

Intouch Retiree pension bulletin

Defined benefit

TOTAL COMPENSATION Pension | Benefits | Pay and Incentives | Health and Well-Being

Keeping you informed

Personalized pension statement for retirees and updates to your personal information

Every year, the Pension Centre sends you a personalized pension statement. This statement provides the summary of your pension benefit including, as applicable, your monthly lifetime pension benefit amount, your monthly bridge amount and the indexation rate in effect.

In addition to your pension benefit information, your statement contains details regarding your survivor, the post-retirement survivor benefit as well as your pension beneficiaries, as applicable. Furthermore, the statement provides information regarding your Basic Life Insurance Plan, the Canada Post Paid Death Benefit and your designated beneficiaries, as applicable.

We encourage you to share this document with your spouse/common-law partner and to keep it with your important documents and make sure that your loved ones are aware they must inform us of your death, as they may be eligible for a survivor benefit. The statements are mailed to all DB Plan members in May. If you have not received your statement by May 25, contact the Pension Centre to obtain a copy or update your personal information such as your mailing address, updates to your beneficiaries or your banking information.



Pension Centre

1-877-480-9220
 1-866-370-2725 (TTY)
 613-683-5908 (outside North America)

For your post-retirement health and dental benefit plans, contact Great-West Life Assurance Co. at 1-866-249-5723.

Making changes to your banking information?

Avoid delays with your pension benefit payments. Inform the Canada Post Pension Centre of any changes to your banking information as soon as they occur.

Complete the form *Canada Post Corporation Registered Pension Plan – Authorization for Direct Deposit* at cpcpension.com > Defined Benefit > Forms > Direct deposit of pension payments.

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Note: In this publication, "Plan" refers to the Canada Post Corporation Registered Pension Plan and "DB" refers to the defined benefit component.
Disclaimer: The official Plan text governs your actual benefits from the Plan and is the final authority in any case of dispute. For more information, visit cpcpension.com.

Corporate performance results

Canada Post segment reports \$50 million loss before tax in Q2

The Canada Post segment recorded a loss before tax of \$50 million for the second quarter of 2019, as continuing declines in mail volumes were offset by Parcels volumes growth that was more modest than the significant growth rates of a year ago.

Revenue decreased by \$1 million in the second quarter compared to the same period of 2018, and fell by \$27 million for the first two quarters compared to last year.

Key results for the Canada Post segment in Q2 2019 compared to Q2 2018

Parcels results

- Parcels revenue increased by \$31 million or 6.7% in Q2 2019.

- Volumes increased by 6 million pieces or 8.8%.
- Domestic Parcels revenue and volumes increased by \$32 million (8.8%) and 5 million pieces (10.5%), respectively.
- Parcels growth was modest compared to Q2 2018.

Transaction Mail results

- Volumes fell by 55 million pieces or 5.7%.
- Revenue decreased by \$16 million or 0.8%.
- Domestic Lettermail volumes decreased by 48 million pieces (5.3%) and revenue decreased by \$15 million (0.7%).
- The ongoing decline in mail volumes remains a significant business challenge.

Direct Marketing

- Total Direct Marketing revenue decreased by \$11 million (2.2%) and volumes decreased by 73 million pieces (4.1%).

What happens to my pension benefits when I die?

Your survivors are left with the onerous task of closing your affairs after your death. Putting your papers in order and setting a plan for your beneficiaries when you die are steps you can take today. For estate planning, contact an estate lawyer (or notary in Quebec).

Your family must notify the Pension Centre of your death and provide the following information:

- your employee identification number,
- your original death certificate,
- a copy of your will,
- any documents showing you have appointed an executor.

Your relatives shouldn't cash any of your pension benefit cheques or use any of the pension benefit amounts deposited in your bank account, until the death benefit is settled as this can constitute pension fraud, whether knowingly or not. Any overpayments made will be recovered. The Canada Post Pension Centre will proceed with the death settlement in accordance with the Plan rules.

Send us your feedback

If you have comments or want to suggest a topic for our next Intouch bulletin, please **submit your ideas in writing to**

pension.services@canadapost.ca

or

CANADA POST PENSION SERVICES
2701 RIVERSIDE DRIVE
SUITE N0660
OTTAWA ON K1A 0B1



2018 Summary Report to Members

We've heard from you

Thanks to all of you who completed the survey on the new 2018 Summary Report to Members and sent comments! Your feedback is very important to us as we continue to improve future reports. Over 90% of respondents favoured the new look version of the Report. Survey participants were instantly entered in a draw for a framed stamp collection. Congratulations to our lucky winner, Victor Amatruda, a delivery agent in the Brampton area.

2020 elections: PAC retiree representatives

Elections for **three** Pension Advisory Council (PAC) retiree representatives will take place in 2020. Eligible retirees will receive a nomination kit in February and a voting kit in March. You will have the option to vote online, by telephone or by mail. Visit cpcpension.com > DB > Governance > Pension Advisory Council, for more information on the elections. You can contact your retiree representative at pension.services@canadapost.ca.



Do we have your current address?

When you change your address, it's important to inform us:

Pension Centre

1-877-480-9220

1-866-370-2725 (TTY)

613-683-5908 (outside North America)

For your post-retirement health and dental benefit plans, contact Great-West Life at 1-866-249-5723.



Plan's short-term solvency relief options: Update

In keeping with Canada Post's commitment to inform, a letter was sent to all DB Plan members in August to explain Canada Post's intention to begin discussions with Government of Canada officials on short-term solvency funding options. Thank you to those who provided comments. We have presented the feedback we received to government officials and are seeking short-term solutions to the upcoming solvency payments. The outcome of this process will be shared with you.

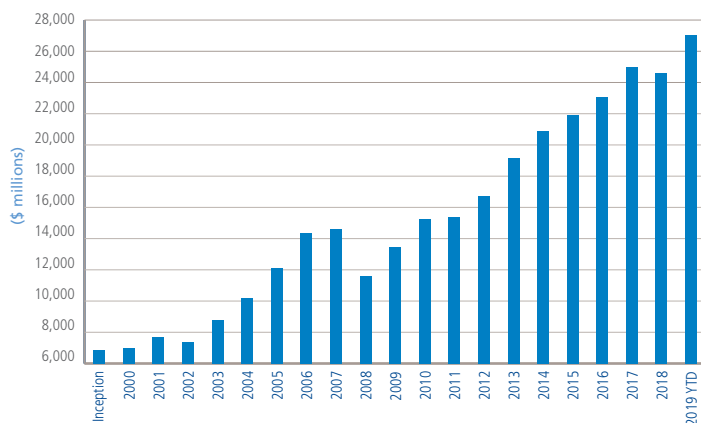
Investment results from July 1 to September 30, 2019

Market conditions

Within the Plan, infrastructure was the best performer in the third quarter, returning 4.90%. S&P/TSX Composite Index was up 2.48%. S&P 500 index was up 3.04%. MSCI EAFE Index was up 0.23%. FTSE Canada Universe Bond Index was up 1.19%.

Asset class	Market value (\$ millions)	2019 Q3 (%)	2019 YTD (%)	2018 Annual (%)	2017 Annual (%)	2016 Annual (%)	2015 Annual (%)	2014 Annual (%)
Fixed income								
Cash and short-term	69.4	0.4	1.2	1.3	0.7	0.7	0.8	1.1
Bonds	11,207.4	1.9	11.8	0.5	3.4	3.2	3.1	8.3
Equities								
Canadian equities	3,666.0	2.1	16.8	-8.3	9.3	21.5	-4.0	11.6
U.S. equities	3,684.2	1.3	16.1	3.0	14.1	6.3	21.8	22.3
International equities	3,131.0	-0.6	9.5	-8.1	25.4	3.7	16.3	3.9
Real estate, private equity and infrastructure	5,301.8	2.7	6.5	17.4	13.1	10.0	16.6	8.3
Currency overlay	-5.7							
Total Registered Pension Plan¹	27,054.2	1.60	11.74	0.89	10.42	7.93	7.27	10.86
Benchmark		1.89	13.75	-1.94	8.59	6.72	5.12	10.99

Investment highlights



- The fund's third quarter return was 1.60%.
- As of September 30, 2019, the fund held assets of \$27.1 billion.
- The fund had net cash outflows of \$104.2 million in the third quarter, net outflows of \$356.1 million in 2019 YTD.
- We added \$15.5 million to private debt, \$31.5 million to private equity and \$5.6 million to Infrastructure.
- We withdrew \$50.3 million from U.S. equities, \$66.5 million from real estate and \$40.0 million from transition bonds.

1. Numbers may not add up due to rounding.

Asset mix highlights

- As at September 30, 2018, 58.3% of assets were invested in equities and alternative investments compared to the asset mix target of 56%. These investments were within the allowable range and were made up of 13.6% Canadian equities, 13.6% U.S. equities, 11.6% international equities, 11.3% real estate, 4.4% of private equity and 3.8% infrastructure.
- 41.7% of assets were invested in bonds and short-term investments, compared to an asset mix target of 44%. This included 11% real return bonds, 30.4% nominal bonds and private debt and 0.3% in cash and short-term investments and currency overlay.

Asset mix¹

