Report of the Pension Advisory Council (PAC) meeting
September 17, 2015

PAC members reviewed and discussed the following items:

- Update on completed and planned communications to Plan members. PAC members were invited to write an article for the fall edition of the Pension Plan News and Intouch bulletins.
- Update on the Canada Post pre-retirement seminars – Q2, 2015 including registrations and satisfaction survey results. Management continues to review how to optimize seminar capacity, improve course content and seek alternatives for employees in remote areas.
- 2015 mid-year overview of the Defined contribution component. PAC members were informed that the default contribution rate will be changed from 0% to 4%, and were provided access to view Sun Life webinars.
- Pension Investment Reports:
  - Investment Division Report as at June 30, 2015
  - Total Assets Report as at August 14, 2015
  - Investment Performance Summary Report – RBC Investor Services – as at June 30, 2015
  - Report on Equity Holdings as at June 30, 2015 – Documents were distributed concerning regressive climate lobbying groups and a new climate change policy on thermal coal and tar sands.
- Pension Services and Investment Division operating expenses – Q2 2015.
- Performance report on services provided to Canada Post pensioners – as at July 31, 2015.
- Performance report on the Canada Post Pension Centre – as at July 31, 2015.
- Update on the activities of the Communications and Consultation Group.
- The annual report of Cost Effectiveness Management (CEM) Benchmarking Inc. on pension investments for the 5-year period ending 2014.
- Summary Report for 2015 on the pension plan’s proxy voting.
- Meetings dates for the PAC in 2016 were confirmed. The PAC will meet on April 14, June 23 and September 15, 2016.
- Update on the 2015 PAC Election for the All Active Representative.
- An Asset Liability Study was conducted in 2015 and the strategy will be to move assets to the fixed income, real estate, private equity and infrastructure portfolios. Currently, the most significant risk related to the funding of the Plan is the interest rate. Concerns were raised about Canada Post not borrowing money to fund the solvency deficit.