



CSSB

The Civil Service
Superannuation
Board

2009 Annual Report



For more information...

You may make an appointment to view any of the following at The Civil Service Superannuation Board (Board) office, Monday to Friday (except holidays) from 8:00 a.m. to 4:30 p.m.:

- A copy of The Civil Service Superannuation Act (Act) and all amendments
- The Annual Information Return submitted each year to the Pension Commission of Manitoba
- A copy of the latest Actuarial Valuation Report

Upon request, the Board will provide members, spouses or authorized representatives with detailed information and explanations regarding benefits payable in the event of a member's retirement, death, marriage separation, or termination of employment.

For further member information, visit our website www.cssb.mb.ca

The Civil Service Superannuation Board

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Winnipeg MB R3C 3T1

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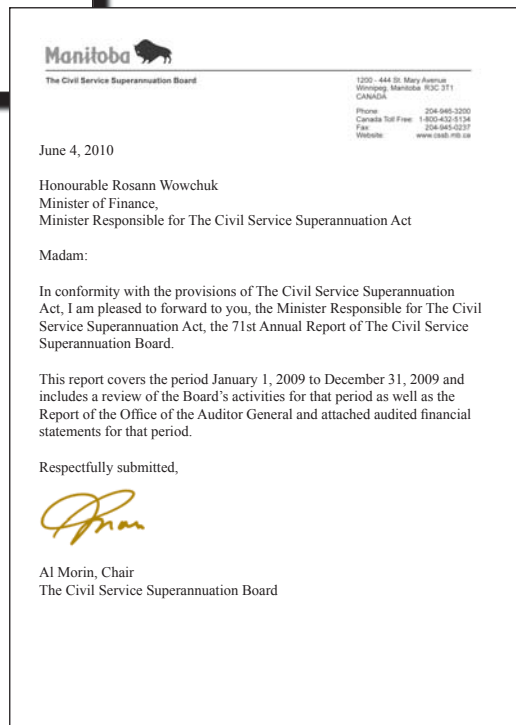
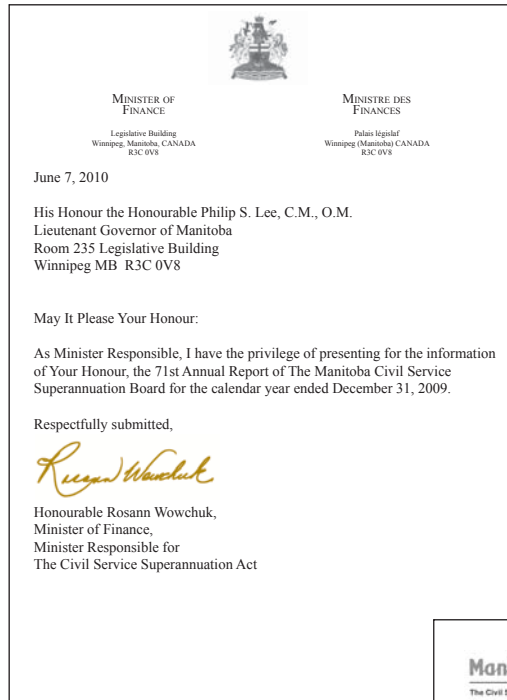
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Cover photo of Portia Marsh courtesy of Travel Manitoba.

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Letters of Transmittal



Board Members and Management

The Civil Service Superannuation Board

Chair

Al Morin

President and Chief Executive Officer
Assiniboine Credit Union

Employee Representatives

Ray Erb

Civil Service Representative
Manitoba Government and General
Employees' Union
Retired

Monica Girouard

Civil Service Representative
Manitoba Government and General
Employees' Union

Denise Hickson

Manitoba Hydro Representative
Manitoba Hydro-Electric Board

Stephen Watson

Civil Service Representative
Manitoba Finance

Employer Representatives

Gabriel Forest, f.c.a.

Chartered Accountant

Carmelee Peter

Solicitor
Aikins, Macaulay & Thorvaldson LLP

Merv Worden

Actuary
Worden Actuarial & Benefits Consulting Ltd.

Vacant position

Management

Bruce Schroeder

General Manager

Robert Derksen,

Director, Communications and Client Services

Dawn Prokopowich,

Director, Client Services Administration

Robert Riddell,

Director, Management Information Systems

Rick Wilson,

Director, Finance and Investment Communications & Management Services

Lindsey Fuller, CFA,

Chief Investment Officer

Ellement and Ellement,

Consulting Actuary

Standing Committee Members

Investment Committee

Members of the Investment Committee are appointed by the Lieutenant Governor in Council based on their investment expertise, legislative requirements or, in the case of the employee representative, elected by the employee representatives of the Board.

Chair

Peter G. Munro*

Executive Vice-President and Chief Investment Officer
The Great-West Life Assurance Company

Dick Archer*

Retired, Executive Vice-President Investments,
IGM Financial Inc.

Richard Brownscombe*

President, Montrose Mortgage Corporation Ltd.

Hugh Eliasson^

Deputy Minister of Finance,
Province of Manitoba

Monica Girouard^

Civil Service Representative

Al Morin^

Chair,
The Civil Service Superannuation Board

A. Scott Penman*

Executive Vice-President
and Chief Investment Officer
Investors Group Inc.

Robert G. Puchniak*

Executive Vice-President
and Chief Financial Officer,
James Richardson & Sons, Limited

Bruce Schroeder^

General Manager,
The Civil Service Superannuation Board

The Investment Committee also manages the assets of the Manitoba Hydro Employer Fund and three Centra Gas portfolios. Manitoba Hydro appointed the following person as their representative to those committees in conjunction with the above members.

Vince Warden

Senior Vice-President,
Finance and Administration, CFO,
Manitoba Hydro-Electric Board

* Appointed based on investment expertise

^ Required by legislation

Finance and Audit Committee

Chair

Gabriel Forest, f.c.a.

Employer Representative

Ray Erb

Employee Representative

Stephen Watson

Employee Representative

Governance Committee

Chair

Merv Worden

Employer Representative

Denise Hickson

Employee Representative

Carmelee Peter

Employer Representative

Compensation Committee

Chair

Ray Erb

Employee Representative

Monica Girouard

Employee Representative

Merv Worden

Employer Representative

The Civil Service Superannuation Board

The Board has the fiduciary responsibility for the administration of the Plan and management of the investment funds in the best interest of all Plan members and beneficiaries. It is also responsible to:

- Ensure that staff fulfil the investment and administrative obligations set out in the Act and comply with the requirements of both the Pension Benefits Act of Manitoba and the Income Tax Act
- Delegate the day-to-day management to the General Manager and staff
- Provide overall direction and approval of policy items

These duties are vested in four members that are elected by participating employees and five members including a chair that are appointed by Government. The Board meets 10 to 12 times per year.

As the Plan trustee, the Board is required to:

- Manage The Civil Service Superannuation Fund (Fund) in accordance with the rules of the Plan, governing legislation, and common law in the interest of Plan members and their beneficiaries
- Obtain an actuarial valuation every three years
- Regularly review its investment policy
- Obtain an independent audit each year
- Prepare an Annual Report

The day-to-day management of investment assets and delivery of pension and insurance benefits is accomplished by a dedicated and diverse team consisting of approximately 50 staff members.

Your Pension Plan

Your Plan is a “defined benefit” plan which means that your pension is based on a formula that provides pension, disability, death and termination benefits for all eligible members. The formula is based on your years of service and average salary. While some employers match (to the extent required by legislation) employee contributions, others are obligated to fund their share of benefits paid in the future.

The amount of pension a member will receive is not directly related to investment returns. Good investment returns are necessary to secure the Fund’s ability to continue to meet its current and future obligations to pay benefits, and are the major contributor to surplus.

Your Plan allows for retirement after age 55 if the member has at least ten years of qualifying service. Unless the person is age 60 or older, or has achieved the Rule of 80 (age plus service), there is a reduction for early retirement. Members who reach age 65 may receive a pension providing they have at least one year of service.

All employees who are employed full time are required to join the Plan. Seasonal and part-time employees are required to join after meeting an earnings test (when they have earned 25% of the Yearly Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan in each of two successive calendar years).

Highlights

	2009 (*)	2008 (*)
Financial	Rate of Return on Investments	14.06% (17.04)%
	Investments at Market Value	4,001,189 ¹ 3,302,963
	Net Investment Income	55,590 232,185
	Current Period Change in Fair Value of Investments	364,891 (847,430)
	Employee Contributions	107,593 98,635
	Employer Payments	139,556 133,991
	The Province of Manitoba Unfunded Pension Liability Trust Account 1	643,766 ¹ 332,365
	Pension Payments	270,006 250,532
	Refunds and Transfers	24,238 33,367
	General Expenses - Net	1,563 1,342
	* \$Thousands unless otherwise noted	
	¹ Excludes Province of Manitoba Trust Account 2	
	2009	2008
Membership	Non-Retired Members	32,210 31,002
	Retired Members and Other Recipients	16,023 15,450
	Total Members	48,233 46,452
Other Plans Under Administration	Manitoba Telecom Services Inc.^	6,456 6,455
	Money Purchase Accounts Plan	1,900 1,798
	Centra Gas^	824 835
	Winnipeg Child and Family Services^	321 337
	MLA's^	115 117
	Legislative Assembly Pension Plan	63 63
	Total Membership (all Plans)	57,912 56,057
^ Active and Retired		

Message from the Chair

AL MORIN

After a challenging first year as Chair of The Civil Service Superannuation Fund (the “Fund”), I remain optimistic that we have in fact weathered the economic storm. While we have realized significant recovery from our position of a year ago, we are still proceeding cautiously to ensure we are taking all of the necessary precautions to continue to position ourselves accordingly for further recovery.

I wanted to follow up on a couple of the planning and forecasting measures I mentioned last year that are in place to help a pension fund prepare for periods of unfavorable investment experience.

Good governance practices include an annual review of the Statement of Investment Policies and Procedures (the “SIP&P”). During 2009, the Board’s Investment Committee recommended that an independent asset/liability study be undertaken to ensure that its SIP&P continued to meet current membership demographics, other actuarial assumptions, market expectations, risk profiles, etc. The Board engaged Towers Perrin Inc. (“TPF&C”) to perform a detailed review of The Civil Service Superannuation Fund. TPF&C analyzed the components of the Fund during 2009 and correspondingly incorporated assumptions recommended by the Board’s Investment Committee through the course of the year. The Board approved these amendments at its November Board meeting. The SIP&P includes parameters such as investment quality, holding limits, investment objectives, valuation procedures and asset mix, which is perhaps the most important determinant of pension fund performance.

Another of the tools we utilized to help with planning and forecasting last year was the Actuarial Valuation Report as at December 31, 2007. By the time the report was completed and released later in 2008, signs of the economic downturn were already evident. The report provided a detailed “snapshot” of the financial

position of the Fund, which allowed us to make some recommendations to help ensure the actuarial requirements would be adequate to continue to finance the Fund’s future pension liabilities. As I mentioned last year, the Board has committed to having another valuation performed earlier than required under legislation in order to continue to monitor the Fund’s financial position as we move towards recovery. This Valuation is currently in progress and will provide us with an updated picture of our position to help us prepare strategically as we move forward.

The ultimate success of The Civil Service Superannuation Fund is not measured on the investment returns over a challenging year or even the ups and downs over several years, but rather on how it meets the long-term obligations to its members. As I reflect on the events of the past year, let me assure you the staff and management of the Board are not only capable, but are also committed to our long-term objective of growth, stability and providing our membership with quality benefits administration.

I would like to take this opportunity to welcome new Board members, Ms Denise Hickson and Mr. Stephen Watson, who were recently elected to the Board. To departing Board members, Mr. Ryan Wiebe and Mr. Chris Kowalski, on behalf of your colleagues on the Board, management and staff, as well as all of the members and stakeholders, our sincere appreciation and thanks to you for your assistance and contributions as a members of the Civil Service Superannuation Board.

Message from the General Manager

BRUCE SCHROEDER

The start of 2009 began where the end of 2008 left off; the investment markets were reeling from the global economic downturn. Throughout these difficult times, the CSSB maintained its focus on the long-term objectives of the Fund and did not engage in panicked alterations of the portfolio. I am pleased to report that our patience was rewarded and the strategy began to bear fruit in the last three quarters of 2009. The rate of return for the Fund was 14.06% and was 0.58% higher than the benchmark set for our investment policy for the year ended December 31, 2009 and 7.56% higher than the actuarially required rate of 6.5%. Although not yet fully recovered from the negative returns of 2008, we are confident that by adhering to our long-term strategies we will eventually regain those returns lost in the market meltdown of 2008.

Amendments were made to The Civil Service Superannuation Act (Act) in 2009 with Bill 8. Sections of the Act that were amended were related to pension option selection, normal retirement age, and indexing reserve transfers.

The Act now allows for the selection of a pension that will pay the member's surviving spouse an amount equal to that of the member while they were alive without the requirement to provide medical evidence. The option was previously available but the member was required to provide evidence of satisfactory health. As this pension option is actuarially adjusted, the liability to the Fund is no greater than any other option, so the evidence requirement has been eliminated.

The Act has also been harmonized with The Income Tax Act and now allows members to continue to contribute to the Fund and not draw their pension benefit until the end of the year in which they turn age 71 (previously age 69).

The legislation to move \$145 million from the indexing reserve of the basic account to the Cost-of-Living Account (COLA) was also contained in Bill 8. The funds will be amortized over a 30 year period. A 30 year amortization period will provide COLA benefits for current and future retirees.

There was also a section added to enable regulations to be set for enhanced benefits for Manitoba Hydro members and retirees. The funding of any benefits will be the responsibility of Manitoba Hydro and its employees and not the responsibility of The Civil Service Superannuation Fund.

The Board has requested a valuation of the Fund as at December 31, 2009. The normal valuation timeframe would be December 31, 2010, but considering the wide variations of the Fund's investments in the past two years, the Board felt it would be prudent to conduct an early valuation to get a better assessment of the Fund's position. The valuation will be completed sometime in mid 2010.

As mentioned in last years report, the Board undertook an Asset Allocation Review study in 2009. The study recommended a larger exposure to equities. After careful consideration, the Board approved the recommendations of the study. The investment manager of the Board has been implementing the new policy and completed the transition in early 2010.

As the markets continue to stabilize we look forward to a less eventful year than the past couple. We will strive to continue to improve our service through technological enhancements in 2010.

I would like to take this opportunity to say farewell and thank you to outgoing employee elected Board members Chris Kowalski and Ryan Wiebe and welcome new members Stephen Watson and Denise Hickson. Thanks also to the Board members who remain and the Chair of the Board for their support in 2009.

Though technology enhances our ability to provide excellent service, our committed and caring staff offers a tremendous advantage in providing quality and timely service to our members. With that in mind, I would like to thank the staff of the CSSB for their continued commitment to providing exceptional service to the Fund membership.



A hand holding a pen, poised to write on a document. The image is overlaid with a semi-transparent gold filter. The word "Investments" is written in a bold, gold, sans-serif font.

Investments

Guidelines and Practices

Policies and Procedures

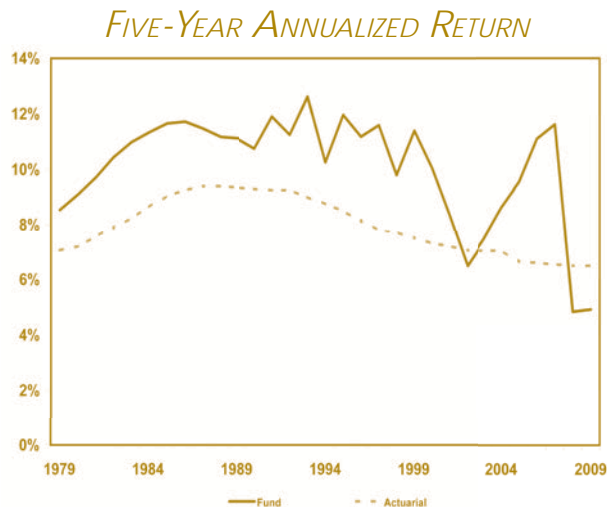
The Fund's Statement of Investment Policies and Procedures (SIP&P) guides the investment decision making process. This document is created by independent consultants and matches the Fund's assets with its liabilities, now and into the future. Upon its approval by the Board, this document is put into effect and is monitored for compliance. The SIP&P includes such things as appropriate asset mix limits, investment grade quality, holding limits, investment objectives, valuation procedures and investment management structure.

Asset mix is the single most important factor in determining pension fund performance. Different risk elements relating to market volatility and potential returns are factored into an investment decision. Investments that produce lower returns are generally a result of lower risk or volatility. In order to optimize returns and reduce investment volatility, Fund assets are diversified among the various asset classes and across the world's economic regions.

Long-term Success of Investment Policy

The ultimate success of the Fund's investment policy is measured by how well it meets the long-term obligations for its members. An actuarial valuation on the Fund is the best way to measure this obligation. Except for the periods ending in 2002 and 2008, the Fund's five-year moving rate of return has exceeded actuarial requirements consistently over the past 30 years. Both periods experienced poor equity markets. Should equity markets attain their historical levels of performance, Fund returns should move back above the actuarial rate of return. Pension fund rates of return are sometimes measured in five-year periods to emphasize longer-term trends which are more relevant to pension funding, rather than short-term volatility. The following chart compares the Fund's five-year moving rate of return and the actuarially required rate (converted from three-year rates to five-year moving rates for comparison).

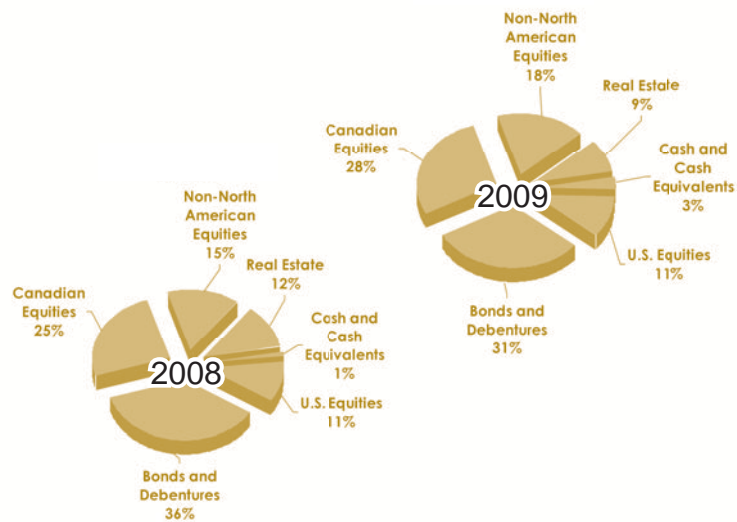
"The ultimate success of the Fund's investment policy is measured by how well it meets the long-term obligations for its members."



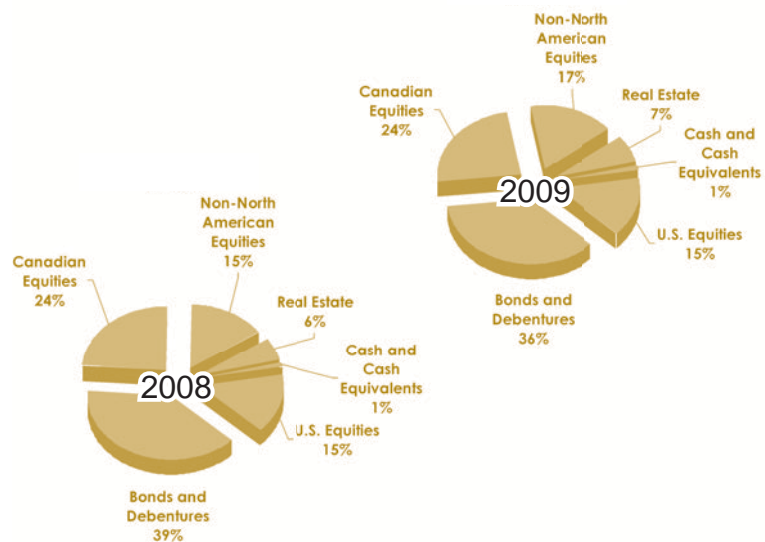
Policies and procedures that continue to guide or impact investment decisions include:

- Statement of Investment Policies and Procedures
- Investment Manager Mandates
- Proxy Voting Policy and Guidelines

FUND INVESTMENTS



INVESTMENT POLICY NORMAL ALLOCATION



Overview

During 2009, we witnessed a return to a more normal environment in the financial markets. There are still an array of problems to be dealt with over time, but the governments and central banks around the world have managed to stickhandle around issue after issue reasonably effectively. An obvious outstanding issue is how to return government fiscal imbalances to appropriate sustainable levels. The United States, the United Kingdom, Japan and many of the smaller countries in Europe have particularly large deficits. In contrast, many emerging or less developed countries are in much better shape. China and Brazil stand out in this case. Damage to the financial system principally resided in the United States and Europe. The banking systems in most of Asia, Australia, Canada, and the principal countries in Latin America continue to function more or less normally. Consequently, the economies of those countries are performing better than the first group.

This environment has worked well for our positioning of the Fund's investments, where we are overweight Canada, Asia (excluding Japan), and Latin American Equities. This position was maintained through the severe downturn in equity markets in 2008, so we did not sell assets at significant losses.

Led by a successful set of stimulus measures in China early on, demand for commodities to fuel China's rapid growth rebounded strongly. Brazil, Chile, Australia and Canada were major beneficiaries of this renewed demand. We expect the somewhat hesitant economic recovery in the major western economies will be sustainable for some time. Such an environment should be supportive of our overweight position in equities as profits rebound.

The Fund return recovered from 2008's negative return, producing 14.06% versus an expected policy return of 13.48%. Strong contributors were our emerging market equities, United States equities, and fixed income investments. Detracting from returns were real estate and our private oil and gas company, Superman. The former from an abrupt decline in appraised values, and the latter from weak natural gas prices.

A periodic review of the Fund's investment policy was conducted during 2009. The result was the adoption of a revised policy increasing equity investments and real estate, while decreasing fixed income investments. The implementation of the new policy was completed in January 2010.

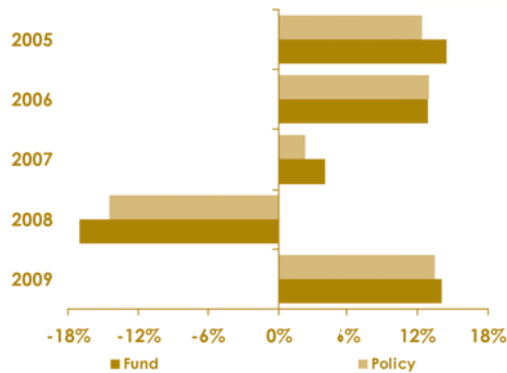
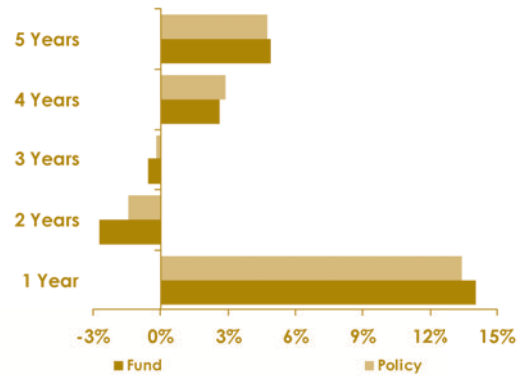
Performance

Calculation Methodology

The returns are time-weighted rates of return before fees and expenses. They are calculated in accordance with the methodology recommended by the Chartered Financial Analyst Institute.

Total Fund

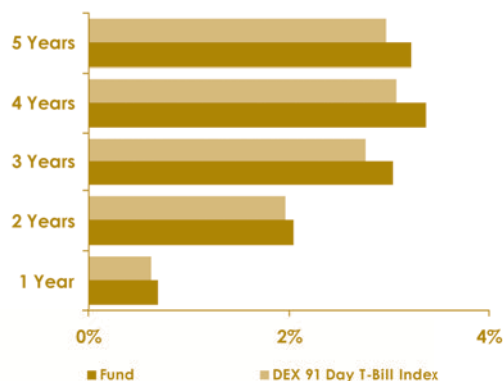
The good absolute and relative returns in 2009 somewhat offset the poor returns of 2008. On a longer-term, five-year basis, the Fund return of 4.91% is still below the actuarial assumption of 6.5%, but this is expected to move back to or above the longer-term actuarial expectations over time.



The policy return in both graphs reflects what the Fund could expect to return by indexing, or non-active management. Except for 2008, the Fund has managed to add value from active management quite consistently.

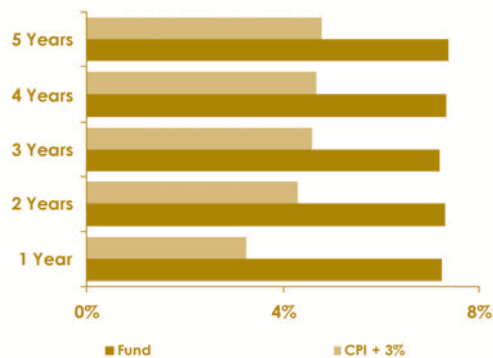
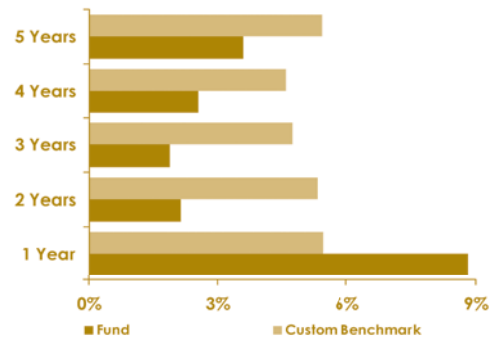
Cash and Cash Equivalents

While being a very small portion of the Fund, active management added 6 basis points, 0.68%, over the DEX 91 Day T-Bill Index of 0.62%.



Bonds and Debentures

The portfolio was well positioned for a return to more normal fixed income markets. The return of 8.81% was 3.36% above the benchmark of 5.45%. A significant overweighting of non-government securities was the main reason.



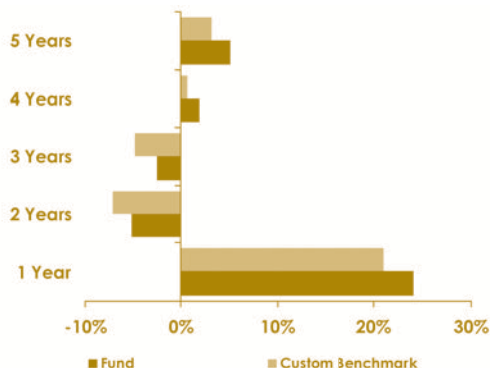
Real Return

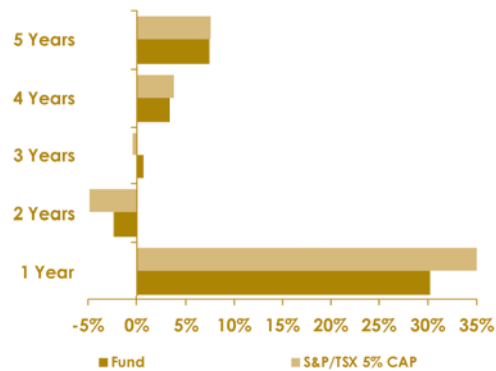
Products such as Index-Linked mortgages remain a designated vehicle to fund the Cost-of-Living Account for future benefits. Real return investments earned 7.24% in 2009 compared to its benchmark of 3.26%.

Total Equity

The indices used to measure the performance of the Fund's stock portfolio are Canada's S&P/TSX 5% Capped Index (S&P/TSX 5% Cap), the U.S. Standard & Poor's 500 Index (S&P 500) and The Morgan Stanley Capital International Index for Europe, Australia and Far East (MSCI EAFE). Based on the Fund's SIP&P, an assumed equity mix of 24% Canadian, 15% U.S. and 15% EAFE countries for total Fund assets is considered normal. As a percentage of total equity investments, this translates into 44% Canadian, 28% U.S. and 28% EAFE countries. This is referred to as the benchmark for total equities.

All equity categories except private equity delivered strong positive returns in 2009. Canadian Equities generated a 30.31% return versus the 34.96% benchmark. U.S. Equities returned 10.88% versus the 8.08% benchmark, and Non-North American Equities delivered 23.29% versus the 12.62% benchmark.



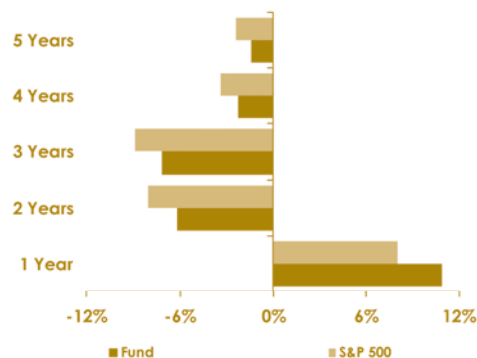
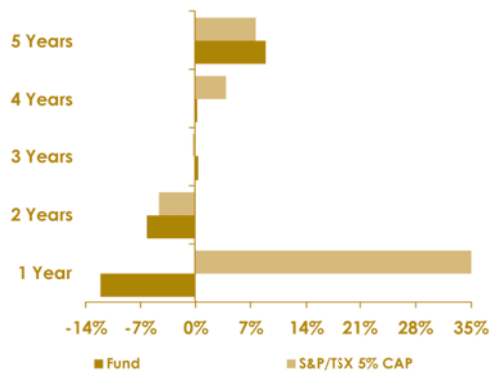


Canadian Equity

The Fund's Canadian Equity investments produced a 30.31% return versus the 34.96% benchmark. Outperformance by the Fund's public equity managers was more than offset by the weak private equity investments.

Private Equity

Superman Resources Inc. has delivered strong returns for the Fund since its inception in 1996. Very weak markets for natural gas in North America led to a significant downward value appraisal in 2009 and this impacted returns negatively. A difficult economic environment negatively impacted private equity returns.

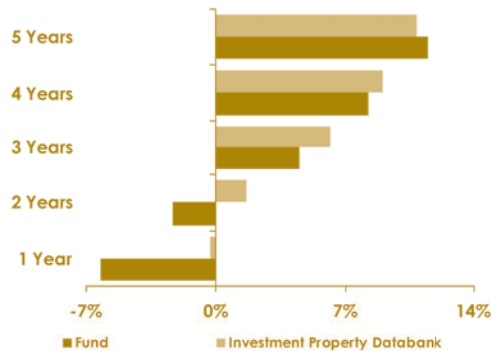
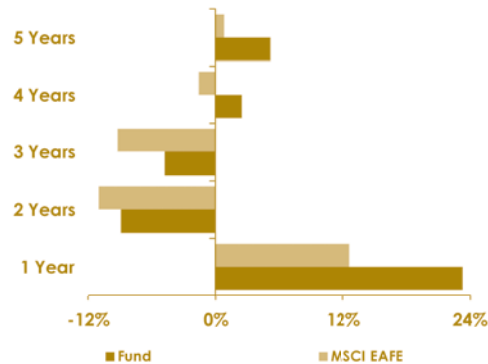


U.S. Equity

The Fund's internal team outperformed the benchmark by 280 basis points, 10.88% versus 8.08%.

Non-North American Equity

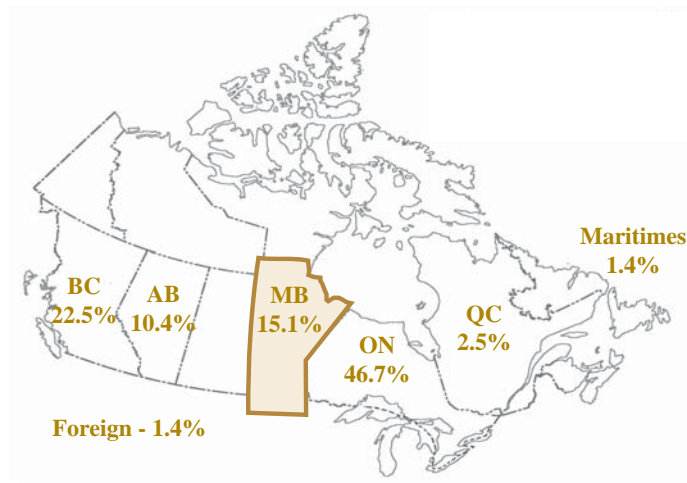
The year 2009 was an exceptionally strong year for the Fund's Non-North American investments. The return of 23.29% almost doubled the 12.62% benchmark. This was primarily driven by our large overweight in emerging markets, which performed far better than the European and Japanese markets.



Real Estate

Real Estate delivered a (6.25)% return versus a benchmark of (0.32)%. The underperformance was impacted by appraisals that were significantly more conservative than those used in constructing the benchmark index. In addition, we experienced a challenging environment in two of our projects.

Distribution by Geographic Location



Strategy and Outlook

We expect equity investments to produce better returns than fixed income investments for a considerable period of time. This coincides with the independent consulting organization's underlying assumptions used to arrive at their recommendations for the revised investment policy. The composition of the portfolio entering 2010 is overweight equities versus the revised policy and underweight fixed income. The overweighting of emerging markets also continues, but less so than 2009, as these markets have already delivered substantial outperformance. Long-term, we continue to believe emerging markets will produce better equity returns than the developed markets.

Canadian bond yields have risen from the lows seen in 2009 and we expect more upward pressure on interest rates from a strong Canadian economy and rising U.S. interest rates. We expect the recovery in world financial markets, and most world economies, to continue albeit with a few bumps along the way. Aside from occasional defensive positions, the portfolio is expected to remain fully invested with a bias towards equities versus fixed income investments.

Diversification, Growth and Stability

Fund Investments

	2009 (*)	2008 (*)
Contractual Investments		
Cash and Short-term	110,720	17,019
Bonds and Debentures	1,242,838	1,161,254
Mortgages	31,742	35,292
Equity Investments		
Canadian Equities	1,126,959	823,530
U.S. Equities	433,423	364,654
Non-North American Equities	698,610	511,389
Real Estate	356,897	389,825
Total Investments	4,001,189	3,302,963

* \$Thousands



Membership

Member Services

The Board offers the following services to members and their families, financial planners, solicitors, etc.:

1. Individual Meetings

Members can meet with Board staff in Winnipeg and rural areas to discuss pension and insurance benefits. The Internet allows for services similar to those provided at the Board office in Winnipeg to be offered in rural areas like Brandon and Dauphin. Members are encouraged to bring anyone they wish to these meetings, like a spouse or financial planner.

2. Pre-Retirement Planning Seminars

The pre-retirement planning seminar program is a half-day session designed for employees who are beginning to plan for retirement. They are presented in major centres throughout Manitoba for groups of 15 to 50 people, and members are encouraged to bring their spouses. The focus of these seminars is on pension and insurance benefits offered through the Board.

3. Employee Pension and Insurance Seminars

The employee information seminars focus on pension and insurance benefits, such as eligibility, entitlement to benefits, family protection, disability, death, marriage separation, etc. They are presented to groups of 15 to 250 employees of the Government and its related boards, commissions, and agencies, and last for two to three hours.

4. Personal and General Inquiries

Board staff are available to answer questions by way of phone and written communication.

5. Electronic Communications

The Board has a website and online services, allowing members to view general information and obtain detailed personalized information at their convenience.

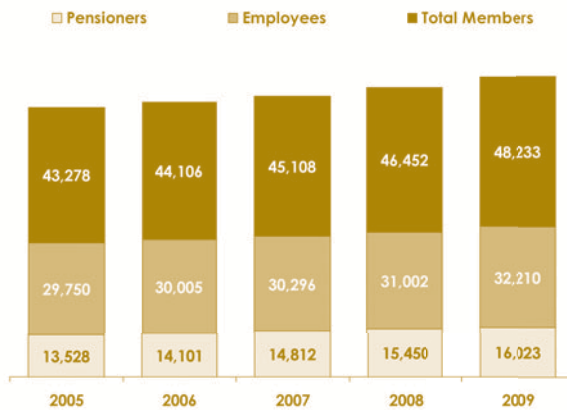
Staff are available to meet your information needs with respect to enrolment, retirement, disability, termination and pension projections for estate and retirement planning.

We ask that you have your personal identification number (PIN), social insurance number (SIN), or employee number ready when calling the office and that you make an appointment prior to visiting to assist us in serving you better.

Members/Retirements

- Total members increased by 1,781 to 48,233 during 2009
- Employees/former employees participating in the Fund increased by 1,208 to 32,210
- Pensioners/beneficiaries increased by 573 to 16,023

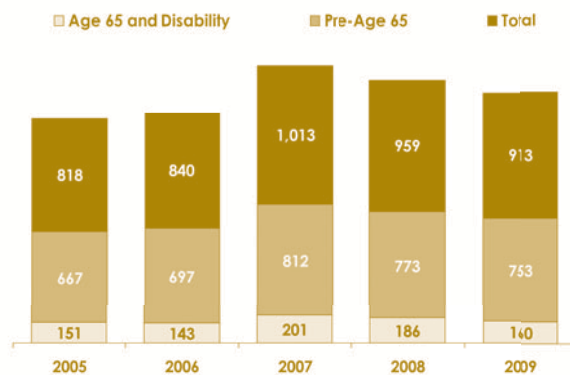
TOTAL MEMBERS



Fund Fact

The number of employees increased substantially more than the number of pensioners for the first time in five years.

RETIREMENTS



Fund Fact

For the second straight year, there was a decline in the number of retirements.

Paying Your Benefits

- 16,023 pensioners/beneficiaries were receiving pension benefits at the end of 2009
- \$270.0 million was paid in pensions

PAYMENTS FROM THE FUND (THOUSANDS)



FORMER CONTRIBUTORS



Fund Fact
The number of former contributors decreased for the first time in over four years.

Employees/Former Employees

The distribution of employees/former employees by employer as at December 31, 2009 was as follows:

Non-Matching Employers	Males	Females	Total
Province of Manitoba Civil Service	7,016	8,163	15,179
Manitoba Hydro-Electric Board	4,251	1,417	5,668
Manitoba Public Insurance	823	1,133	1,956
Red River College	585	650	1,235
Liquor Control Commission	342	315	657
Assiniboine Community College	133	196	329
Addictions Foundation of Manitoba	90	226	316
University College of The North	116	172	288
The Legal Aid Services Society of Manitoba	45	106	151
Diagnostic Services of Manitoba	16	110	126
Manitoba Centennial Centre Corporation	35	15	50
Teachers' Retirement Allowances Fund Board	9	23	32
Communities Economic Development Fund	10	5	15
The Council on Post-Secondary Education	5	7	12
Manitoba Horse Racing Commission	3	1	4
Regional Health Authorities			
Winnipeg	16	171	187
Brandon	40	132	172
Central	2	42	44
Interlake	5	32	37
Assiniboine	2	32	34
Parkland	7	26	33
South Eastman	3	23	26
Nor-Man	0	19	19
North Eastman	1	11	12
Burntwood	1	7	8
Total Non-Matching	13,556	13,034	26,590

Matching Employers	Males	Females	Total
Manitoba Lotteries Corporation	741	745	1,486
Manitoba Housing Authority	243	160	403
Manitoba Agricultural Services Corporation	70	88	158
Manitoba Crop Insurance Corporation	109	13	122
Child and Family All Nations Coordinated Network Inc.	15	95	110
Manitoba Government and General Employees Union	35	46	81
Manitoba Hydro Utilities Service	66	14	80
The Civil Service Superannuation Board	29	23	52
Gaming Control Commission	26	24	50
Travel Manitoba	11	28	39
Food Development Centre	14	22	36
Manitoba Floodway Expansion Authority Inc.	18	16	34
Dairy Farmers of Manitoba	6	14	20
Industrial Technology Centre	12	6	18
Manitoba Pork Marketing Co-op Inc.	9	6	15
Manitoba Arts Council	0	13	13
Manitoba Film and Sound Recording Development Corporation	4	6	10
Manitoba Pork Council	3	6	9
Crown Corporations Council	2	3	5
Manitoba Chicken Producer Board	1	4	5
Sport Manitoba	4	1	5
Manitoba Cattle Enhancement Council	0	3	3
Manitoba Turkey Producers	0	3	3
Paletta & Company Hotels	3	0	3
Venture Manitoba Tours Ltd.	3	0	3
Total Matching	1,424	1,339	2,763

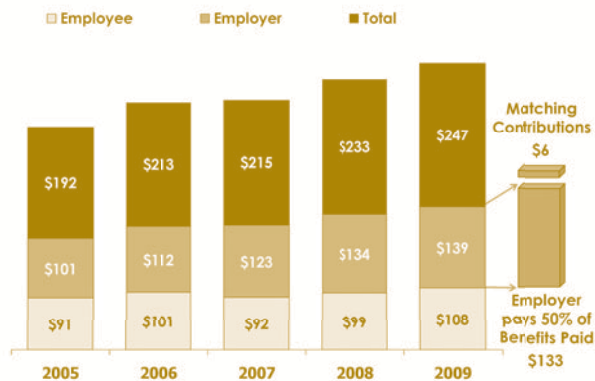
Other	Males	Females	Total
Deferred Pension Accounts	1,156	1,433	2,589
L.T.D. Recipients	40	103	143
Manitoba Reciprocal Agreements	75	50	125
Total Other	1,271	1,586	2,857

Total (Non-Matching, Matching, Other)	16,251	15,959	32,210
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Employee Contributions/Employer Payments

- Employees contributed \$107.6 million to the Fund compared to \$98.6 million in 2008
- Employers paid \$139.6 million to the Fund compared to \$134.0 million in 2008
- 89.8% of your contributions fund basic pension and beneficiary benefits
- 10.2% of your contributions are allocated for cost-of-living benefits

CONTRIBUTIONS AND PAYMENTS (MILLIONS)



Fund Fact

Total contributions and payments by employees and employers has increased 29% since 2005.

Employees and Employers share the cost of the plan. Each year employees contribute the following:

- 6% on earnings up to Canada Pension Plan maximum earnings (\$46,300 in 2009)
- 7% on earnings in excess of that amount

Employer payments include:

- Approximately 50% of pensions paid and Commuted Value transfers for terminations, marriage separations, and deaths for non-matching employers
- Payments made by matching employers

Cost-of-Living Allowance

- 10.2% of employee contributions and matching employer payments go to a separate account to fund cost-of-living increases (COLA)
- The account funds approximately half the COLA increase while employers pay their share
- Pensioners and beneficiaries receive an annual increase to a maximum of $\frac{2}{3}$ of the increase in the Canadian Consumer Price Index (CPI)
- The COLA paid July 1, 2009 was 0.77%

Cost-of-Living Account

The transfer of the indexing reserve of \$145 million from the Basic plan to the COLA Program received legislative approval in 2009.

Funding of Pension Benefits

The Fund's net assets available for benefits are primarily funded by:

- Investment income
- Employee contributions
- Employer payments

These assets are used to finance the payment of the Fund's portion of the basic pension, the indexing benefits, and the employers' share for several matching employers.

The majority of employers are non-matching and defer payment of their share of pension benefits until the benefit is paid.

The Fund consists of two separate accounts:

1. Basic Benefits Account

- Finances the Fund's share of the basic pension benefit calculated as at a specific date (i.e. retirement, termination or death)

2. Indexing Benefits Account

- Has been specifically established to finance the Fund's share of cost-of-living benefits paid to members
- 10.2% of employee contributions and matching employer payments are credited annually to this account

The cost-of-living benefit payments are limited to the extent that the Indexing Benefits Account is able to finance its share of each increase. Legislation limits the maximum annual cost-of-living adjustment to $\frac{2}{3}$ of the increase in the CPI until the account can prefund anticipated adjustments for the next 20 years.

The net assets available to finance pension benefits, the obligations for pension benefits, and any surplus in the Basic Benefits Account and the funds available to finance future cost-of-living adjustments as at December 31, 2009 are summarized below.

	Fund (*)	Non-Matching Employers (*)	Obligations Total (*)
1. Net Assets Available (Net of Actuarial Reserves)			
Basic Benefits Account	3,242,955	See Note Below	
Indexing Benefits Account	221,425		
Total	3,464,380		
2. Actuarial Obligations for Pension Benefits			
Basic Benefits Account (including future benefits)	3,271,651	2,612,633	5,884,284
Indexing Benefits Account	153,523	148,680	302,203
Total	3,425,174	2,761,313	6,186,487
3. Actuarial Position/Funds Available			
Basic Benefits Account	(28,696)	See Note Below	
Indexing Benefits Account (funds available to finance future adjustments)	67,902		
Total	39,206		

* \$Thousands

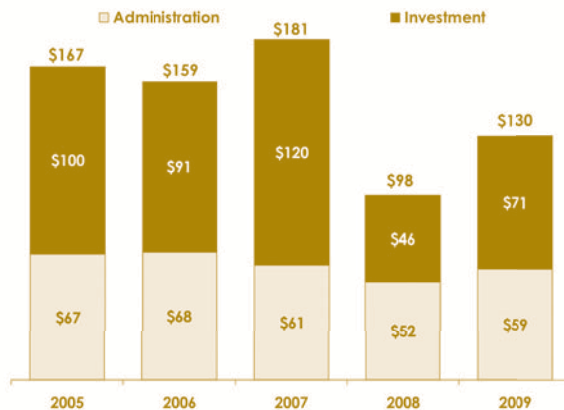
Refer to Notes 6 and 7 of the Audited Consolidated Financial Statements for additional information.

Note: The non-matching employer's portion of the pension liability is unfunded for most employers. Refer to Schedule 2 of the Audited Consolidated Financial Statements for additional information.

Administration and Investment Cost

The Board's annual administration and investment cost per member continues to be one of the lowest in Canada for complex defined benefit plans. The total annual cost per member for 2009 was \$130 consisting of \$59 for administration and \$71 for investment related expenses.

ANNUAL COST PER MEMBER



Fund Fact

The increase in the market value of the Fund's assets translated into an increase in the investment management fees that the Fund pays. Additional funds were allocated to external managers in 2009. The fees charged by external managers are higher than the cost to manage the funds internally.

Governance

The Board and sub-committees regularly receive management certified compliance reports and informational material to assist with oversight requirements. In addition, the Board reviews and formally approves the minutes of all subcommittee meetings.

Five-Year Comparative Statistics

		2005 (*)	2006 (*)	2007 (*)	2008 (*)	2009 (*)
Investments	Rate of Return	14.50%	12.85%	3.91%	(17.04)%	14.06%
	Market Value	3,384,202	3,836,359	3,973,775	3,302,963	4,001,189
Contributions and Payments	Employee Contributions	90,885	100,844	92,374	98,635	107,593
	Employer Payments	100,715	111,803	122,480	133,991	139,556
	Total	191,600	212,647	214,854	232,626	247,149
Payments from the Fund	Pension Benefits Paid	195,061	211,617	230,630	250,532	270,006
	Refunds and Transfers	18,306	25,490	29,692	33,367	24,238
Expenses	Administrative, net before recoveries from non-matching employers	2,888	2,980	2,737	2,452	2,858
	Investment, net	4,312	4,035	5,459	2,152	3,408
	* \$Thousands unless otherwise noted					
		2005	2006	2007	2008	2009
Membership	Non-Retired Members	29,750	30,005	30,296	31,002	32,210
	Pensioners and Other Recipients	13,528	14,101	14,812	15,450	16,023
	Total Members	43,278	44,106	45,108	46,452	48,233
	Refunded/Transferred Members	1,133	1,322	1,297	1,513	1,378
	Retirements	818	840	1,013	959	913



Financial Information

Management Report

The accompanying consolidated financial statements of The Civil Service Superannuation Fund are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles, as stated in the notes to the consolidated financial statements. Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and to safeguard the assets of the Fund. In management's opinion, the consolidated financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to April 20, 2010.

The firm of Ellement and Ellement has been appointed as consulting actuary for the Fund. The role of the actuary is to complete the triennial actuarial valuations of the Fund in accordance with actuarial practice and estimate the obligations for benefits for inclusion in the annual consolidated financial statements.

The Auditor General performs an independent audit of the consolidated financial statements in accordance with Canadian generally accepted auditing standards. The resulting opinion is set out in the Auditor's Report attached to the consolidated financial statements.

Ultimate responsibility for the consolidated financial statements rests with the members of the Board. The Board established a Finance and Audit Committee to meet with Board staff and representatives of the Auditor General. It is the responsibility of the Finance and Audit Committee to review the consolidated financial statements, ensure that each group has properly discharged its respective responsibilities and make a recommendation to the Board regarding approval of the consolidated financial statements. The auditors have full and unrestricted access to the Board and to the Finance and Audit Committee.

The Board has reviewed and approved these financial statements.

On behalf of Management,



Bruce Schroeder
General Manager



Rick Wilson
Director, Finance

Report of the Office of the Auditor General on The Civil Service Superannuation Fund



AUDITOR'S REPORT

To the Legislative Assembly of Manitoba and
To the Board of the Civil Service Superannuation Fund

We have audited the consolidated statement of net assets available for benefits of The Civil Service Superannuation Fund as at December 31, 2009 and the consolidated statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Fund's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the net assets available for benefits of The Civil Service Superannuation Fund as at December 31, 2009 and the changes in net assets available for benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by

Winnipeg, Manitoba
April 20, 2010

Carol Bellringer, FCA, MBA
Auditor General

Exhibit A - The Civil Service Superannuation Fund

Consolidated Statement of Net Assets Available for Benefits

as at December 31, 2009

	2009	2008
(\$) Thousands		
Assets		
Investments, Schedule 1, Notes 3(b) and 5	\$4,001,189	\$3,302,963
Assets held for the Province of Manitoba Trust Account 2, Note 14	89,211	-
Equipment	35	85
Prepaid expenses	206	209
Debt due from the Province of Manitoba, Note 9	1,826	1,826
Receivables	2,338	2,807
Accrued dividends and interest	13,805	16,918
Total assets	4,108,610	3,324,808
Liabilities		
Accounts payable and accrued liabilities	9,263	8,285
The Province of Manitoba Unfunded Pension Liability Trust Account, Note 13	643,766	332,365
The Province of Manitoba Unfunded Pension Liability Trust Account 2, Note 14	89,211	-
Correctional Officers' Trust Account, Note 10	4,145	3,468
Employer Trust Accounts, Note 11	52,057	45,274
Money Purchase Accounts Plan, Note 12	19,477	16,368
Total liabilities	817,919	405,760
Net assets available for benefits, Exhibit B	\$3,290,691	\$2,919,048



Chairperson of the Board



Chairperson, Finance and Audit Committee

Exhibit B - The Civil Service Superannuation Fund

Consolidated Statement of Changes in Net Assets Available for Benefits

for the Year Ended December 31, 2009

(\$) Thousands	2009			2008
	Basic Benefits Account	Indexing Benefits Account	Total	Total
Increase in assets				
Contributions, Schedule 2, Note 1(b)				
Employees	\$ 97,345	\$ 10,248	\$ 107,593	\$ 98,635
Employers	138,894	662	139,556	133,991
Total contributions	236,239	10,910	247,149	232,626
Net investment income, Schedule 3	26,870	28,720	55,590	232,185
Current period change in fair value of investments, Note 15	364,891	-	364,891	-
Other	79	-	79	77
Total increase in assets	628,079	39,630	667,709	464,888
Decrease in assets				
Current period change in fair value of investments, Note 15	-	-	-	847,430
Pension benefits paid	251,762	18,244	270,006	250,532
Refunds and transfers	24,238	-	24,238	33,367
Administrative expenses, net, Note 16	1,563	-	1,563	1,342
Transfer to employer trust accounts	259	-	259	420
Total decrease in assets	277,822	18,244	296,066	1,133,091
Increase (decrease) in net assets	350,257	21,386	371,643	(668,203)
Net assets available for benefits at beginning of year	2,742,884	176,164	2,919,048	3,587,251
Transfer of funds, Note 6(b)	(145,000)	145,000	-	-
Increase (decrease) in net assets	350,257	21,386	371,643	(668,203)
Net assets available for benefits at end of year, Exhibit A	\$2,948,141	\$342,550	\$3,290,691	\$2,919,048

1. Description of Plan

The following description of the Civil Service Superannuation Plan (the “Plan”) is a summary only. For more complete information reference should be made to the Civil Service Superannuation Act (the “Act”).

(a) General

The Civil Service Superannuation Board (the “Board”) and the Civil Service Superannuation Fund (the “Fund”) were established under the Act in May 1939. The Board is responsible for administering the Act. The Act defines the basis of funding and the operation of the Plan as a defined benefit plan, which provides pension benefits to employees of the Government of the Province of Manitoba and its agencies participating in the Plan.

(b) Funding

The Act requires that employees contribute 6% of pensionable earnings up to the Canada Pension Plan (CPP) maximum pensionable earnings and 7% of pensionable earnings above that maximum each year. In accordance with the Act, 89.8% of the employee contributions are allocated to the Basic Benefits Account and 10.2% are allocated to the Indexing Benefits Account. The matching employer contribution rate is at 5.1% on pensionable earnings up to the CPP maximum pensionable earnings and 7% of pensionable earnings above that maximum each year.

Under provisions of the Act non-matching employers defer contributing their share of employee pension benefits until they are billed for 50% of the benefit payments processed. However, non-matching employers are not billed for the cost of the pension formula improvement implemented in 2000. Matching employers similarly do not contribute toward the 2000 pension formula improvement.

The Fund’s net assets available for benefits are primarily comprised of contributions from employees and matching employers together with investment income. These assets are intended to finance the Fund’s portion of the Plan’s actuarially determined obligation for pension benefits accruing to employees for service to the date of these financial statements. The non-matching employers’ portion of the obligation for pension benefits as shown in Note 6 is unfunded.

One-half of the cost-of-living benefit payments are charged to the Indexing Benefits Account. All other benefit payments are charged against the Basic Benefits Account. The recovery of the non-matching employers’ share is credited to the Basic Benefits Account.

The cost-of-living benefit payments are limited to the extent that the amount in the separate Indexing Benefits Account is actuarially able to finance one-half of that payment. Legislation limits the maximum annual adjustment to two-thirds of the increase in Consumer Price Index (Canada) until the Indexing Benefits Account can pre fund anticipated adjustments for the next twenty years.

(c) Pension Calculation

The lifetime pension calculation equals:

- (i) 2% of a member’s best five-year average pensionable earnings multiplied by pensionable service.

The Civil Service Superannuation Fund
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2009
(\$) Thousands

- (ii) minus .4% of the average CPP maximum pensionable earnings for the same period multiplied by pensionable service since January 1, 1966.

The lifetime pension is subject to an overall maximum of 70% of the average earnings described in (i) above. Some pensions for members retiring prior to age 60 are subject to an early retirement reduction.

(d) Excess Contributions

On termination, retirement or death, if a member's contributions plus interest (less 10.2% allocated to the Indexing Benefits Account) exceed 50% of the commuted value of the pension for service after December 31, 1984, the excess contributions are payable to the member or the member's estate.

(e) Retirement

A member with ten or more years of qualifying service is eligible to retire at age 55.

A member with one or more years of qualifying service is eligible to retire at age 65.

All members must commence pension benefits no later than the last day of the calendar year in which the member attains 71 years of age.

Eligible members of the Province of Manitoba's Corrections Component may retire as early as age 50.

(f) Disability Pensions

A member with ten or more years of qualifying service is eligible to apply for a disability pension.

(g) Survivor's Benefits

A survivor's benefit is payable to a spouse or eligible survivor(s) of a member who dies with two or more years of qualifying service.

(h) Death Refunds

A death refund is payable to the estate of a pensioner or survivor where such pensions have not been paid to the full extent of the individual's contributions plus interest. In a similar manner, a death refund is payable to the estate of a member where no survivor's pension is paid.

(i) Withdrawal Refunds

Upon application and subject to lock-in provisions, withdrawal refunds are payable when a member ceases to be employed by a participating employer. Members with two or more years of qualifying service may choose to leave their contributions in the Plan as a vested member.

(j) Income Taxes

The Plan is a Registered Pension Trust as defined in the Income Tax Act and is not subject to income taxes.

(k) Money Purchase Accounts Plan

The Board administers and maintains a separate Money Purchase Accounts Plan on a trust basis as provided for in the Act.

2. Changes in Accounting Policies

Disclosure of Financial Instruments

The Fund has adopted the amended CICA standard, Section 3862 *Financial Instruments – Disclosures*. This section is intended to enhance the abilities of users of the financial statements to evaluate the significance of financial instruments of an entity, related exposures and the management of these risks.

This amended section, which was effective, January 1, 2009, requires an entity to classify fair value measurements into a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments. The Hierarchy of inputs is summarized below:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), or
- Level 3 - inputs for the asset or liability that are not based on observable market data.

Changes in valuation methods may result in transfer into and out of an investment's assigned level. The revised and enhanced disclosure with respect to this standard is included in Note 3(g).

3. Significant Accounting Policies

The significant accounting policies are summarized below:

(a) Basis of Presentation

The consolidated financial statements are prepared on a going-concern basis as a separate financial reporting entity, in accordance with Canadian generally accepted accounting principles. They are prepared to assist participants and others in reviewing the financial activities for the fiscal year.

(b) Investments

Investments are recorded at fair value on a trade date basis. Fair values of investments are determined as follows:

Fixed Income

- (i) Short-term investments are valued at cost, which approximates market and short term equivalents are valued at market by independent sources.
- (ii) Bonds and debentures are valued at market by independent sources.
- (iii) National Housing Act (Canada) and other mortgages are valued based upon the present value of future discounted cash flows. Pooled mortgage funds are valued at market by the external manager.

The Civil Service Superannuation Fund
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2009
(\$) Thousands

Equity

- (i) Publicly traded securities are valued at year end market prices as listed on the appropriate stock exchange.
- (ii) Real estate investments are valued at the most recent appraisals or external manager's valuations of the underlying properties.
- (iii) Petroleum and natural gas shares are valued based upon the discounted present value of proven petroleum and natural gas reserve information provided by external managers or are reflected at cost until such information is made available.
- (iv) Venture capital investments are based on values established by the external managers or at cost where no valuation has been prepared.
- (v) Real estate shares include the value of 18 real estate subsidiaries that have not been accounted for on a consolidated basis, but whose value (\$233,551) is included in the Consolidated Summary of Investments, Schedule 1.

(c) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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 during the year. Actual results could differ from those estimates.

(d) Foreign Currency Translation

The fair value of investments denominated in foreign currencies is translated into Canadian dollars at the exchange rate in effect at year-end and the resulting change is included in the current period change in fair value of investments. Revenue and expense transactions are translated at the exchange rates prevailing on the dates of the transactions and are included in investment income at the translated amounts.

(e) Equipment

Computer equipment costing less than \$15 and all furniture purchases are charged to operations in the year of acquisition. Mid-range computer equipment cost is amortized over 5 years and microcomputer equipment cost is amortized over 3 years.

f) Capital Disclosures

In the context of the Fund, capital is defined as the net assets available for pension benefits. Externally-imposed capital requirements relate to the administration of the Fund in accordance with the terms of the Fund, The Pension Benefits Act of the Province of Manitoba and the provisions of the Income Tax Act (Canada). The Fund has developed appropriate risk management strategies, as described in Note 4, to preserve the net assets available for pension benefits. The Fund has complied with externally-imposed capital requirements during the year.

The Civil Service Superannuation Fund
Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

(\$) Thousands

(g) **Disclosure of Financial Instruments - Fair Value Measurements**

The following is a summary of the inputs used as of December 31, 2009 in valuing the Fund's investments carried at fair values:

	Level 1 Quoted Prices in Active Markets	Level 2 Significant Other Observable Inputs	Level 3 Significant Unobservable Inputs	Total
Assets				
Cash equivalents - short term	\$ -	\$ 202,816	\$ -	\$ 202,816
Fixed Income				
Pooled bond fund				
Collateralized mortgage obligations	-	40,248	-	40,248
Corporate bonds	-	616,713	-	616,713
Government issues	-	532,955	-	532,955
Other asset backed	-	36,413	-	36,413
Mortgages	-	31,741	-	31,741
	-	1,258,070	-	1,258,070
Pooled equity funds				
Common stock	1,659,237	-	-	1,659,237
Common stock units	86,418	-	-	86,418
Preferred stock	804	-	-	804
Limited partnership units	9,737	-	-	9,737
Depository receipts	24,716	-	-	24,716
Mutual funds	267,576	-	-	267,576
Warrants	90	-	-	90
	2,048,578	-	-	2,048,578
Real Estate				
Participating bonds	-	-	82,152	82,152
Shares	-	-	274,745	274,745
	-	-	356,897	356,897
Petroleum and natural gas	-	-	131,432	131,432
Venture capital	-	-	25,850	25,850
Total assets	2,048,578	1,460,886	514,179	4,023,643
Liabilities				
Pooled bond fund				
Corporate bonds	-	15,538	-	15,538
Financial instruments	\$2,048,578	\$1,445,348	\$514,179	\$4,008,105
Cash				(6,916)
Total investments, Schedule 1				\$4,001,189

The Civil Service Superannuation Fund
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2009
(\$) Thousands

	Level 1 Quoted Prices in Active Markets	Level 2 Significant Other Observable Inputs	Level 3 Significant Unobservable Inputs	Total
Province of Manitoba unfunded pension liability Trust account 2				
Cash equivalents - short term	\$ -	\$ 89,158	\$ -	\$ 89,158
Financial instruments	-	89,158	-	89,158
Cash				35
Total investments - Province of Manitoba Unfunded Pension Liability Trust Account 2, Note 14				89,193
Consolidated:				
Total financial instruments	\$2,048,578	\$1,534,506	\$514,179	\$4,097,263
Cash				(6,851)
Total investments, Note 3(b)				\$4,090,382

At December 31, 2009, no equity investments and no bonds were transferred from Level 1 to Level 2. All securities in Level 1 can be traded in an active market.

During the year ended December 31, 2009, the reconciliation of investments measured at fair value using unobservable inputs (Level 3) is presented as follows:

	Real Estate	Petroleum & Natural Gas	Venture Capital	Total
Beginning balance	\$ 389,825	\$ 144,492	\$ 21,399	\$ 55,716
Purchases	32,861	15,961	2,935	51,757
Sales	(10,124)	-	-	(10,124)
Realized gains/(losses)	3,776	-	-	3,776
Return of capital	(12,764)	-	-	(12,764)
Change in unrealized appreciation/(depreciation)	(46,677)	(29,021)	1,516	(74,182)
Ending balance	\$ 356,897	\$ 131,432	\$ 25,850	\$ 514,179

4. Risk Management

Fair values of investments are exposed to interest rate risk, credit risk, currency risk, market risk and liquidity risk.

(a) Interest Rate Risk

Interest rate risk refers to the impact of interest rate changes on the Fund's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Fund's assets and liabilities. The value of the Fund's assets is affected by short term changes in nominal interest rates and equity markets.

Pension liabilities are exposed to the long term expectation of rate of return on investments as well as expectations of inflation and salary escalation. The Fund's primary exposure is to a decline in the long term real rate of return which may result in higher contribution rates required to meet its obligations.

The Fund's exposure to interest rate risk is concentrated in its investments in the bond pooled funds and government and corporate short term investments. To properly manage the Fund's interest rate risk, appropriate guidelines on the weighting and duration for bonds and other fixed income investments are set and monitored by the Fund's Investment Committee.

The Fund has invested approximately 35% (2008 – 37%) of its assets in fixed income securities as at December 31, 2009, which generated a rate of return of +8.81% (2008 – negative 4.09%). The returns on fixed income securities are particularly sensitive to changes in nominal interest rates. As at December 31, 2009, if prevailing interest rates were raised or lowered by 100 basis points, with all other factors held constant, fixed income investments would likely have decreased or increased respectively by approximately \$98,220. The Fund's interest rate sensitivity was determined based on portfolio weighted duration.

(b) Credit Risk

Credit risk is the risk of loss from the failure of a counter party to discharge its contractual obligations. At December 31, 2009, the Fund's maximum credit risk exposure relates to bonds and debentures, cash and short term investments and mortgages totalling \$1,385,300 (2008 - \$1,213,565), receivables of \$2,338 (2008 - \$2,807) and accrued interest of \$9,856 (2008 - \$12,254) totalling \$1,397,494 (2008 - \$1,228,626). The Fund's Investment Committee limits credit risk by concentrating on high quality securities and adhering to a Statement of Investment Policies and Procedures. The Policy establishes investment ownership limits and acceptable credit ratings. In the case of bonds and debentures, 5% can be rated BBB or lower, with some temporary latitude in the event of the down rating of a security.

All transactions in listed securities are settled upon delivery using approved investment managers. The risk of default is considered minimal, as delivery of securities sold is only made once the investment manager has received payment. Payment is made on a purchase once the securities have been received by the investment manager. The trade will fail if either party fails to meet its obligation.

The Civil Service Superannuation Fund
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2009
(\$) Thousands

The breakdown of the Fund's bond portfolio by credit rating from various rating agencies is presented below:

Credit Rating	2009		2008	
	Fair Value		Fair Value	
AAA	\$ 580,010	47.9%	\$ 596,265	63.0%
AA	227,361	18.8	222,778	19.8
A	324,291	26.8	272,364	24.2
BBB+	13,364	1.1	-	-
BBB and lower	65,764	5.4	34,022	3.0
	1,210,790	100.0%	1,125,429	100.0%
Cash and short-term	32,048		35,825	
Total pooled bond fund	\$1,242,838		\$1,161,254	

Credit risk associated with contributions receivable is minimized due to their nature. Contributions are collected from participating members through the payroll process. No provision for doubtful contributions receivable has been recorded in either 2009 or 2008.

(c) **Currency Risk**

Currency risk relates to the possibility that foreign currency-denominated investments will change in value due to future fluctuations in foreign exchange rates. The Fund does, from time to time, hedge some of this exposure. As at December 31, 2009 external fund managers had entered into forward foreign exchange contracts valued at \$2,326 (2008 - \$6,639) that resulted in unrealized gains on these foreign exchange contracts totalling \$200 (2008 - \$1,463 losses).

The Fund's exposure in cash and investments to foreign currencies in Canadian dollars is shown below:

As at December 31, 2009	Actual Currency Exposure	Percentage
Canadian	\$2,783,769	69.6%
U.S. dollar	719,882	18.0
Japanese yen	94,607	2.4
Hong Kong dollar	76,536	1.9
Euro	45,488	1.1
Pound sterling	40,346	1.0
Australian dollar	37,181	0.9
South Korean won	36,326	0.9
Taiwan new dollar	30,923	0.8
Other currencies	136,131	3.4
Total investments	\$4,001,189	100.0%

A 10 percent increase or decrease in exchange rates, with all other variables held constant, would result in a change in unrealized gains (losses) of \$121,742.

The Civil Service Superannuation Fund
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(\$ Thousands)

(d) **Market Risk**

Market risk is the risk that the value of an investment will fluctuate as a result of a change in market conditions, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market. The Fund's investments in equities are sensitive to market fluctuations. To assist in mitigating the impact of market risk, the Board has established appropriate guidelines on asset diversification to address specific security, geographic, sector and investment manager risks which they monitor on a regular basis. A decline of 10 percent in equity values, with all other variables held constant, will impact the Fund's equity investments by an approximate loss of \$261,589.

(e) **Liquidity Risk**

Liquidity risk is the possibility that investments of the Fund cannot be readily converted into cash when required. The Fund may be subject to liquidity constraints because of insufficient volume in the markets for the securities of the Fund or other securities may be subject to legal or contractual restrictions on their resale. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active public market and can be readily disposed. Although market events could lead to some investments becoming illiquid, the diversity of the Fund's portfolio and current contribution levels should ensure that liquidity is available for benefit payments.

The term to maturity and related market values of fixed income investments are as follows:

Term to Maturity	2009	2008
Less than one year	\$ 134,335	\$ 57,614
One to five years	389,443	228,381
Over five years	861,522	927,570
Total fixed income investments	\$1,385,300	\$1,213,565

(f) **Fair Value**

The fair value of the financial assets and liabilities of the Fund approximates their carrying value due to their short term nature, with the exception of investments which are stated at market value (see Schedule 1).

(g) **Securities Lending**

The Fund has entered into a securities lending program through the lending agent, State Street Trust Company Canada. Under the program, the Fund will lend various securities in its possession to borrowers approved by the lending agent. The loans can be secured by either securities or cash collateral. The Fund has risks under this program including borrower default and reinvestment risk.

The Civil Service Superannuation Fund
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2009
(\$ Thousands)

5. Investment in Petroleum and Natural Gas

(a) Investment in Petroleum and Natural Gas

The fair value of the Fund's investment in petroleum and natural gas, through its 74.42% (2008 - 74.42%) share in its subsidiary Superman Resources Inc., as at December 31, is as follows:

	2009	2008
Assets		
Cash	\$ 4,790	\$ 7,893
Accounts receivable	4,241	6,156
Investment - Wembley Resources Ltd.	923	1,018
Property and equipment	93,255	82,045
	103,209	97,112
Liabilities		
Accounts payable and accrued liabilities	3,317	7,376
Asset retirement obligation	10,535	10,154
	13,852	17,530
Net investment in petroleum and natural gas - cost	89,357	79,582
Market value adjustment	42,075	64,910
Net investment in petroleum and natural gas - fair value, Schedule 1	\$131,432	\$144,492

(b) Petroleum and Natural Gas Income

The Fund's petroleum and natural gas income and retained earnings for the year ended December 31, is as follows:

	2009	2008
Revenue		
Oil and gas sales	\$ 23,924	\$ 45,497
Less: Royalties net of Alberta Royalty Tax Credits	2,773	8,056
	21,151	37,441
Interest and other income	42	301
Equity in earnings of Wembley Resources Ltd.	228	316
	21,421	38,058
Expenses		
Depreciation and depletion	13,518	12,291
Production	8,123	8,892
Asset administration	2,339	2,595
(Recovery)/Provision for bad debts	(144)	2,339
Accretion	584	544
General and administrative	167	167
Legal and audit	45	109
	24,632	26,937
Net (loss)/income	(3,211)	11,121
(Deficit)/Retained earnings, beginning of year	(6,494)	1,734
Dividends - petroleum and natural gas, Schedule 3	(2,977)	(19,349)
Deficit, end of year	\$ (12,682)	\$ (6,494)

The Civil Service Superannuation Fund
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2009
(\$) Thousands

6. Obligations for Pension Benefits

(a) Obligation for pension benefits

(i) Basic Benefits Account

In accordance with the Act, an Actuarial Valuation Report is required every three years. The stated purpose of the actuarial valuation is to:

- determine the financial position of the Fund as at the valuation date,
- determine the adequacy of the contributions being received in relation to the portion of the benefits financed by the Fund, and
- provide recommendations as to the future course of action based on the financial position revealed.

The triennial Actuarial Valuation Report on the Fund was completed as at December 31, 2007 by Ellement and Ellement, consulting actuaries.

The actuarial present value of the accrued basic pension benefit obligations, based on service to date, was estimated by the actuary as at December 31, 2009. The principal components of the changes in actuarial present value during the year were calculated and are as follows:

	Basic Benefits Account			
	Fund 2009	Non- Matching Employers 2009	Total 2009	Total 2008
Actuarial present value of accrued basic pension benefit obligations based on service to date, beginning of year	\$2,992,413	\$2,402,583	\$5,394,996	\$5,423,674
Experience loss/(gain)	-	-	-	(368,535)
Benefits accrued	119,166	95,677	214,843	197,676
Benefits paid	(137,365)	(124,246)	(261,611)	(253,253)
Interest on accrued benefits	193,915	155,239	349,154	326,778
Change in actuarial reserves	38,385	30,819	69,204	68,656
Actuarial present value of accrued basic pension benefit obligations based on service to date, end of year	\$3,206,514	\$2,560,072	\$5,766,586	\$5,394,996

The non-matching employers' portion of the accrued basic pension benefit obligation is unfunded. These non-matching employers defer contributing their share of employee pension benefits until they are billed for 50% of the benefit payments processed. Non-matching employers are not billed for the cost of the pension formula improvement that was effective from September 1, 2000.

The Civil Service Superannuation Fund
Notes to the Consolidated Financial Statements
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(\$ Thousands)

The Actuarial Valuation Report as at December 31, 2007 and the estimate at December 31, 2009 were based on the same set of assumptions. These assumptions were chosen for each of the factors that will affect the Fund financially in future years. Each assumption is based on relevant past experience studied over long periods of time to produce more reliable information. In accordance with the methodology set out in the triennial actuarial valuation, the actuary has phased in some additional reserves during the estimate period to provide for possible adverse deviations not explicitly identified in the Valuation.

Significant long-term actuarial assumptions used in the December 31, 2007 Valuation and in the determination of the December 31, 2009 present value of the accrued basic pension benefit obligations were:

Annual rate of return	
(i) inflation component	2.50%
(ii) real rate of return	<u>4.00%</u>
	<u>6.50%</u>
Annual salary escalation rates	
(i) general increases	
a) inflation component	2.50%
b) productivity component	<u>0.75%</u>
	<u>3.25%</u>
(ii) service, merit and promotional increases *	
* the rates used vary by age groupings from a high of 3.0% to a low of 0%	

(ii) Indexing Benefits Account

The most recent annual Actuarial Valuation Report on the Indexing Benefits Account was prepared by Ellement and Ellement, consulting actuaries, as at December 31, 2008. The actuarial present value of the accrued indexing pension benefit obligations was estimated by the actuary as at December 31, 2009 and is as outlined below. The actuarial assumptions used are the same assumptions used for the Basic Benefits Account, except the annual rate of return is 6.00%.

Indexing Benefits Account			
	Fund 2009	Non- Matching Employers 2009	Total 2009
			Total 2008
Actuarial present value of accrued indexing pension benefit obligations, beginning of year	\$144,915	\$140,330	\$285,245
Experience loss/(gain)	-	-	-
Cost-of-living accrual effective July 1	12,283	9,862	22,145
Benefits paid	(18,244)	(14,648)	(32,892)
Interest on accrued benefits	8,885	8,572	17,457
Change in actuarial reserves	5,684	4,564	10,248
Actuarial present value of accrued indexing pension benefit obligations, end of year	\$153,523	\$148,680	\$302,203
			\$285,245

The Civil Service Superannuation Fund
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2009
(\$) Thousands

(b) **Fund's Asset Valuation**

The actuary adjusts net assets available for benefits to smooth investment gains (losses) over five years and to recognize amounts reserved for future indexing benefits.

The actuarial asset values used in the estimate of the Fund's pension obligations were:

	Basic Benefits 2009	Indexing Benefits 2009	Total 2009	Total 2008
Net assets available for benefits, Exhibit B	\$2,948,141	\$342,550	\$3,290,691	\$2,919,048
Amount reserved for future indexing benefits	-	(133,595)	(133,595)	(157,566)
Adjustment for the actuarial value of assets	294,814	12,470	307,284	291,904
Actuarial value of net assets available for benefits	\$3,242,955	\$221,425	\$3,464,380	\$3,053,386

During the year, the 2004 Basic Benefits Surplus of \$145,000 was transferred from the Basic Benefits Account to the Indexing Benefits Account in the reserve for future indexing benefits. In accordance with Board Policy, a portion of the reserve is made available (or released) each year for the provision of indexing benefits for that year. At December 31, 2009, \$133,595 has been reserved for the provision of indexing benefits in future years and is not available to pay indexing benefits for the current year.

7. Additional Actuarial Information

(a) **Total Actuarial Pension Liabilities For The Basic Benefits Account**

The actuary determines the actuarial liability for net future service as a component in the actuarial valuation completed for funding purposes. The total actuarial Basic Benefit pension liabilities at December 31, 2009 have been estimated based on service to date and net future service as follows:

	Fund 2009	Non- Matching Employers 2009	Total 2009	Total 2008
Service to date, Note 6	\$3,206,514	\$2,560,072	\$5,766,586	\$5,394,996
Net future service	65,137	52,561	117,698	110,515
Total actuarial pension liabilities	\$3,271,651	\$2,612,633	\$5,884,284	\$5,505,511

The Civil Service Superannuation Fund
Notes to the Consolidated Financial Statements
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(\$ Thousands)

(b) Basic Benefits Actuarial Position (Fund Only)

The Fund had an estimated going concern actuarial deficit of \$28,696 as at December 31, 2009 (2008 – \$181,403 deficit) in the Basic Benefits Account, after including (i) pension benefit obligations for service to date and for future service actuarial liabilities; and (ii) consistent with past years, an adjustment for the actuarial value of assets. In the absence of the adjustment for the actuarial value of assets, the Fund had an estimated going concern actuarial deficit of \$323,510 as at December 31, 2009 (2008 - \$455,691 deficit) in the Basic Benefits Account, after including pension benefits obligations for service to date and for future service actuarial liabilities.

(c) Indexing Benefits Actuarial Surplus (Fund Only)

The funds available to finance future cost-of-living increases in the Indexing Benefits Account were estimated to be a surplus of \$67,902 as at December 31, 2009 (2008 - \$36,299 surplus), after including, consistent with past years, an adjustment for the actuarial value of assets. In the absence of the adjustment for the actuarial value of assets, the funds available to finance future cost-of-living increases in the Indexing Benefits Account were estimated to be a surplus of \$55,432 as at December 31, 2009 (2008 - \$18,683 surplus).

8. Employer Assets Provided for Pension Obligations

Readers should refer to the latest audited employer financial statements, including financial statements of the Government of the Province of Manitoba and its participating agencies, to determine how employers fund pension obligations.

9. Debt due from the Province of Manitoba

Under Section 24(1) of the Act, the Province of Manitoba assumed an accrued liability of \$1,826 for its employees and pensioners as at May 1, 1939. The Province of Manitoba pays semi-annual interest at 4% per annum on this amount.

10. Correctional Officers' Trust Account

Effective November 19, 1996 employees who are members of the Province of Manitoba's Corrections Component are required to contribute an additional 1% of pensionable earnings. These additional contributions are credited to this trust account and are intended to fund the additional pension benefits for eligible employees who may retire as early as age 50 with no reduction for early retirement providing the total of age and qualifying service equals 75 or greater. A continuity schedule of this trust account is as follows:

	2009	2008
Contributions received	\$ 844	\$ 740
Interest earned/(charged)	512	(710)
Pension and refund payments made	(679)	(603)
Change during the year	677	(573)
Balance, beginning of year	3,468	4,041
Balance, end of year	\$4,145	\$3,468

The Civil Service Superannuation Fund
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2009
(\$) Thousands

11. Employer Trust Accounts

The Fund is responsible for providing enhanced benefits enacted in the 1992 legislation agreed to by the Employee Liaison Committee and the Employer Pension Advisory Committee. These benefits are 100% financed from the Fund's net assets available for benefits. To facilitate this funding, trust accounts were established for non-matching employers participating in the Fund for their share of the actuarial valuation of these future benefit enhancements. Specific contributions from eligible employees are being transferred to the applicable trust account. A continuity schedule of this trust account is as follows:

	2009	2008
Contributions received	\$ 283	\$ 445
Interest earned/(charged)	6,571	(9,019)
Pension and refund payments made	(71)	(83)
Change during the year	6,783	(8,657)
Balance, beginning of year	45,274	53,931
Balance, end of year	\$52,057	\$45,274

12. Money Purchase Accounts Plan

Effective January 2, 1985 a separate Money Purchase Accounts Plan was established to enhance the portability of pensions. Contributors include employees, recipients of superannuation allowances, annuities or pensions payable under the Act, or persons on whose behalf the Board is required or requested to transfer moneys to this Plan. Refunds are made upon written request by the contributor. Administrative costs are recovered by the Board. A continuity schedule of this liability account is as follows:

	2009	2008
Contributions received	\$ 2,493	\$ 1,770
Interest earned	2,068	500
Refunds and administration fees paid	(865)	(1,030)
Annuities made	(587)	(1,284)
Change during the year	3,109	(44)
Balance, beginning of year	16,368	16,412
Balance, end of year	\$19,477	\$16,368

The Civil Service Superannuation Fund
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2009
(\$) Thousands

13. The Province of Manitoba Unfunded Pension Liability Trust Account

The Province has established a fund for the purpose of accumulating funds for the eventual retirement of the Province's unfunded pension obligation.

Under the terms of a March 6, 2001 agreement between the Province and the Board, the Province established a fund with the Board and the Province is making the required payments to this fund. As well, the Province is making payments to this fund that are related to the Special Operating Agencies unfunded pension liabilities. Payments received by the Board from the Province are held by the Board in trust for and on behalf of the Province and are invested by the Board on behalf of the Province. The payments received are not assets of the Plan and accordingly, they are accounted for by the Fund in the Unfunded Pension Liability Trust Account. This trust account earns investment income at a rate of return equal to the rate of return earned by the Fund. The Board receives an investment management fee for its services. The payments made by the Province to the Board do not reduce the accrued pension benefit obligations of the Fund.

The Trust Agreement was amended effective December 31, 2008, to make the trust irrevocable. Accordingly, the assets in the Trust Account can not be used for any purposes other than to fund the payment of pension benefits for which the Province is responsible and to pay the costs and expenses that are directly attributable to the administration of the Trust Account.

In October 2007, The Financial Administration Act was amended to allow for withdrawals from the fund to pay, or fund the payment of, pension benefits for which the Province is responsible.

A continuity schedule of this trust account is as follows:

	2009	2008
Contributions received	\$334,796	\$ 74,654
Interest earned/(charged)	67,899	(63,353)
Pension and refund payments made	(90,530)	(7,227)
Investment management fees charged	(764)	(449)
Change during the year	311,401	1,625
Balance, beginning of year	332,365	330,740
Balance, end of year	\$643,766	\$332,365

The Civil Service Superannuation Fund
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2009
(\$) Thousands

14. The Province of Manitoba Unfunded Pension Liability Trust Account 2

Under the terms of a March 30, 2009 agreement between the Province and the Board, the Province established another irrevocable fund with the Board that specified the allowable investment asset categories in a separate fund that is not co-mingled. Payments received by the Board from the Province are held by the Board in trust for and on behalf of the Province and are invested by the Board on behalf of the Province. The payments received are not assets of the Plan and accordingly, they are accounted for by the Fund in the Unfunded Pension Liability Trust Account 2. This trust account earns investment income at a rate of return equal to the rate of return earned by these assets. The Board receives an investment management fee for its services. The payments made by the Province to the Board do not reduce the accrued pension benefit obligations of the Fund. A continuity schedule of this trust account is as follows:

	2009	2008
Contributions received	\$178,905	\$ -
Interest earned	363	-
Transfers made to the Province of Manitoba Unfunded Pension Liability Trust Account	(90,000)	-
Direct expenses made	(19)	-
Investment management fees charged	(38)	-
Change during the year	89,211	-
Balance, beginning of year	-	-
Balance, end of year	\$ 89,211	\$ -

The assets held for this trust account is as follows:

	2009	2008
Cash and Short term Investments		
Government	\$ 54,977	\$ -
Banking corporations	34,181	-
Cash	35	-
Total investments held	89,193	-
Accrued interest income	18	-
Total assets	\$ 89,211	\$ -

The Civil Service Superannuation Fund
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2009
(\$) Thousands

15. Current Period Change in Fair Value of Investments

	2009	2008
Net realized loss on the sale of investments	\$ (92,690)	\$ (20,228)
Net unrealized market gain/(loss)	457,581	(827,202)
	\$ 364,891	\$ (847,430)

16. Administrative Expenses

	2009	2008
Salaries and fringe benefits	\$ 3,253	\$ 2,809
Professional fees	226	176
Office and administration	1,005	916
Gross administrative expenses	4,484	3,901
Less: Recoveries		
From other administered funds - regular administration	(1,570)	(1,449)
From other administered fund - special administration	(56)	-
From non-matching employers	(1,295)	(1,110)
Administrative expenses, net	\$ 1,563	\$ 1,342

17. Managed Investment Funds

The Board acts as investment manager for other funds, which are separate and have been excluded from these financial statements.

The fair values of these other funds under administration on a trade date basis at December 31 are:

	2009	2008
The Manitoba Hydro Pension Fund	\$ 698,273	\$ 644,305
Joint Board of Trustees of		
The Municipal Employees Benefits Program	416,298	370,585
The Public Service Group Insurance Fund	124,415	108,153
Workers Compensation Board of Manitoba	85,319	79,908
Centra Gas Manitoba Inc.	70,583	58,710
Winnipeg Child and Family Services		
Employee Benefits Retirement Plan	21,512	20,687
Legislative Assembly Pension Plan	10,420	7,338
	\$1,426,820	\$1,289,686

The Board recovers its administrative costs for this service by charging an investment management fee, which is deducted from investment management expenses in Schedule 3.

Schedule 1 - The Civil Service Superannuation Fund

Consolidated Summary of Investments

as at December 31, 2009

	2009	2008
(\$) Thousands		
Fixed income investments		
Cash and Short-term		
Government and corporations	\$ 110,720	\$ 17,019
Bonds and debentures		
Pooled fund	1,242,838	1,161,254
Mortgages		
National Housing Act (Canada)	-	189
Other	330	2,250
Index-linked	31,412	32,853
Total fixed income investments	1,385,300	1,213,565
Equity investments		
Pooled funds		
Domestic	969,677	657,639
Foreign	1,132,033	876,043
Real estate		
Participating bonds	82,152	90,593
Shares, Note 3(b)(v)	274,745	299,232
Petroleum and natural gas shares, Note 5	131,432	144,492
Venture capital	25,850	21,399
Total equity investments	2,615,889	2,089,398
Investments, Exhibit A	\$4,001,189	\$3,302,963

Schedule 2 - The Civil Service Superannuation Fund

Consolidated Schedule of Contributions

For The Year Ended December 31, 2009

(\$) Thousands	2009			2008
	Employers	Employees	Total	Total
Non-Matching Employers, Note 1 (b)				
Province of Manitoba Civil Service	\$ 92,870	\$51,012	\$143,882	\$134,309
Manitoba Hydro-Electric Board	33,142	22,567	55,709	53,014
Manitoba Public Insurance Corporation	4,682	6,139	10,821	11,219
Liquor Control Commission	2,732	1,624	4,356	4,139
Red River College	78	4,609	4,687	3,915
Addictions Foundation of Manitoba	1,042	896	1,938	1,607
Community Colleges				
Assiniboine Community College	71	1,082	1,153	1,041
University College of the North	19	1,079	1,098	924
Regional Health Authorities				
Winnipeg	-	799	799	821
Brandon	-	772	772	725
Central	-	241	241	309
Assiniboine	-	206	206	354
Interlake	-	174	174	250
Parkland	-	155	155	211
South Eastman	-	123	123	116
Nor-Man	-	97	97	81
North Eastman	-	59	59	85
Burntwood	-	39	39	46
The Legal Aid Services Society of Manitoba	42	651	693	806
Manitoba Centennial Centre Corporation	287	135	422	405
Diagnostic Services of Manitoba	-	387	387	23
Teachers' Retirement Allowances Fund Board	153	142	295	370
Communities Economic Development Fund	46	58	104	144
The Council on Post Secondary Education	10	45	55	95
Manitoba Horse Racing Commission	16	11	27	28
Workers Compensation Board	15	-	15	15
Total Non-Matching Employers	\$135,205	\$93,102	\$228,307	\$215,052

Schedule 2 - The Civil Service Superannuation Fund

Consolidated Schedule of Contributions

For The Year Ended December 31, 2009

(\$ Thousands)	2009			2008
	Employers	Employees	Total	Total
Total Non-Matching Employers, continued	\$135,205	\$93,102	\$228,307	\$215,052
Matching Employers, Note 1 (b)				
Manitoba Lotteries Corporation	3,177	3,611	6,788	5,440
Manitoba Housing Authority	782	900	1,682	1,373
Manitoba Agricultural Services Corporation	781	580	1,361	1,340
Manitoba Government and General Employees' Union	358	389	747	621
All Nations Coordinated Response Network	285	320	605	393
Civil Service Superannuation Board	270	292	562	490
Gaming Control Commission	178	198	376	342
Manitoba Hydro Utilities Service	142	167	309	296
Manitoba Crop Insurance Corporation	114	137	251	239
Travel Manitoba	115	131	246	235
Manitoba Floodway Authority	116	128	244	201
National Agri-Food Technology Centre	109	124	233	178
Industrial Technology Centre	85	94	179	162
Dairy Farmers of Manitoba	59	66	125	114
Manitoba Pork Marketing Co-op Inc.	41	46	87	83
Manitoba Pork Council	44	40	84	81
Manitoba Film and Sound	33	37	70	61
Manitoba Arts Council	32	30	62	28
Crown Corporations Council	25	27	52	48
Manitoba Chicken Producers	19	20	39	37
Manitoba Cattle Enhancement Council	11	11	22	23
Manitoba Turkey Producers	6	8	14	15
Economic Innovation and Technology Centre	-	1	1	2
Manitoba Development Corporation	-	-	-	7
Total Matching Employers	\$ 6,782	\$ 7,357	\$ 14,139	\$ 11,809
Total Employers, Non-Matching and Matching	\$141,987	\$100,459	\$242,446	\$226,861

Schedule 2 - The Civil Service Superannuation Fund

Consolidated Schedule of Contributions

For The Year Ended December 31, 2009

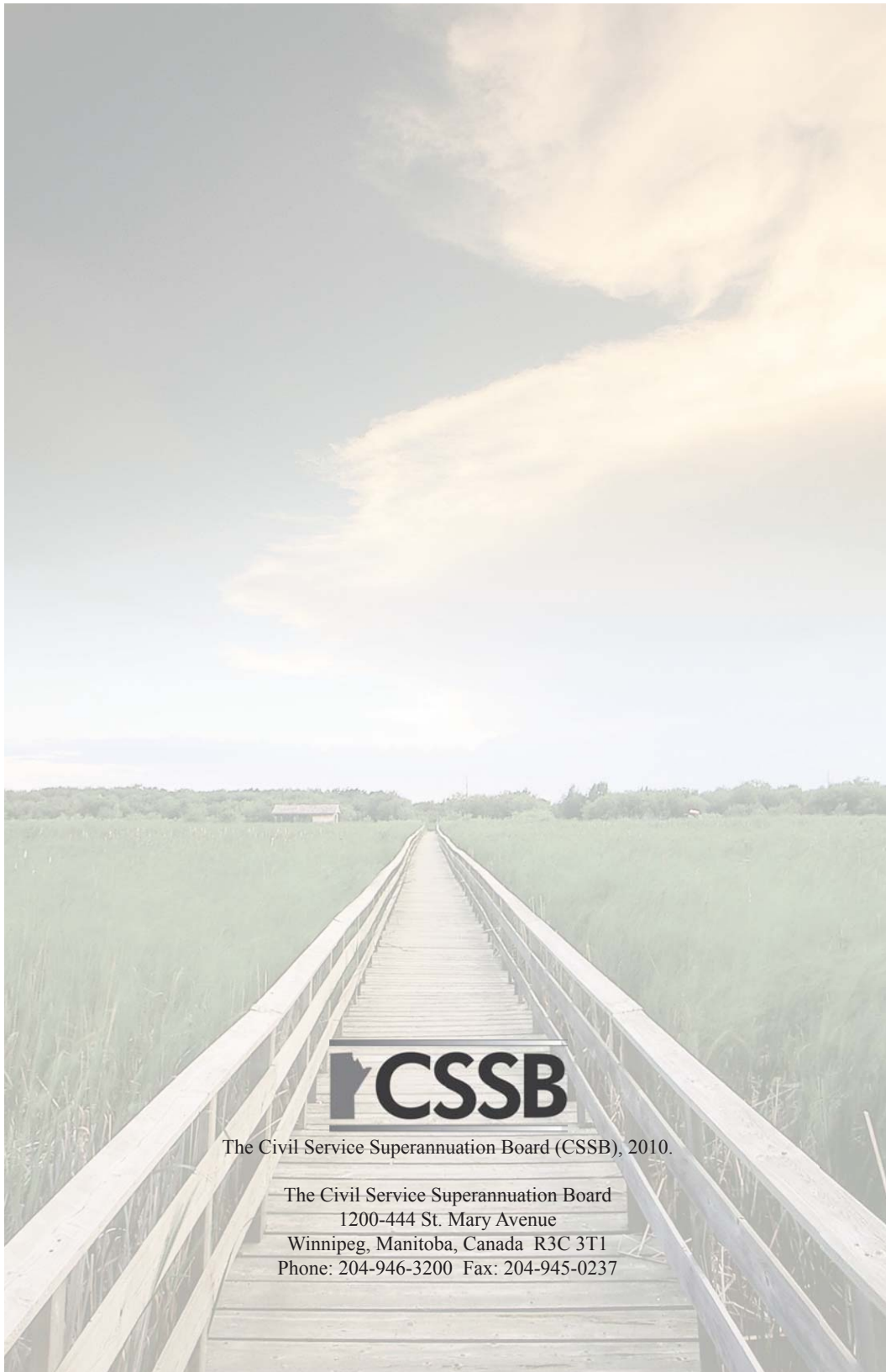
(\$) Thousands	2009			2008
	Employers	Employees	Total	Total
Total Employers, Non-Matching and Matching, continued	\$141,987	\$100,459	\$242,446	\$226,861
Other				
Employees on loan	1	1	2	2
Employees on workers compensation	-	10	10	8
Reciprocal agreement - transfers in	-	6,763	6,763	6,000
Reciprocal agreement - transfers out	(2,435)	(2,786)	(5,221)	(4,466)
Repayment of contributions previously refunded	-	145	145	118
Contributions based on prior non-pensionable employment	3	2,414	2,417	2,819
Transfer from Money Purchase Accounts Plan	-	587	587	1,284
Total Other	\$ (2,431)	\$ 7,134	\$ 4,703	\$ 5,765
Total contributions, Exhibit B	\$139,556	\$107,593	\$247,149	\$232,626

Schedule 3 - The Civil Service Superannuation Fund

Consolidated Schedule of Investment Income

For The Year Ended December 31, 2009

(\$) Thousands	2009	2008
Fixed income		
Short term	\$ 735	\$ 1,719
Bonds and debentures	60,894	58,108
Mortgages	2,358	2,576
Total fixed income	63,987	62,403
Equity income		
Pooled funds	51,841	58,806
Real estate	17,395	19,279
Petroleum and natural gas shares, Note 5	2,977	19,349
Venture capital	351	27
Total equity income	72,564	97,461
Gross investment income	136,551	159,864
Less:		
Investment management expenses, net, Note 17	3,409	2,152
Transfer to (from) Province of Manitoba unfunded pension liability trust accounts	68,262	(65,353)
Transfer to (from) Correctional Officers' trust account	512	(710)
Transfer to (from) Employer trust accounts	6,571	(9,019)
Transfer to Money Purchase Plan accounts	2,068	499
Transfer to Employee future benefits obligations	139	110
	80,961	(72,321)
Net investment income, Exhibit B	\$ 55,590	\$232,185



The Civil Service Superannuation Board (CSSB), 2010.

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