



in touch

retiree pension bulletin



What's New allows users to access information on "new" pension developments more easily. Announcements regarding new web additions, topical items of interest, and links to new information and pension-related materials will all be available in "What's New".

Recently, "What's New" announced the launch of an Investment Glossary, and provided links to Canada Revenue Agency for information on pension income-splitting.

Currently, we are showcasing a brand new web section containing valuable information for Survivors.



We have a brand new section on Survivor Information, which includes an easy to follow Guide. Check it out!!

Deferred Members:
If you have terminated employment and elected a deferred benefit please take note of the following service enhancement.
Deferred members can now access the "Calculate My Pension" calculator from the www.cpcpension.com website or the Pension Centre's Voice Response Unit (VRU) at 1-877-480-9220 to obtain automated accrued and retirement pension estimates.
Please contact the Pension Centre at 1-877-480-9220 if you need to obtain a PIN number.

Our Archive section holds previous "What's New" articles and links.

COST OF LIVING INCREASE

To help ensure that the buying power of your pension keeps pace with the cost of living, your pension is automatically indexed every January by a percentage that reflects the average increase in the consumer price index (CPI), calculated from October 1 to September 30. Your first indexing increase after retirement will be pro-rated based on the number of complete months following the month of retirement.

For example: If you retired on September 1, 2007, your first increase, (January 1, 2008) would be 3/12 of the total indexation percentage (October to December). Indexing also applies to survivor pensions, and deferred pensions.

The Cost-of-Living Increase effective January 1, 2008 is 1.88%

FYI – RETIREE ELECTION

Watch your mail. This spring we will be holding an election for the representative of the Retiree position on the Pension Advisory Council.



HOLIDAY WISHES

**Performance
Results for
April 1 to
June 30, 2007**

Market Conditions

Equity markets were mixed in the second quarter with the Canadian S&P/TSX Composite Index up 6.3%, while in Canadian dollar terms the US S&P 500 fell 2.0%, and the international EAFE index was off 1.9%. Bond markets were also lower with the SCM Universe off 1.7% as the Bank of Canada held rates steady at 4.25%. The following table depicts the Plan's performance since inception.

ASSET CLASS	MARKET VALUE (IN MILLIONS)	2007 Apr-Jun	2007 YTD	2006 ANNUAL	2005 ANNUAL	2004 ANNUAL	2003 ANNUAL	2002 ANNUAL
Fixed Income								
Cash & Short Term	\$ 625.7	1.1%	2.2%	4.1%	2.7%	2.4%	2.9%	2.4%
Canadian Bonds	4,162.6	-1.8%	-0.7%	2.4%	8.6%	9.6%	8.4%	10.2%
Equities								
Canadian Equities	4,434.4	6.2%	9.4%	18.9%	25.2%	15.6%	25.5%	-11.6%
U.S. Equities	2,815.8	-0.9%	-0.5%	16.9%	3.4%	4.9%	7.5%	-20.9%
International Equities	2,649.0	0.9%	4.4%	28.4%	13.2%	13.3%	7.3%	-21.6%
Real Estate	267.8	5.4%	9.0%	24.8%	17.2%	—	—	—
Total Registered Pension Plan	\$ 14,955.3	1.82%	3.86%	14.25%	13.73%	11.13%	13.87%	-6.99%

DID YOU KNOW?

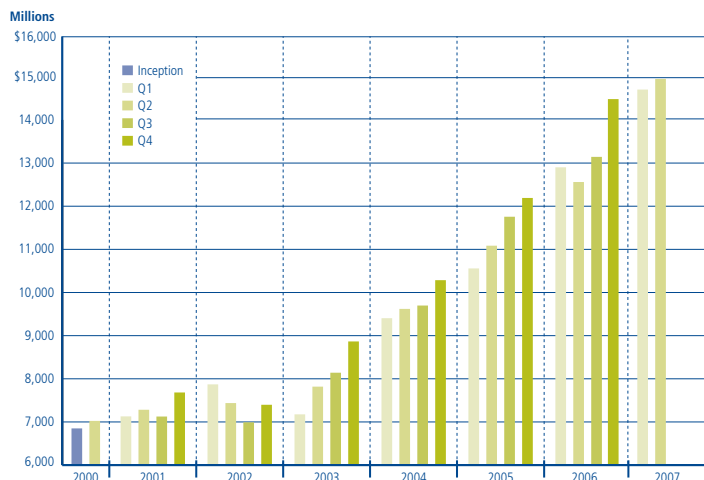
As reported in the 2006 Pension Plan Annual Report, the Canada Post Registered Pension Plan is fully funded on all actuarial measures. This positive development allows the Corporation to recover a portion of the special payments (in excess of 748 million dollars) that have been made to the Plan since 2005. The Corporation can now make additional investments in core business activities.

MOVING OR CHANGING YOUR ADDRESS?

Please contact the Pension Centre
By Phone: 1-877-480-9220
In writing: P.O. Box 2073
MISSISSAUGA ON L5B 3C6

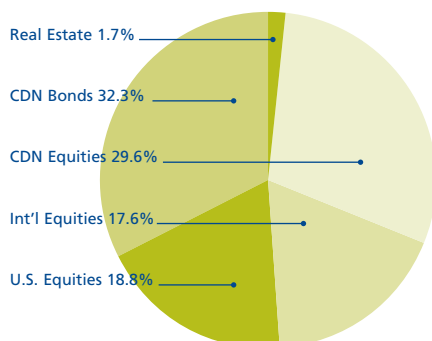
Investment Highlights

- The fund's second quarter return was 1.82% versus our benchmark of 0.25%.
- As at June 30, 2007, the fund held assets of \$14,955.3 million.
- The fund received net contributions of \$30.0 million in the second quarter. We reduced the Canadian equity allocation by \$210.0 million and international equities by \$30.0 million. Allocations were increased to real return bonds by \$60 million, nominal bonds by \$125 million and real estate by \$90.7 million



Asset Mix Highlights

ASSET MIX



- As at June 30, 2007, 67.7% of assets were invested in equities and real estate, above the asset mix target of 62.5%. Of the total, Canadian equities represented 29.6%, U.S. equities 18.8%, international equities 17.6% and real estate 1.7%.
- 32.3% of assets were invested in bonds and short-term investments, compared to an asset mix target of 37.5%. This included 6.4% in real return bonds, 21.8% in Canadian bonds and 4.1% in cash and short-term investments

Do you have a topic in mind for our next "intouch" bulletin? Please submit any suggestions or comments in writing to:

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