



# in touch

retiree pension bulletin



## Tell us what you think

We've recently set up online surveys on [www.cpcpension.com](http://www.cpcpension.com) so you can provide your input about our communications and website. Each survey takes approximately two minutes.

A business reply survey card was included with your 2008 Annual Report in May. If you have a moment, please fill it in and return the card.

Your feedback is important to us and it helps improve Plan communications.

If you are moving or want your mail redirected while you are wintering in warmer climates, update your address by calling the Pension Centre at **1-877-480-9220 (TTY - 613-734-8265)** to continue to receive important Plan information such as your indexing rate, pension payment schedule, and investment performance results.

## Our Corporate Performance – September 2009

At the request from Bill Price, the retiree representative on the Pension Advisory Council, Canada Post is providing an update on the state of the business to all pensioners. "The impact of the recession on Canada Post has been worse than expected," said Wayne Cheeseman, Canada Post Chief Financial Officer. "As of September 30, 2009 Canada Post had experienced year-to-date volume and revenue declines across all lines of business. Cost controls have been put in place across the entire organization and expenses are being monitored which will allow us to weather the storm and protect the earnings. The Corporation continues to assign the highest priority for its cash towards the funding requirements of pension and postal transformation."

	Latest result	Year-to-date result	Year-to-date target	2009 target
CONSOLIDATED	\$27	\$29	\$97	\$117
CANADA POST SEGMENT	\$20	-\$4	\$24	\$18

Income before income taxes (in millions).

## 2010 Pension Payment Schedule

December 31, 2009
January 29, 2010
February 26, 2010
March 31, 2010
April 30, 2010
May 31, 2010
June 30, 2010
July 30, 2010
August 31, 2010
September 30, 2010
October 29, 2010
November 30, 2010
December 31, 2010



## Holiday Wishes

We wish you and your families a happy and healthy holiday season.

### Disclaimer:

The Canada Post Corporation Registered Pension Plan is referred to as the Plan in this publication. The official Plan text governs your actual benefits from the Plan and is the final authority in any case of dispute. For more information on terms used in this publication, please visit [www.cpcpension.com](http://www.cpcpension.com).

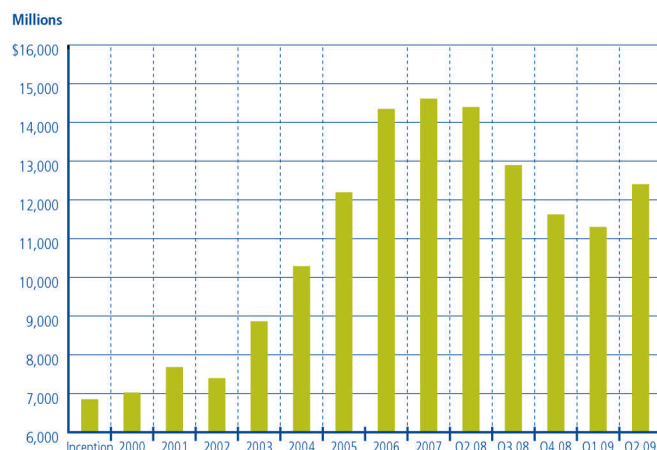
# Market Conditions

Equity markets were higher in the second quarter of 2009 as the credit situation and the economic outlook improved somewhat. The Canadian S&P/TSX Composite index was up 20.0%, while in Canadian dollar terms the US S&P 500 index was up 7.0%, and the international EAFE index was up 15.8%. The DEX Bond Universe was up 1.3% as the Bank of Canada cut the overnight interest rate from 0.5% to 0.25% to stimulate the economy. The following table depicts the fund's performance (% return).

ASSET CLASS	MARKET VALUE (IN MILLIONS)	2009 APR-JUN	2009 YTD	2008 ANNUAL	2007 ANNUAL	2006 ANNUAL	2005 ANNUAL	2004 ANNUAL
<b>Fixed Income</b>								
Cash & Short Term	\$ 46.8	0.6%	1.4%	3.0%	3.2%	4.1%	2.7%	2.4%
Canadian Bonds	4,658.0	1.9%	4.2%	3.7%	3.5%	2.4%	8.6%	9.6%
<b>Equities</b>								
Canadian Equities	3,264.8	18.6%	15.9%	-32.0%	9.0%	18.9%	25.2%	15.6%
U.S. Equities	2,260.5	8.1%	0.2%	-21.6%	-10.7%	16.9%	3.4%	4.9%
International Equities	1,578.7	18.6%	4.9%	-37.4%	-5.1%	28.4%	13.2%	13.3%
Real Estate	563.7	0.1%	-1.1%	-1.5%	16.8%	24.8%	17.2%	—
<b>Total Registered Pension Plan-</b>	<b>\$ 12,372.5</b>	<b>9.45%</b>	<b>6.58%</b>	<b>-19.27%</b>	<b>2.09%</b>	<b>14.25%</b>	<b>13.73%</b>	<b>11.13%</b>
<b>Benchmark-</b>		<b>9.83%</b>	<b>5.89%</b>	<b>-17.58%</b>	<b>0.91%</b>	<b>12.98%</b>	<b>11.17%</b>	<b>9.23%</b>

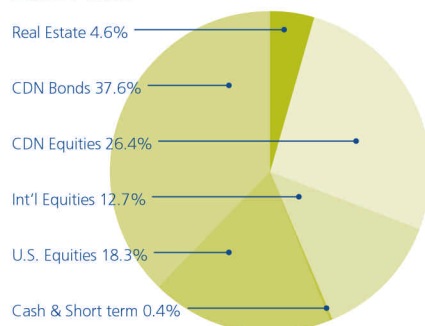
## Investment Highlights

- The fund's second quarter return was 9.45% versus our benchmark of 9.83%. Year to date the fund's return is 6.58% against our benchmark return of 5.89%.
- As at June 30, 2009, the fund held assets of \$12,372.5 million.
- The fund had net inflows of \$5.1 million in the second quarter. We reduced cash and short-term investments by \$11.5 million and real estate by \$15.8 million. We allocated \$31.7 million to the currency overlay account and \$3.4 million to private equity, \$2.4 million of which came from U.S. equities.



## Asset Mix Highlights

### ASSET MIX



- As at June 30, 2009, 62.0% of assets were invested in equities and real estate, just below the asset mix target of 62.5% which consists of 26.4% Canadian equities, 18.3% U.S. equities, 12.7% international equities and 4.6% real estate.
- 38.0% of assets were invested in bonds and short-term investments, compared to an asset mix target of 37.5%. This included 8.7% in real return bonds, 28.9% in Canadian bonds and 0.4% in cash and short-term investments.

The Canada Post Corporation Registered Pension Plan ranked twelfth overall in the Benefits Canada Top 100 Pension Plans report. The Benefits Canada report is based on pension plan assets at year end and rates Canadian defined benefit pension plans.

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

**PENSION SERVICES  
2701 RIVERSIDE DR  
SUITE B320  
OTTAWA ON K1A 0B1**

Publication Mail Agreement No. 40020903

OR send an email directly to:  
pension.services@canadapost.ca