Executive Director, Worker Benefit Plans

Introduction

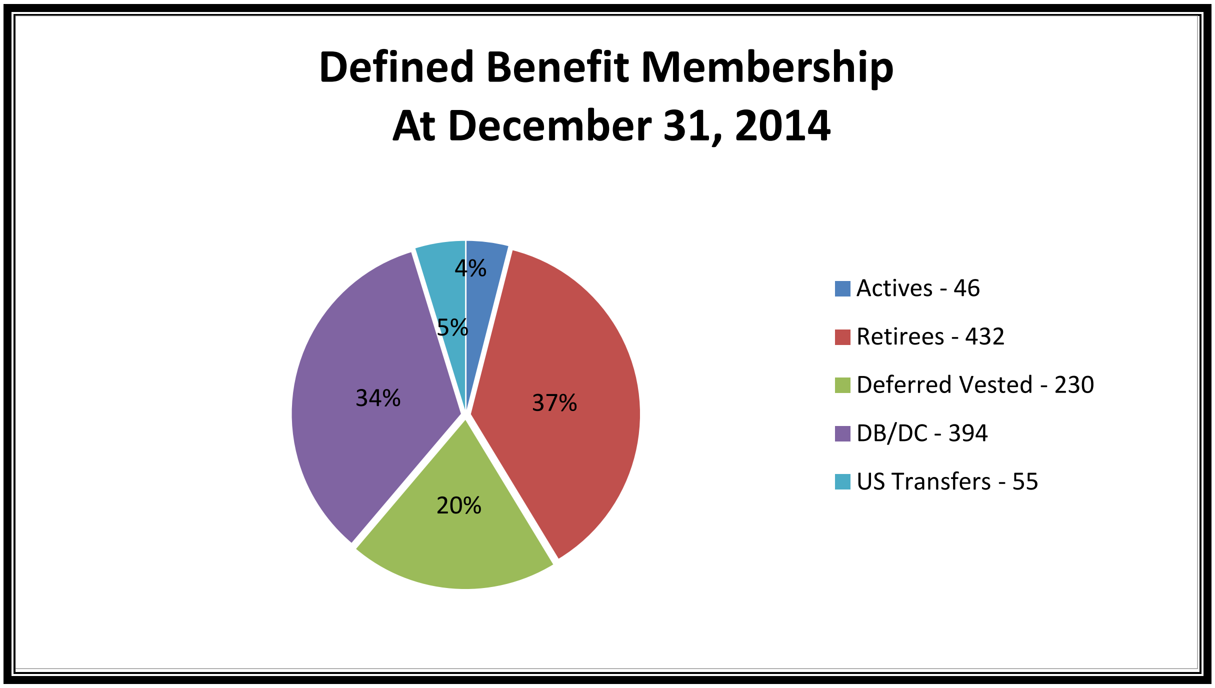
The membership in the Defined Benefit Plan (DB) is made up of a small group of active members who met the age and service requirements at the time the decision was made to move to a Defined Contribution Pension Plan (Active DB). The membership also includes those members who were moved into the DC plan for their future retirement benefit (the DB/DC members). While the DB/DC members no longer accrue benefits under the DB plan after December 31, 2012, they will receive a benefit for their service prior to this date. Membership information noted below reflects the member's plan and where they currently earn benefits. A DB/DC member would be recorded as a DC member. (Those hired in **2012 and later** are enrolled in the defined contribution pension plan.)

The Lutheran Church-Canada Pension Plan is available to employees of participating congregations, schools and other employers affiliated with Lutheran Church–Canada

The Plan is registered in the Province of Alberta and with Canada Revenue Agency as No.0356610.

Defined Benefit Plan

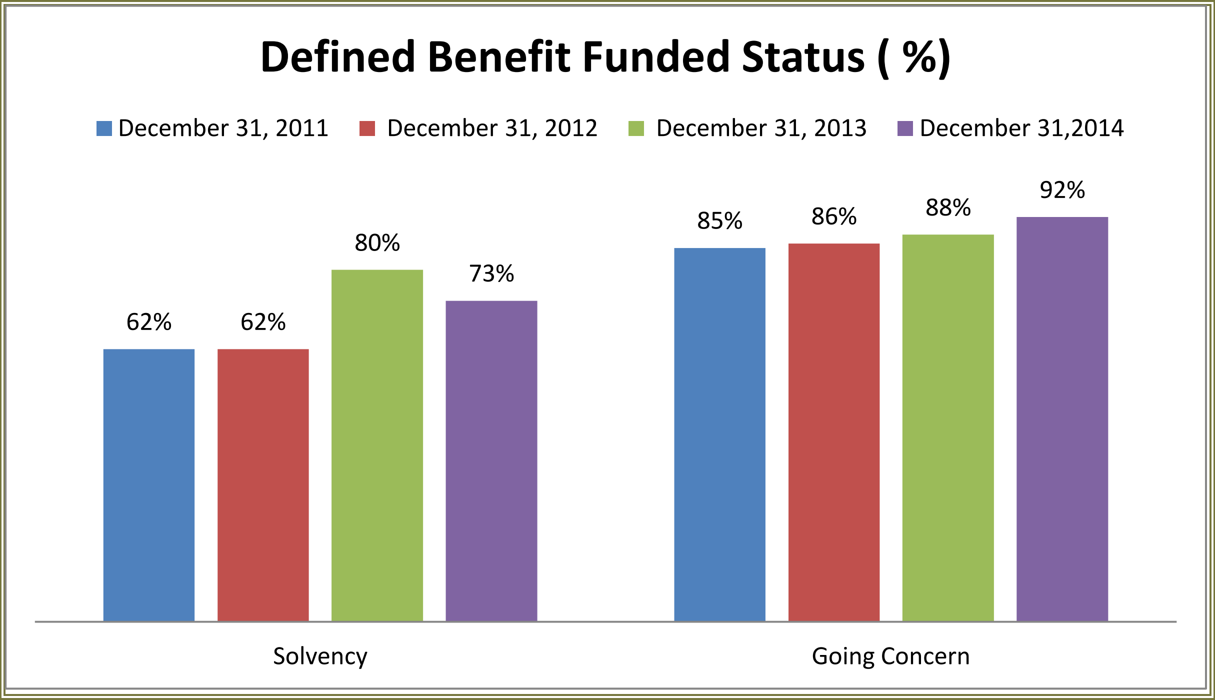
Membership



DB Active Membership Changes

Active Members January 1, 2014	67	
US Transfers	0	
Retirements	(21)	
Death	0	Active
Members at December 31, 2014	46	

Funded Status

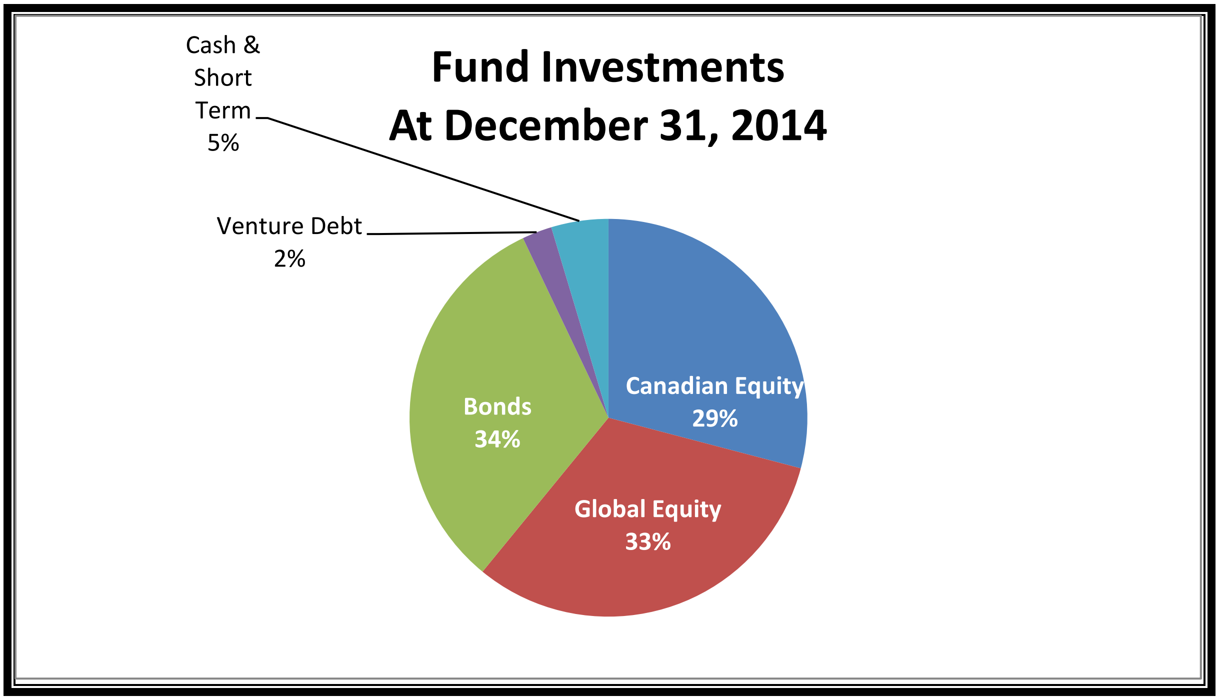


Funding Terminology – What does it Mean?

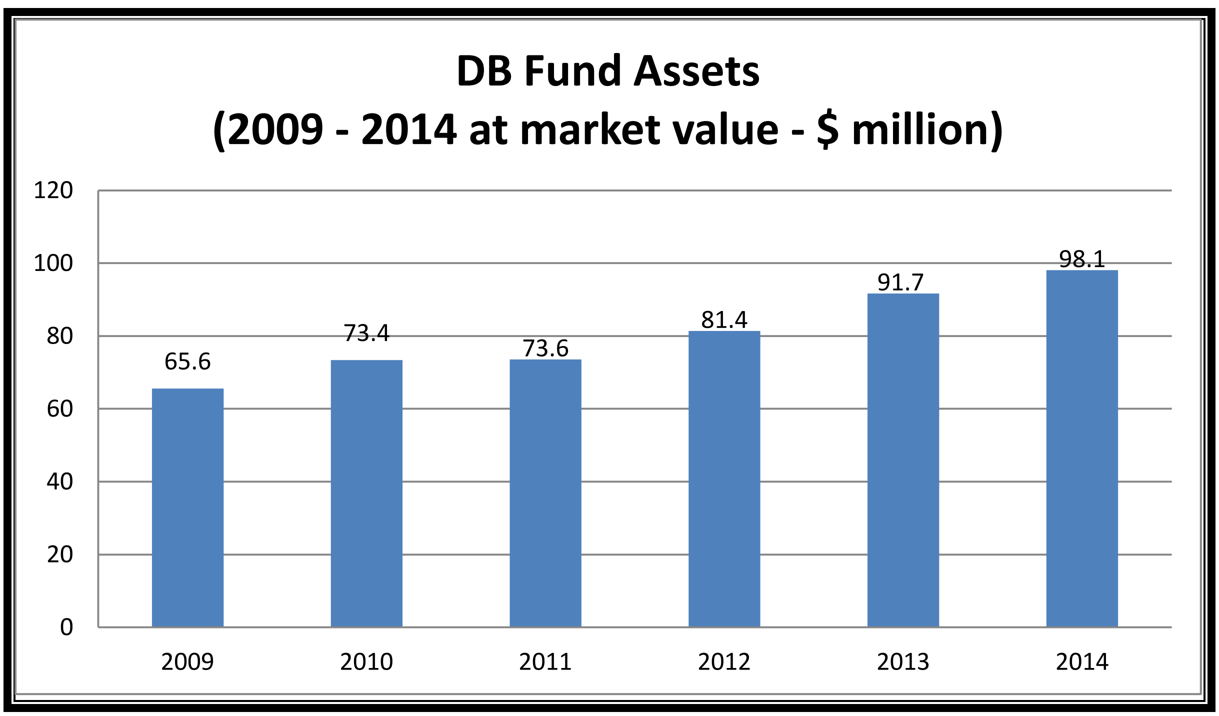
Going-Concern Basis: *The going concern valuation, values the present value of member's future benefits for credited service up to the date of the valuation and is based on assumptions that the pension plan will continue in operation indefinitely. Economic assumptions such as future salary increases and probabilities of retirement, termination and death are set with a long-term view.*

Solvency Basis: *The solvency valuation assumes that the plan is terminated and wound up as of the valuation date. The solvency liabilities are those that need to be paid out immediately both to retired members and to those currently employed. The value of these liabilities is directly affected by the level of bond yields as of the valuation date. Decreases in bond yields have the effect of increasing the liability and conversely increases in yields decreases liabilities.*

Fund Investments



Fund Assets

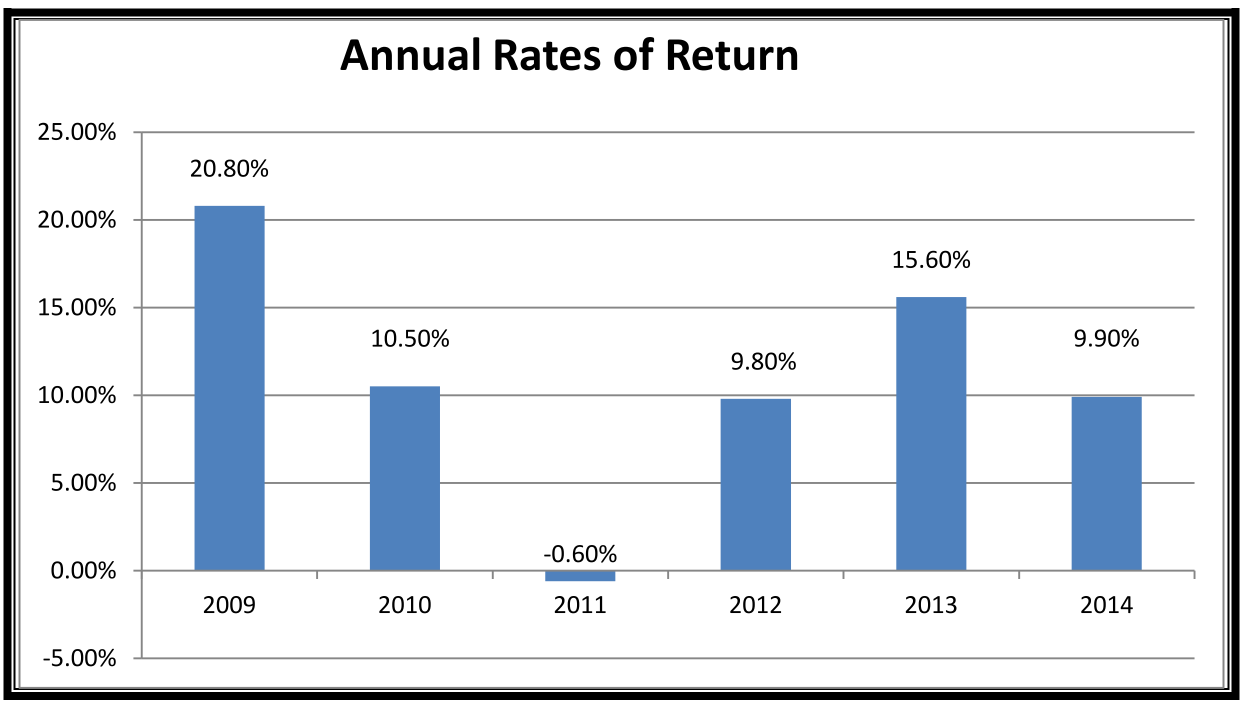


DB Financial Position (000's)

	December 31, 2014	December 31, 2013
Going Concern Basis		
Actuarial Value of Assets	$ 93,740	$ 88,066
Actuarial Liability	101.701	99,893
Actuarial Surplus (unfunded, actuarial liability)	(7.961)	(11,827)
Going-concern funded ratio	92%	88%
Solvency Basis		
Solvency value of assets	$97,690	$ 91,361
Solvency liability	134,424	113,898
Solvency surplus (deficit)	(36,734)	(22,537)
Solvency funded ratio	73%	80%

DB Annual Rate of Return

In the fall of 2014, the BOM undertook a search for an international investment manager after having been notified that the prior international manager, Sky Investment Council would be winding down their operations. As a result of the search, Mawer Investment Management was selected to manage the Plan's international portfolio. In addition to Mawer the Plan is invested with Foyston Gordon & Payne, an active value style manager, TD Quantitative Capital Asset Management, a passive index manager, and Wellington Financial LP, a private firm that provides secured corporate loans. The Board of Managers regularly monitors and reviews the performance of each manager with comparisons to benchmark returns, and the fund objectives. Annual rates of return for the fund over the last five years are shown in the graph below:



Lutheran Church–Canada Defined Benefit Pension Plan Statement of Changes in Net Assets Available for Benefits

	2014	2013
Net assets available for benefits, beginning of year	**$91,736,120**	**$81,476,637**
Increase in assets:		
Contributions - employer	2,712,656	2,725,764
Contributions - employee	207,601	198,248
Investment Income	2,767,781	2,842,117
Realized investment gains net of realized losses	7,824,734	707,696
Unrealized investment gains, net of unrealized losses	-	8,975,742
Decrease in assets:		
Unrealized investment losses, net of unrealized gains	1,574,281	-
Realized Investment Losses, net of realized gains	-	-
Pension benefits paid	4,258,499	3,850,020
Lump-sum transfers	612,891	697,588
Consulting fees	111,087	177,992
Investment and custodial fees	343,358	286,795
Administration expenses	158,446	177,688
Net Assets available for benefits, end of year	**$98,064,749**	**$91,736,120**

The full DB financial statements are available on the WBP website: www.lccbenefits.ca

Description of the DB Plan

The following provides a general description of the DB Plan. Further details on the Plan are provided on the WBP website at **www.lccbenefits.ca.**

General

The plan was established on January 1, 1989. Effective January 1 2013, most active members, with the exception of a small group of older, longer service members were transferred into the Defined Contribution Pension plan (DC). While the members who were transferred (the DB/DC members) will no longer accrue benefits under the DB Plan after December 31, 2013, they will receive a benefit for their service prior to this date. New hires after December 31, 2011 participate in the DC plan. The older, longer service employees that were left accruing benefits in the DB plan are required to make contributions of 4% of earnings to the DB plan. The pension funds are held in trust with CIBC Mellon.

Funding Policy

Lutheran Church–Canada and its various affiliated entities make contributions to the trust fund based on an actuarial valuation of the Plan that is conducted at least every three years. An actuarial valuation provides information on both the going-concern and solvency positions of the Plan. Initially, a valuation was not required to be done at the end of 2014 as new pension regulations now only require an annual valuation when a plan is funded below 85% on a going concern basis. However, with CUE seeking to establish its own plan including transfer of liabilities and assets for its members, the regulators require a valuation of the Plan at December 31, 2014. Normally, we would need to make special solvency contributions, however, the government has extended a great deal of understanding to us and have not required us to make solvency deficiency payments. While the government is not committed to anything specific, their aim is the same as ours: to ensure members receive their full defined benefit pension.

The going concern valuation values the present value of member's future benefits for credited service up to the date of the valuation. Measurement of the funded status on a going concern basis is based on assumptions that the pension plan will continue in operation indefinitely. As a result, the economic assumptions used to measure the pension obligations are set with a long-term view and include margins for adverse deviations. Assumptions are made for future salary increases and probabilities of retirement, termination and death. This valuation uses an asset smoothing method to value the plan assets. This has the effect of averaging periods of underperformance with periods of outperformance over a three year period.

The solvency position of a pension plan represents the funded status of the pension plan assuming the plan was to be terminated or be wound-up at that date and all members' benefits settled. The market value of the plan assets, less an allowance for expected plan wind-up expenses, is compared to the actuarial present value of members' accrued benefits at the valuation date. The members' accrued benefits are determined in accordance with the plan formulae, based upon years of service and actual pensionable earnings up to the valuation date (i.e., no allowance is made for future earnings escalation or future service accruals). To determine the actuarial present value of these accrued benefits, members not yet eligible to retire are assumed to receive a commuted value (the lump-sum value of future payments), whereas annuities are assumed to be purchased from an insurance company for members who are retired or eligible to retire. Economic assumptions used in the solvency valuation reflect interest rates in effect for settling members' benefits at the valuation date, and are directly correlated to Government of Canada bond rates.

New regulations require all plans to have a formal funding policy in place by the end of 2015.The BOM will work during 2015 to develop a formal policy that meets the regulators requirements.

Plan Formula

Members accrue benefits based on 1.25% of Final Average Earnings (average of the highest 60 consecutive months during the last 240 months of credited service) up to the Average Year's Maximum Pensionable Earnings (AMPE) (for the year of retirement and the two previous years) as set by Canada Pension Plan, plus 1.6% of Final Average Earnings in excess of the AMPE, multiplied by credited years of service.

Normal, Early Retirement and Postponed Retirement

Normal Retirement is the first of the month coincident with or immediately following the attainment of age 65.

A member can retire as early as age 55. Members who are at least age 62 and whose age plus years of credited service equals 85 points or more at the time of their termination of employment, can retire without reduction in their pension. For employees transferred to the DC plan effective January 1, 2013, credited service includes time in both the DB and DC plan, only for purposes of calculating eligibility for an unreduced pension. Members who retire at or after age 60 will have their pension reduced by .55% for each month that their early retirement date precedes age 65. A member who retires between age 55 and 60, will have their pension benefit reduced by 33% plus an additional .27% for each month that their early retirement precedes the first of the month following their 60th birthday.

Members may continue to accrue benefit up to the end of the year in which they turn 71 years of age, at which time they must commence to receive their pension.

Vesting and Termination

All active members in the DB Plan including current DB/DC members are vested; meaning they own the benefit provided by the plan sponsors' contributions. Upon termination, members under age 55 may transfer the value of their benefits to an eligible retirement vehicle; however, such transfers are subject to locking-in provisions (i.e. an amount that cannot be received in cash). Alternatively, benefits may remain in the Pension Plan and the former member may commence a monthly pension as early as age 55.

Death Benefits

If a member dies before retirement, a benefit is paid to the surviving spouse or beneficiary, if there is no surviving spouse. If a member's death occurs after retirement, the benefit paid to the surviving spouse is paid according to the form of pension chosen at the time of retirement.

Defined Contribution Option

2014 Summary Financial Statement

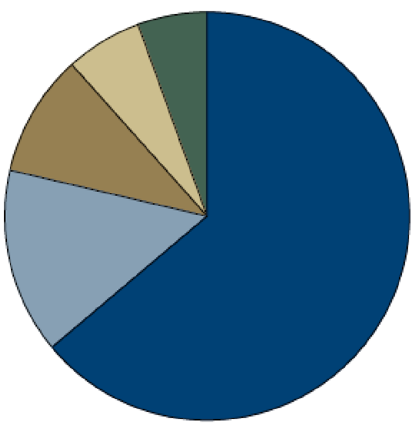
	2014	2013
Change in Assets	**$**	**$**
Assets beginning of the year	$10,450,583	**$ 6,494,190**
Employee contributions	1,539,953	1,509,004
Employer contributions	1,793,168	1,734,543
Investment income (loss)	1,178,333	934,235
Transfers to Financial Institutions	(754,543)	(463,806)
Transfers In from other plans	533,787	242,417
Increase (decrease in assets)	4,290,699	3,956,393
Assets, end of year	**$ 14,741,282**	**$ 10,450,583**

Fund Asset Mix

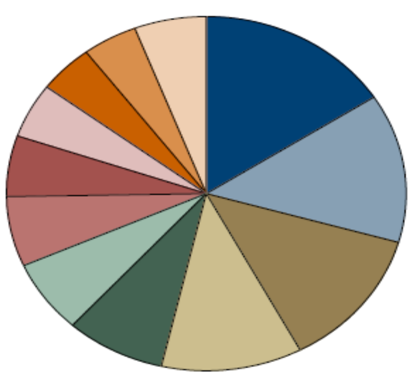
The following charts illustrate the DC Plan asset mix at December 31, 2014 both by asset category and by funds in which members allocated their assets.

Asset Category	Month-end Closing Balances $	% of Investment
Balanced	$ 9,434,034	64.00
Canadian Equity	2,150,455	14.59
Fixed Income	913,734	6.20
Foreign Equity	1,423,899	9.66
Guaranteed/Money Market	819,160	5.56
Total	**$ 14,741,282**	**100.00 %**

By Asset Category



By Fund



Rates of Return*

	2014 (%)	2013 (%)
Target Date Funds (56.43%)		
• BlackRock Life Path Retirement Index	9.2	5.6
• BlackRock Life Path Index 2015		7.0
• BlackRock Life Path Index 2020	12.7	8.9
• BlackRock Life Path Index 2025	13.6	11.6
• BlackRock Life Path Index 2030	13.5	14.5
• BlackRock Life Path Index 2035	13.8	16.8
• BlackRock Life Path Index 2040	14.2	18.8
• BlackRock Life Path Index 2045	14.6	20.6
• BlackRock Life Path Index 2050	14.9	21.8
Canadian Equity (16.62%)		
• Beutel Goodman Canadian Equity	11.7	26.1
• CC&L Canadian Q Growth	11.5	25.4
Fixed Income (7.23%)		
• TDAM Canadian Bond Index	8.7	-1.3
Foreign Equity (11.08%)		
• TDAM US Market Index	23.5	40.8
• MFS International Equity	4	26.6
Money Market (8.63%)		
• Sun Life Money Market	1.0	1.1

*Returns stated are before investment management fees and include the reinvestment of all distributions. They do not take into account any administration charges or taxes payable. Past returns may not be repeated.

DC Membership Changes

Members January 1, 2014	686
New members in 2014	47
Terminations	(48)
Death Claims	(1)
Members at December 31, 2014	684

Description of the DC Plan

The following provides a general description of the DC Plan. Further details on the Plan are provided on the WBP website at www.lccbenefits.ca.

General

Effective January 1, 2013 DB members who were under age 55 or who were over age 55 and whose age plus service was less than 80 points were transferred to the DC plan.. Effective from January 1, 2012 onwards newly hired members became members of the Defined Contribution Plan (DC). The DC Plan provides for a 4% required contribution from members and a 6% employer contribution. In addition, members including members of the Defined Benefits (DB) plan may make optional contributions of up to 4% of pay.

All pension assets are held in trust with Sun Life Financial.

Funding

Employers contribute 6% of pay into the DC plan for DC or DC/DB plan members. DC or DC/DB plan members make required contribution of 4% of pay. In addition, members including members of the Defined Benefits (DB) plan may make optional contributions of up to 4% of pay. This provides an opportunity for employees to tax effectively build their retirement income.

Members have a further opportunity to enhance their retirement savings by directing excess flex credits from the Flex Plan to the DC Plan.

Members choose how to invest contributions made to the DC Plan from a suite of investment options with varying risk and return potential. The investment options are managed by professional fund managers selected by the Board of Managers. Fund managers are selected from the investment funds available from the record keeper, Sun Life Financial, based on a number of criteria, including investment approach, organizational strengths, historical performance and service capabilities. The DC Plan currently provides seven investment options managed by six fund managers. Sun Life is responsible for the day-to-day management and administration of member accounts. Members may change the investment directions of current contributions or move past contributions into different funds, at any time.

Vesting and Termination/Retirement

Most plan members are vested immediately, meaning they own any Plan Sponsor contributions immediately. This depends on the member's province of employment as some provinces have other vesting rules i.e. vesting is after two years of service. Employer and employee contributions are also locked-in (required to be ultimately used to provide a retirement income).Withdrawals prior to termination are not permitted. At termination or retirement members may transfer their funds from the Plan to a financial institution of their choosing.

Death Benefits

If a member dies before retirement, the member's account balance is transferred to an eligible retirement vehicle of the surviving spouse. Such transfers are subject to locking–in provisions (i.e. an amount that cannot be received in cash). If there is no surviving spouse, the member's account is paid in a lump sum to the member's beneficiary or if not named to the estate of the member.

Governance and Administration

Good pension plan governance requires control mechanisms that encourage good decision making, proper and efficient practices, clear accountability, and regular review and evaluation. In order to achieve its goal of good governance and to meet its legal and fiduciary obligations the Board of Directors approved two documents that provide guidance to plan administrators and governors, “Pension Plan Governance Structure” and the “Regulations for the Administration of the Lutheran Church-Canada Pension Plan”. The governance objectives of the Plan are to be in compliance with all applicable laws, to be able to demonstrate prudent oversight of the Plan to stakeholders and to ensure the Plan is funded and administered so as to meet its obligations to members and beneficiaries. The Board of Directors of Lutheran Church-Canada has delegated to the Board of Managers (BOM) the responsibility for pension strategy, implementation and administration of the Plan including the management of the investment funds.

Board of Managers (BOM)

The BOM has general oversight responsibilities for the Plan and in that capacity they oversee all aspects of the Plan’s operations, including the selection or termination of investment manager(s), trustee(s), custodian(s), third party administrator(s), actuary and other advisors, set pension related policies, determine funding, contribution and actuarial strategy, and ensure the plan is in compliance with all legislation. The BOM acts in fiduciary capacity to ensure the best interests of all present and future plan members, pensioners and beneficiaries. Day-to-day management of the Plan is delegated to the Director, Worker Benefit Plans (WBP) and WBP staff.

During 2014, the BOM consisted of seven individuals who are appointed by the Board of Directors of Synod to serve a three-year term with a maximum of three successive 3-year terms. All appointments are staggered, with 50% of the BOM being appointed following each Convention. At least five of the BOM members must be communicant members of member congregations of the Synod. The BOM consists of:

- two rostered church workers
- three lay persons each of whom have experience in either human resources, pensions, health benefit programs or investment management
- one person from a Lutheran Church–Canada higher education institution
- the treasurer of the synod

Richard Currie from Concordia University College of Edmonton resigned from the BOM at the end of 2014. The BOM will be undertaking a search to find a replacement for Richard.

The BOM meets regularly at least three times per year and more often, if required. During 2014 the BOM met four times. All members attended the meetings.

2013 Board Members

Dieter E. Kays, ICD.D, PhD.
Chairperson, Board of Managers
Kitchener, Ontario

Dr. Kays is a certified professional director serving on several boards including the Ombudservice for the Canadian Life and Health Insurance, (OLHI), St. Mary's Hospital, and the International Rotary Club. He is the retired President and Chief Executive Officer of Faith Life Financial, an organization providing insurance and investment programs to Canadian families. Prior to accepting this role, Dieter was Chief Executive Officer of Lutherwood, a Canadian church affiliated social service agency serving more than 10,000 clients annually. He was also the President of the Lutherwood Foundation, has served as a Director of Lutheran Life Insurance Society of Canada and its investment committee, the Canadian Life and Health Insurance Association (CLHIA) and FI Capital. He also served two terms as a municipal councillor.

Dr. Kays has a Master of Divinity degree from Concordia Seminary, St. Louis, Missouri, and a Master of Social Work. In 1993, he earned his doctorate, specializing in organizational leadership at Waterloo's Wilfrid Laurier University. He has done post graduate work at Stanford University, the Wharton School of Business, and most recently the Rotman business school – U of T.

Dr. Kays and his wife, Rosalind, have three children and nine grandchildren. They are members of Holy Cross Lutheran Church (LCC) in Kitchener where Dieter chairs the Future Facilities committee.

Dwayne Cleave, CIM* 1
Executive Director, WBP
Winnipeg, Manitoba

Dwayne has served in the office of treasurer of Lutheran Church–Canada since May 2002. In March 2010 he was also appointed as the Executive Director of the LCC Worker Benefit Plans. Prior to his employment with the Church, Dwayne's 25 year business career included positions as an Investment Consultant with CIBC Wood Gundy and as a Regional Manager for the Brick Warehouse Corporation.

In addition to his business experience, Dwayne has received formal training through the Certified General Accountant Program (CGA), Certified Employee Benefit Specialist Program (CEBS) and the Canadian Securities Institute (CSI). Dwayne completed a 4 year certificate course in Management through the University Of Manitoba continuing education program in 1994.

Dwayne, his wife Bonita and their two (now adult) children have been members of Saint James Lutheran Church in Winnipeg since 1989.

* Canadian Institute of Management

Martin Bender
Kitchener, Ontario

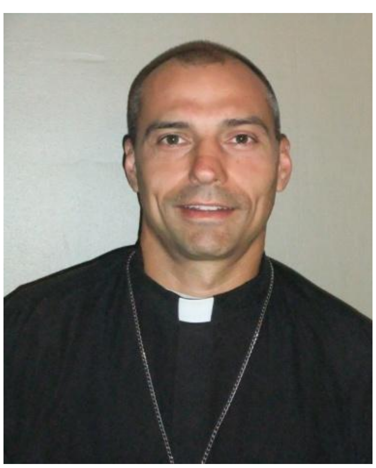
After graduating from Wilfred Laurier, Martin had oversees training at Western and St. Francis Xavier Universities. Subsequent employment covered a number of domestic and international organizations. Martin taught briefly in Ontario and then worked for the Ministry of Education in Trinidad (CUSO) and Crossroads in Yaoundé, Cameroun. Martin then held positions with Ontario Hydro Nuclear Stations (Pickering/B.N.P.D.), Acres Engineering (Niagara Falls/Cordoba, Argentina), Babcock, Metro Toronto, Toyota (Cambridge) and D. Bobiy & Assoc.(Calgary) focusing primarily on the Employee Relations/Labour Relations functions.

Married to Connie Klassen, Martin has 4 children and 2 grandchildren. Martin is a member of Faith Lutheran, Kitchener. Martin currently works in Church committees, Nicaragua, consulting and farming in Norfolk County.

Richard Currie 1
Edmonton, Alberta

Richard Currie currently holds the position of Vice President Finance and Administration at Concordia University College of Edmonton. His past experience includes the administration of benefits and pension programs in senior administrative roles within advanced education, health, and not-for-profit and Christian organizations.

He holds a Bachelor of Science from the University of Western Ontario and a Masters Health Science Administration from the University of Alberta. He is CGA certified and is also a member of the Certified General Accountants of Alberta. Richard has been a member of the Board of Managers since 2009. Richard resigned from the BOM at the end of 2014.



Pastor Mark Hennig, 1
Edmonton, Alberta

Mark graduated from Concordia Lutheran Seminary in Edmonton in 2003 and went on to serve Immanuel Lutheran Church in Tomahawk, Alberta for six years. He currently serves Concordia Lutheran Church in south east Edmonton. He also serves as LWML-C Pastoral Councillor for the past 5 years; the Board of Regents – Concordia University College since 2009; and the Board of Managers – Workers Benefits since 2010.

Mark is married to Darla Kulak and they have four children.

Stan Lee
Vancouver, British Columbia

Stan is a chartered accountant, he owns and operates an accountancy business in Vancouver, which serves over 900 individual and 250 corporate clients. Before opening his own practice, he worked for nine years for a major accounting firm in Burnaby. He also sits on the Board of Directors for six private enterprise companies. He received his Bachelor of Commerce degree in 1983 from the University of British Columbia in Vancouver, and his Chartered Accountant designation in 1986 from the Institute of Chartered Accountants of B.C.

Stan serves on the Department of Stewardship and Finance for the ABC District, as well as, serving as the Board Chair for the Audit Committee. Stan also served on the Board of Directors for Faith Life Financial from 1994 to 2012. In that capacity he held a number of roles including Board Vice-Chair, Chair of the Audit, Risk, Compliance and Finance Committee and Chair of the Products and Services Committee, and was a member of the Executive Committee and Human Resources Committee.

Active in his church community, Mr. Lee is currently Chairman of his home congregation, Prince of Peace Lutheran Church in Vancouver. He also provides occasional simultaneous translation (into English from Cantonese) during his congregation's Sunday services.

Mr. Lee and his wife, Lisa, are members of top-rated Faith Life Financial Chapter 0244, which Mr. Lee helped establish in 1995. He previously served as chapter president. The Lees have two daughters.

Steve Raine
Regina, Saskatchewan

Steve Raine worked for the Royal Canadian Mounted Police for 31 years, beginning his career in the Yukon Territory and the Northwest Territories before moving to a variety of different posts in Saskatchewan. He then became the Staff Relations representative for Saskatchewan before finishing his career as Chair of the National Staffing Committee. Steve currently is self-employed as an advisor with Sun Life Financial.

Steve is a musician, song writer and worship leader with his group Ebenezer Stone and uses music as a ministry opportunity in Regina and other Saskatchewan locations.

Steve and his wife Barb have 3 adult children. They are members of New Beginnings Lutheran Church in Regina.

1. Dwayne Cleave, Richard Currie and Pastor Hennig are members of the LCC Pension Plan. Their membership does not constitute a conflict of interest for purposes of participating on the BOM.

Advisors and Service Providers

Aikins, MacAulay and Thorvaldson	Legal Counsel
CIBC Mellon GSS	DB Trustee, Custodian and Pension Payments
KPMG	Auditor
Sun Life Financial	DC Record Keeper/Custodian
Ellement	Actuary, Pension and Investment Consultants
Foyston, Gordon & Payne	DB Investment Manager
Mawer	DB Investment Manager
Wellington Financial LLP	DB Investment Manager
Beutel Goodman	DC Investment Manager
BlackRock	DC Investment Manager
Connor, Clark & Lunn	DC Investment Manager
MFS	DC Investment Manager
Sun Life Financial	DC Investment Manager
TDAM	DB & DC Investment Manager

Lutheran Church–Canada
Worker Benefit Plans

Strategic Plan 2014

Our Mission

The mission of Worker Benefit Plans is to serve members and employers by ensuring the provision of sustainable benefits.

"Serving those who serve."

Our Vision

We will develop an efficient, innovative and sustainable benefit plan with shared responsibility among engaged stakeholders

Our Values

1. **Integrity**
2. **Transparency**
3. **Stewardship**
4. **Consultation**
5. **Shared Responsibility**
6. **Excellence**

Our Strategic Directions

1. **Ensure sustainability and stability of benefits**
2. **Develop an educated and knowledgeable member and employer base**
3. **Cultivate a meaningful involvement of stakeholders and develop the philosophy of shared responsibility**
4. **Promote health and wellness**
5. **Strengthen and enhance governance**

Our Recent Achievements

- **Selection of quality investment funds and investment managers for both the DC and DB plans.**
- **Sourcing a lower cost local consultant (Ellement) for actuarial and investment consulting resulting in a decrease of about 42% in consulting costs.**
- **Negotiated a more favourable contract with CIBC Mellon, our pension custodial (holder of the pension funds) resulting in a decrease in costs of about 50%.**
- **Outsourcing administration to Ellement Consulting resulting in better service for members while savings on administrative costs, especially computer infrastructure (substantial programming costs for maintaining pension database are no longer required).**
- **More communication with stakeholders, presentations at conventions and conferences, newsletters, Annual Report on pension and increased communications in both hard copy and electronically.**