



intouch

retiree
pension
bulletin



It's not just a kids game anymore: The Internet and retirement living

For those of you whose grandchildren seem like whizzes when it comes to surfing the Net, perhaps you may be able to show them a few tricks.

According to an Ipsos-Reid study published in September 2004, 60% of people 55 years of age and older have Internet access. This is a significant jump from the 48% found at this time in 2003.

The most sought after websites for retired Canadian Internet users include topics such as health, food and travel. Many websites are dedicated to providing seniors with information on healthy living. The Dietitians of Canada website, www.dietitians.ca, offers a wide range of healthy nutrition choices and also provides information on how to find a dietician in your area. Seniors are not only planning vacations by researching locations of interest online, but also booking flight tickets, hotels and renting cars over the Internet.

To stay up-to-date with pension benefit information, Canada Post retirees are accessing the recent

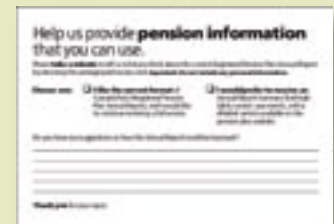
electronic issues of Intouch, located on the Canada Post pension website at www.cpcpension.com, under *Find a publication*. The Canada Post pension website also has a list of informative websites that are directed at retirees. These websites range from providing healthy lifestyle tips to estate planning. You can find these websites at www.cpcpension.com, under *Visit other sites of interest*.

Instead of showing your grandchildren a recipe card the next time they ask how you made your delicious treats, e-mail them the web link address and impress them with your computer skills, not just your cooking. ❖



DID YOU KNOW?

That you can provide us with your feedback on the 2005 Pension Plan Annual Report without paying a cent? Simply fill out the business reply card located on the inside cover of the Report. Once completed, detach the card along the perforated edge and drop it off in your mailbox. We appreciate your feedback.



Performance

Results for

October 1 to

December 31, 2005

**PENSION PLAN
AMENDMENTS
APPROVED BY
PENSION COMMITTEE**

In December 2005, the Pension Committee approved eight amendments to the Canada Post Corporation Registered Pension Plan and the Canada Post Corporation Supplementary Retirement Arrangement. The Canada Post Pension website has been updated to include any relevant content changes.

The amendments were all required for either text clarification or process clarification. These amendments are considered to be general housekeeping items and did not impact the pension benefit. All plan amendments were filed with the Canada Revenue Agency (CRA) and the Office of the Superintendent of Financial Institutions (OSFI) in January 2006. ❖

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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Market Conditions

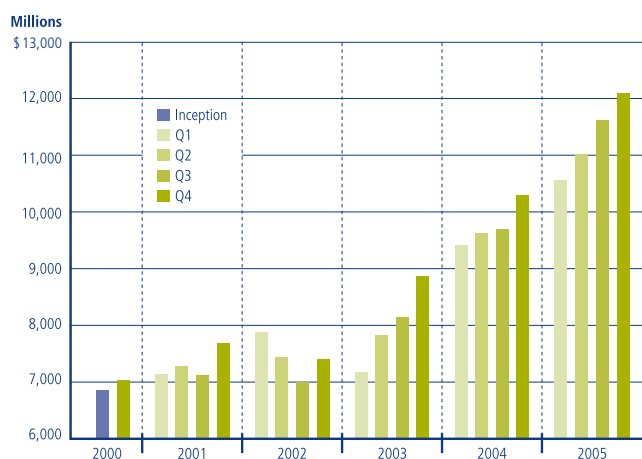
The benchmark Canadian S&P/TSX Composite Index added 2.9% during the fourth quarter despite a sharp correction in October. In the U.S., the S&P 500 was up 2.5% in Canadian dollar terms with the U.S. dollar slightly firmer, while international markets rose 4.5% on the quarter. Bond markets continued their solid performance in the fourth quarter even as the Bank of Canada continued to raise rates from 2.75% to 3.25%. The following table depicts the Plan's performance since inception. ❖

ASSET CLASS	MARKET VALUE (IN MILLIONS)	2005 OCT-DEC	2005 ANNUAL	2004 ANNUAL	2003 ANNUAL	2002 ANNUAL	2001 ANNUAL
Fixed Income							
Cash & Short Term	\$ 490.0	0.8%	2.7%	2.4%	2.9%	2.4%	4.3%
Canadian Bonds	3,481.8	1.6%	8.6%	9.6%	8.4%	10.2%	7.3%
Equities							
Canadian Equities	4,273.1	2.5%	25.2%	15.6%	25.5%	-11.6%	-7.7%
U.S. Equities	2,178.7	2.0%	3.4%	4.9%	7.5%	-20.9%	—
International Equities	1,707.6	5.3%	13.2%	13.3%	7.3%	-21.6%	—
Total Registered Pension Plan	\$ 12,131.2	2.46%	13.73%	11.13%	13.87%	- 6.99%	5.10%

Investment Highlights

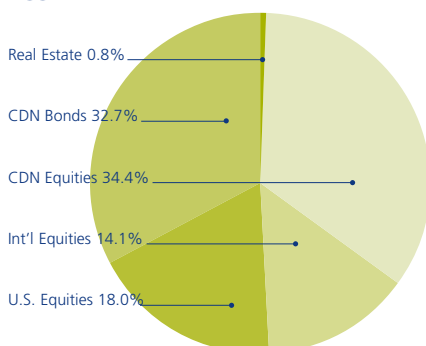
- The fund's fourth quarter return was 2.46% versus our benchmark of 2.15%. For the year, the return was 13.73% versus our benchmark of 11.17%.
- As at December 31, 2005, the fund held assets of \$12,131.2 million.
- The fund received net contributions of \$148.2 million in the fourth quarter, including \$99.3 million in special solvency payments. We reduced the Canadian equity allocation by \$50.0 million and allocated \$60.0 million to U.S. equities and \$115.0 million to international equity. \$0.9 million was added to real estate, and cash and short-term investments were increased by \$24.1 million. ❖

FUND ASSETS – OCT 2000 TO DEC 2005



Asset Mix Highlights

ASSET MIX



- As at December 31, 2005, 67.3% of assets were invested in equities and real estate, above the asset mix target of 62.5%. Of the total, Canadian equities represented 34.4%, U.S. equities 18.0%, international equities 14.1%, and real estate 0.8%.
- 32.7% of assets were invested in bonds and short-term investments, compared to an asset mix target of 37.5%. This included 7.2% in real return bonds, 21.5% in Canadian bonds and 4.0% in cash and short-term investments. ❖