

PENSION PLAN ANNUAL REPORT 2012



Canada 


CMHC  SCHL
HOME TO CANADIANS

OUR MISSION

The mission of the CMHC Pension Plan is to provide its members and beneficiaries with pension benefits in accordance with the provisions of the CMHC Pension Plan Rules. This is accomplished through efficient administration of the Plan and prudent investment of the Pension Fund to maximize returns while safeguarding assets.

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REPORT TO EMPLOYEES AND PENSIONERS

It is my honour to present to you, on behalf of CMHC and the Trustees of the Pension Fund, the Pension Plan Annual Report for 2012. This is my tenth and final message to you, and as I reflect upon the achievements of the past year, and indeed of the past ten years, I am confident that we have set the course for the long term financial health and continuing good governance of the CMHC Pension Plan and Pension Fund.

In spite of slower than expected growth in many economies globally, including Canada's, the financial markets benefited during 2012 from continued low interest rates and other stimulative monetary policy actions by central banks. The U.S. continued its gradual economic recovery and positive steps were taken by Europe to manage its debt crisis. While considerable uncertainty remains, global risks are viewed as having diminished overall. In this environment, the Pension Fund experienced positive returns in all asset classes, particularly in equities and real estate, resulting in a total investment return of 11.76% in 2012. This return outperformed the Pension Fund's benchmark portfolio, which reflects general market returns for the Fund's asset allocation policy, by 2.47%. As a result, the market value of the Fund's net assets reached \$1,296.5 million as at year-end 2012, an increase of \$118.8 million compared to year-end 2011.

In relation to returns over the longer term, the Fund's annualized total return for the past ten years was 8.20%, almost 1% more than its benchmark as a result of active management of many of the Fund's investment activities. Further, the Fund's ten year real rate of return was 6.27% as at December 31, 2012.



These results mean that over the past ten years, the Pension Fund has continued to exceed its long-term objective of a real rate of return of 4.00%, which is also the assumed long-term return for purposes of the going concern actuarial valuation.

The annual actuarial valuation undertaken as at year-end 2012 has reported that the Pension Plan has a deficit on a going concern basis of \$47.0 million and a going concern funded ratio of 96.4%. This measure of the Plan's financial health assumes

the Plan continues to operate indefinitely. A slightly larger deficit was reported compared to the going concern valuation as at year-end 2011 as a result of how investment returns relative to the long-term objective are smoothed over five years in the valuation. Further, the actuarial valuation has reported that the Plan continues to have a deficit on a solvency basis. The funded ratio on this basis was 66.9%. The solvency valuation is less representative of the Plan's long-term financial health because it uses today's low levels of interest rates to value the Plan based on a hypothetical assumption that the plan is terminated and all assets are invested only in high quality fixed income-related investments. The size of the solvency deficit decreased from a year ago mainly because of updates to the assumed mix of investments for this valuation.

The Board of Directors reviews the Pension Plan's financial position every year. As well, CMHC benchmarks the competitive positioning of the Pension Plan against other plans. As a result of these deliberations, CMHC continued making full normal contributions as well as special payments in 2012 in relation to the going

concern and solvency deficits. CMHC will also make full normal contributions and special payments in 2013. Contribution rates of employees were increased in 2012 and are being increased in 2013 in order to continue to align them with those of the federal public service.

Good governance practices are integral to effectively overseeing, managing, and administering a pension plan. In 2012, we conducted a formal review, with the assistance of an external consultant, of the governance structure and related processes for the Pension Plan and Pension Fund. The review concluded that overall, CMHC's pension governance structure and processes fully meet and in many instances exceed standards and expectations for pension governance. The strengths highlighted by the review included the diligence shown in decision-making and risk management, the formal inclusion of plan members in the governance structure such as through the election of three Trustees from the Pension Council, and our efforts to continuously evolve our governance practices and documentation.

We are committed to keeping you informed about your Pension Plan. A range of initiatives is pursued to meet your varying information needs and interests as well as to ensure you have opportunities to provide feedback. Additionally, the retirement planning seminars CMHC offers have continued to be popular and well received.

During 2012, Pierre Serré stepped down as a Trustee as he assumed his new role as CMHC's Chief Risk Officer. We thanked him for his service as a Trustee and welcomed Christina Haddad, General Manager of CMHC's Atlantic Business Centre, as a new Trustee.

Many people help to govern, manage, and administer the Pension Plan and Pension Fund, from our Board of Directors and Trustees to CMHC's management and staff. Their passion, professionalism, and performance shone through again in 2012. I am confident in this enduring dedication to ensuring the long-term financial health of the Pension Plan and Pension Fund.



Karen Kinsley, FCPA, FCA
Chair, Pension Fund Trustees
President and Chief Executive Officer

TRUSTEES



Karen Kinsley, FCA
CHAIR,
PENSION FUND TRUSTEES
PRESIDENT AND CHIEF EXECUTIVE OFFICER



André Plourde
MEMBER
OF THE BOARD OF DIRECTORS



Doug Stewart
VICE-PRESIDENT,
POLICY AND PLANNING



Christina Haddad
GENERAL MANAGER,
ATLANTIC BUSINESS CENTRE
(FROM OCTOBER 2012)



Julie Murphy
BUSINESS LEAD, SPECIAL PROJECT
PENSION COUNCIL MEMBER
(FROM MARCH 2012)



Terry Wotton
CORPORATE REPRESENTATIVE
PENSION COUNCIL MEMBER



Guy Riopel
RETIREE
PENSION COUNCIL MEMBER

Highlights of 2012

Membership:

As at 31 December 2012, the CMHC Pension Plan had a total of 4,475 members (2011 – 4,489), including 1,906 employees (2011 – 1,959), 2,249 pensioners and beneficiaries (2011 – 2,222), and 320 members with deferred benefits (2011 – 308).

Contributions to the Fund:

During 2012, employees and CMHC contributed a total of \$55.5 million to the Fund (2011 – \$59.2 million). In addition to full normal contributions, CMHC made special payments of \$25.9 million (2011 – nil), which included \$1.9 million (2011 – nil) to fund transfer deficiencies.

Pension benefits paid:

In 2012, a total of \$63.4 million (2011 – \$59.4 million) was paid out to retirees and other beneficiaries.

Return on investments:

For the year as a whole, the Fund's total rate of return was 11.76% (2011 – 0.77%). The 10-year annualized real rate of return (i.e., the rate of return after adjusting for inflation) was 6.27% (2011 – 4.39%).

Net assets available for benefits:

As at 31 December 2012, the market value of net assets available for benefits was \$1,296.5 million (2011 – \$1,177.7 million).

Going concern actuarial valuation:

The most recent actuarial valuation of the Pension Plan filed with regulators, as at 31 December 2012, reported a deficit on a going concern basis of \$47.0 million and a going concern funded ratio of 96.4%. This is a valuation that assumes the Plan continues indefinitely. CMHC will continue to make annual special payments to fund the deficit in accordance with legislation.



Your Benefits Promise

CMHC PENSION PLAN

Plan Design

The CMHC Pension Plan is a contributory, defined benefit plan. Retirement benefits are determined by a formula based on 2% of a member's best five-year average salary, multiplied by the number of years of benefit service up to a maximum of 35 years.

The Plan provides employees with a pension, based on earned benefits, when they retire. Its provisions include survivor benefits for a member's eligible spouse or common-law partner and eligible dependent children. Pensions are indexed annually.

Both benefits under and contributions to CMHC's Pension Plan are integrated with the Canada Pension Plan (CPP) and Quebec Pension Plan (QPP).

Contribution Rates

Up to 30 June 2012, the employee contribution rate remained at 5.70% of earnings subject to CPP/QPP, which for 2012 were earnings between \$3,500 and \$50,100, and at 7.5% for earnings outside this range. Effective 1 July 2012, the contribution rate changed to 6.20%

of earnings up to \$50,100, and 8.6% for earnings outside this range. In 2012 employees contributed a total of \$13.2 million to the Pension Fund.

CMHC's total contributions to the Pension Fund in 2012 were \$42.3 million. This included full normal contributions as well as special payments in accordance with legislation of \$25.9 million in relation to the going concern and solvency deficits reported by the actuarial valuation as at 31 December 2011.

CMHC reviews on an annual basis the level of employer and employee contributions to the Pension Plan with regard to the financial status of the Fund, as well as benchmarks the competitive positioning of the Plan against other plans. CMHC maintained full contributions in 2012.

In May 2013, the Board reviewed the results of the actuarial valuation as at 31 December 2012 and recommendations for contributions in 2013. The actuarial valuation reports that the Pension Plan has a deficit on a going concern basis and a deficit on a solvency basis. As a result of the valuation,

CMHC will continue to make full normal contributions in 2013. CMHC will also make going concern special payments of \$4.8 million annually to amortize the going concern deficit over not more than 15 years in accordance with the *Pension Benefits Standards Act, 1985* and its regulations. In regards to the solvency deficit, CMHC is seeking approval to reduce the amount of the solvency special payment in 2013 to \$76.1 million as is permitted by provisions in the *Pension Benefits Standards Act, 1985* and its regulations. These provisions exist to make funding requirements less sensitive to financial market volatility. The total special payments by CMHC in 2013 would therefore be \$80.9 million excluding any special payments CMHC would make to fund transfer deficiencies for members electing to transfer out of the Pension Plan.

for employees be increased to continue to align with the employee contribution rates under the Federal Public Service Pension Plan. The rates will increase from 6.20% on earnings below \$51,100 and 8.6% on earnings above that level to 6.85% and 9.2%, respectively.

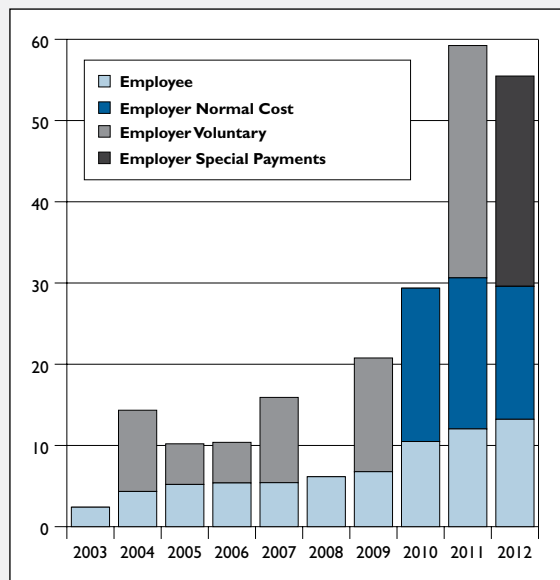
Regulatory Authorities

As a federally registered pension plan, CMHC's Pension Plan is subject to the federal *Pension Benefits Standards Act, 1985* (PBSA) and its regulations, and to the *Income Tax Act* (ITA). The Plan is registered with the Office of the Superintendent of Financial Institutions (OSFI) and the Canada Revenue Agency (CRA). The Plan Rules, as well as the Plan's funding and operations, must comply with the standards prescribed by the PBSA and ITA.

Membership

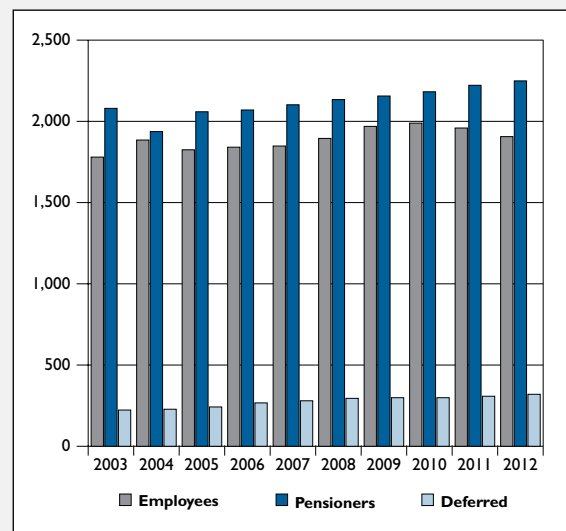
During 2012, 66 employees retired from CMHC. At year-end, the CMHC Pension Plan had 4,475 members including 1,906 employees, 2,249 pensioners and beneficiaries, and 320 members with deferred vested benefits. In addition, there were 426 transfer restriction annuities (see Portability section).

Employee and Employer Contributions
(\$ Millions)



In regards to contributions by employees, analysis of CMHC's Pension Plan demonstrates that besides being a top-ranked pension plan, CMHC's Pension Plan comes at a relatively low cost to employees. As such, in February 2013, the Board approved that effective 1 April 2013, pension contribution rates

Plan Membership
(Number of Persons)



Benefits

Retirement Benefits

Any employee who contributes to the Pension Plan is entitled to receive benefits upon termination of employment at CMHC. At age 60, members are entitled to an immediate pension without reduction. Under the Pension Plan Rules, earlier retirement with a reduced or unreduced pension is possible, subject to necessary approvals.

Death Benefits

When a plan member dies, before or after retirement, death benefits are available for the eligible spouse or common-law partner and for children where eligible to receive a death benefit under the Plan. If the member dies before retiring, the surviving spouse or common-law partner may choose to transfer the commuted value of the survivor benefit to a locked-in vehicle such as a locked-in Registered Retirement Savings Plan (RRSP). If a member dies without an eligible surviving spouse or common-law partner or eligible child/children, a minimum death benefit is paid in a lump sum to the designated beneficiary where applicable, or to the estate.

Indexation of Benefits

In accordance with the indexation provisions in the Plan Rules, all pensions are indexed annually. On 1 January 2013, pensions were increased by 1.9%. This adjustment is based on the average change in the Consumer Price Index over the 12-month period ending 30 September 2012.

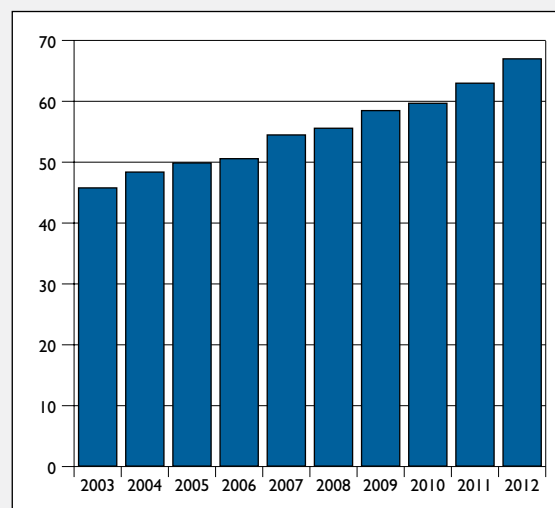
Total Benefits Paid in 2012

A total of \$63.4 million in pension benefits was paid to plan members in 2012.

Portability

On termination of employment at CMHC, contributors with two or more years of credited service who are not entitled to receive an immediate unreduced pension may elect to transfer the commuted value of their earned pension benefits to a locked-in vehicle such as a locked-in RRSP, Life Income Fund (LIF), or Restricted Life Income Fund. Alternatively, they may purchase a prescribed life annuity. Contributors with less than two years of credited service may elect to transfer their entitlement to unlocked vehicles. Under ITA rules, there is a maximum on the amount of commuted value that can be transferred on a tax-sheltered basis from a pension plan.

**Benefits and Net Contributions
Transferred or Refunded**
(\$ Millions)



Where a member has at least two years of credited service, the amount in excess of the ITA maximum is retained in CMHC's Pension Plan and paid out under the Plan Rules by way of a Transfer Restriction Annuity to the individual starting at age 60, for a five year period.

Contributors who leave CMHC to work for another employer might also have the option of transferring their pension credits to that employer's registered pension plan under the terms of a pension transfer agreement, or through general portability if allowed under the other employer's pension plan.

Employees with questions about pension transfer agreements or pension portability in general should direct them to CMHC's Pension and Benefits group, Human Resources (see last page for full contact information).

Communications

CMHC is strongly committed to maintaining good, open, two-way communications with plan members regarding the Pension Plan and related matters. One of CMHC's key objectives is to promote increased awareness and understanding of its Pension Plan and the benefits it provides, while providing opportunities for member feedback. To advance its plan member communication and education objectives, CMHC pursues a broad range of initiatives tailored to the varying information needs and interests of plan members.

In 2012, CMHC continued to offer a Retirement Planning Seminars Program to employees. The program consists of two-day seminars for employees within 10 years of retirement and one-day seminars for those farther away from retirement. A total of 7 seminars were delivered to employees in Montréal, Vancouver, Calgary, and at National Office. The number of participants in these seminars, including employees' spouses, added up to about 126. The feedback from participants has been highly positive.

CMHC's other ongoing communication activities include sending an Annual Statement of Personal Benefits to each plan member; issuing an annual summary of the highlights of Pension Council meetings; delivering information sessions for employees on the Pension Plan, and making available booklets on the CMHC Pension Plan, as well as distributing CMHC's Pension Plan Annual Report. Information related to the Pension Plan is also available on CMHC's website, including a description of the governance of the Pension Plan and Fund, key roles and responsibilities, and the Pension Plan Annual Reports of recent years. CMHC also facilitates and encourages feedback from plan members via a dedicated telephone number (Hotline), e-mail address and fax number; or via their respective representative on CMHC's Pension Council, which includes 10 elected employee and pensioner members.



Effective Governance

PLAN GOVERNANCE

The concept of pension plan governance is commonly defined by pension authorities as the structures and processes for overseeing, managing and administering a pension plan to ensure all obligations of the plan are met.

At CMHC, the pension governance structure and related processes evolve over time as opportunities are taken to enhance the governance of CMHC's Registered Pension Plan and its Fund. The Pension Plan Governance Guidelines, issued in 2004 by the Canadian Association of Pension Supervisory Authorities (CAPSA, of which OSFI is a member), serve as a key reference for pension governance at CMHC. A formal review of CMHC's governance processes is conducted on a regular basis and was most recently undertaken in 2012 with the assistance of an external consultant. The review concluded that overall, CMHC's pension governance structure and processes fully meet and in many instances exceed standards and expectations for pension governance.

The following describes CMHC's governance objectives and practices, the governance structure, and the roles

of the participants in the governance structure, as they relate to CMHC's Registered Pension Plan and its Fund.

Governance Objectives and Practices

Good corporate governance is at the heart of all of CMHC's activities and successes and is echoed in the governance framework for the Pension Plan and its Fund. A sound framework ensures that the ongoing obligations of the Pension Plan to its stakeholders can be met, with effective decision-making processes, prudent and efficient management of resources, and regular communication. CMHC's practices in support of these objectives are discussed in the following four broad sections on roles and responsibilities, performance measurement, communications and information, and code of conduct and risk management.

Roles and responsibilities

Roles and responsibilities are an important element of any governance framework. At CMHC, key roles and responsibilities for the governance, management,

and operation of the Pension Plan and its Fund are approved by the Board of Directors and reviewed and refined over the years to reflect best practices. Terms of reference, which elaborate upon key roles and responsibilities, are also in place for Trustees and the Investment Committee. In 2012, the Trustees approved updates to the terms of reference for the Pension Fund Investment Committee following a review of industry and best practices. An overview of key roles and responsibilities is provided further on in this section.

Performance measurement

Processes are in place to monitor and evaluate the investment performance of the Pension Fund, (including performance measures for the overall Fund and individual asset classes), and the performance of decision-makers in the governance process. As well, management of pension fund liability risk is a consideration in CMHC's Enterprise Risk Management policies. Mechanisms are also in place to oversee and ensure compliance with legislative requirements and policies.

Communications and information

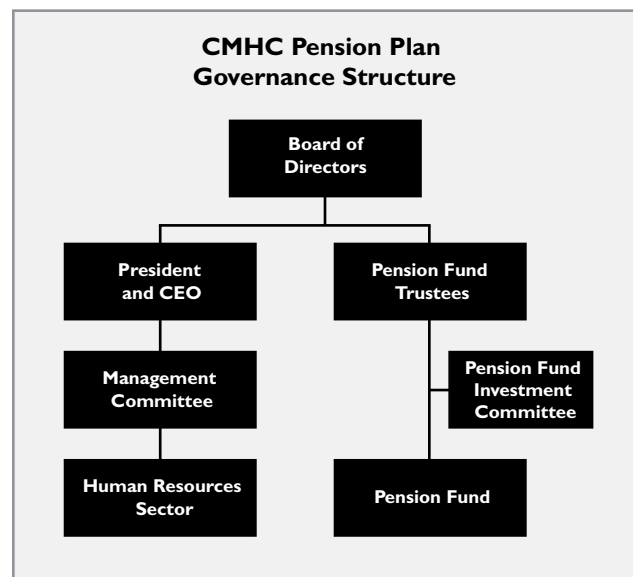
CMHC has numerous practices in place to ensure that those involved in the governance of the Pension Plan and Pension Fund have access to relevant, timely, and accurate information. Amongst other matters, the Board of Directors receives reports from the Chair of Trustees following Trustees' meetings (including a formal report each year on the Pension Fund's performance and Trustees' activities), minutes of Trustees' meetings and the Pension Plan Annual Report. Reports on plan benefits and administration and compliance matters are submitted regularly to the governing bodies, as appropriate. Trustee and Investment Committee meetings are held regularly and have comprehensive agendas, and orientation sessions are provided to new members. In 2012, these meetings included a joint meeting of Trustees and Investment Committee. CMHC also communicates with plan members and Pension Council as appropriate, and holds orientation sessions for Pension Council members. As well, the Pension Plan Annual Report explains the governance process and provides contact information.

Code of conduct and risk management

CMHC has a well-documented and comprehensive Code of Conduct, which was updated in 2012 and that is comprised of a Code of Values and Ethical Conduct and a Conflict of Interest Policy. The Trustees, the Pension Fund Investment Committee, the Investments and Pension Fund staff, and any person involved in the administration of the Fund are required to adhere to CMHC's Code of Conduct and to complete Conflict of Interest Declarations. In keeping with best practices for risk management, CMHC's Board of Directors has established Enterprise Risk Management policies including policies specific to the Pension Fund approved in 2012. A statement of investment principles and beliefs was also incorporated into these policies in 2012. Internal control frameworks are in place for the Pension Plan and Pension Fund and they are frequently reviewed. Internal controls are further strengthened with additional monitoring and reporting on compliance matters by CMHC's Compliance Office.

Governance Structure

CMHC's pension governance structure is comprised of the Board of Directors, the Pension Fund Trustees, the Pension Fund Investment Committee, the Investments and Pension Fund Division, CMHC's President and Chief Executive Officer, Management Committee, and the Human Resources Sector (Pension and Benefits group). Their respective roles and responsibilities are summarized as follows.



CMHC's **Board of Directors**, which established the Pension Fund, is responsible for approving the Pension Fund's mission, investment philosophy and Enterprise Risk Management policies applicable to the Pension Fund, including the asset allocation policy. The Board reviews the Pension Fund's performance on an annual basis. It also reviews and approves actuarial valuation reports for filing with regulatory authorities, the level of CMHC's contribution to the Fund pursuant to the Pension Plan Rules, any amendments to the Pension Plan Rules, and the Pension Plan Annual Report. It is supported by a Human Resources Committee of the Board, which it created to oversee corporate human resources policies and strategies. The Board has delegated general management and administrative responsibilities for the Fund to the Trustees.

The **Pension Fund Trustees** set investment policies and objectives within the context of the Enterprise Risk Management policies established by the Board, and periodically review the asset allocation policy. If changes in the asset allocation policy are considered to be required, the Trustees make the appropriate recommendation to the Board of Directors. In addition, the Trustees establish performance standards for

measuring progress toward objectives and approve the appointment of external investment managers.

The **Pension Fund Investment Committee** assists the Trustees in the investment management of the Pension Fund. The Committee meets at least six times per year to review the Pension Fund's performance, current economic scenarios, projections and their implications for the investment portfolio. It recommends investment policies and strategies to the Trustees and helps monitor the effectiveness of their implementation. The Committee's membership includes two external independent investment experts.

CMHC's **Investments and Pension Fund Division** develops and recommends specific investment policies and strategies to the Pension Fund Investment Committee, Trustees, or Board of Directors, as appropriate. Investment managers direct the ongoing operations of the Pension Fund's various asset classes. These operations include the purchase and sale of investments and assessment of external investment managers, all in accordance with approved policies.

The **Pension Fund Administration Group**, within Investments and Pension Fund, carries out the cash



Trustees

4 December 2012

(L. to R.): Doug Stewart, Julie Murphy, Terry Wotton, Karen Kinsley,
Guy Riopel, Christina Haddad, André Plourde

management, accounting, financial reporting, investment performance measurement and compliance functions, together with the coordination of auditing and actuarial activities needed to support the Fund's operations and meet legislative requirements.

The **President and Chief Executive Officer** of CMHC recommends for Board approval, with the advice of **Management Committee**, as appropriate, changes to pension benefits or the design of the Pension Plan and related changes to the Pension Plan Rules, the results of actuarial valuations, and the levels of corporate and employee contributions to the Pension Fund. The President also recommends changes to the governance structure to the Board for approval, with the advice of Management Committee, as appropriate.

The **Human Resources Sector** of CMHC administers Pension Plan benefits in accordance with the Pension Plan Rules and recommends pension benefit changes and related rule changes to CMHC's Management Committee. It also disseminates information relating to the Pension Plan to plan members, and maintains member records.

Other Pension-related Roles and Responsibilities

Two other bodies, the Pension Plan Coordination Committee and the Pension Council, play important supportive roles for CMHC's pension governance structure.

The **Pension Plan Coordination Committee** provides a forum for discussion and collaboration amongst Pension Fund, Human Resources and Legal Services staff on pension matters of common interest, such as the Pension Plan Annual Report, communications with plan members, and pension governance.

The **Pension Council** consists of elected employee and retired members of the Pension Plan. Its functions are to promote awareness and understanding of the Plan amongst members and to review financial, actuarial and administrative aspects of the Plan annually. Three of its members, two employees and one pensioner, are elected by the Council to serve as Trustees. As well, another member is appointed by the President to the Pension Fund Investment Committee.



**Pension Council
4 December 2012**

Standing (L. to R.): Stephen Hall, Peter Hood, Fleuri Perron, Terry Wotton, Kamal Gupta, Guy Riopel, Dominic Olivier, Claude Gautreau

Sitting (L. to R.): Francois Levesque, Julie Philippe, Julie Murphy, Jacques Beaupré



An Investment Strategy Based on Sound Principles

PENSION FUND PERFORMANCE AND OPERATIONS

Investment Framework

The overall long-term investment objective for the Pension Fund is to achieve a total rate of return that will provide for the pension benefit obligations of the CMHC Pension Plan at an acceptable level and volatility of expected contribution requirements. In pursuing this long-term objective, the Pension Fund strives to maximize returns on investments within approved policies, which specify the limits and parameters within which risk may be taken.

In March 2012, the policy framework was enhanced with Enterprise Risk Management (ERM) Policies approved by the Board of Directors for the Pension Fund. These include a high level risk appetite statement that describes the level at which risks should be avoided and where strategies must be implemented to manage risk. The ERM Policies also incorporate the asset allocation policy recommended by Trustees and approved by the Board for the Fund, which is a key driver of the Fund's returns and of contribution requirements.

The ERM Policies were enhanced later in 2012 with a formal statement of the investment principles and

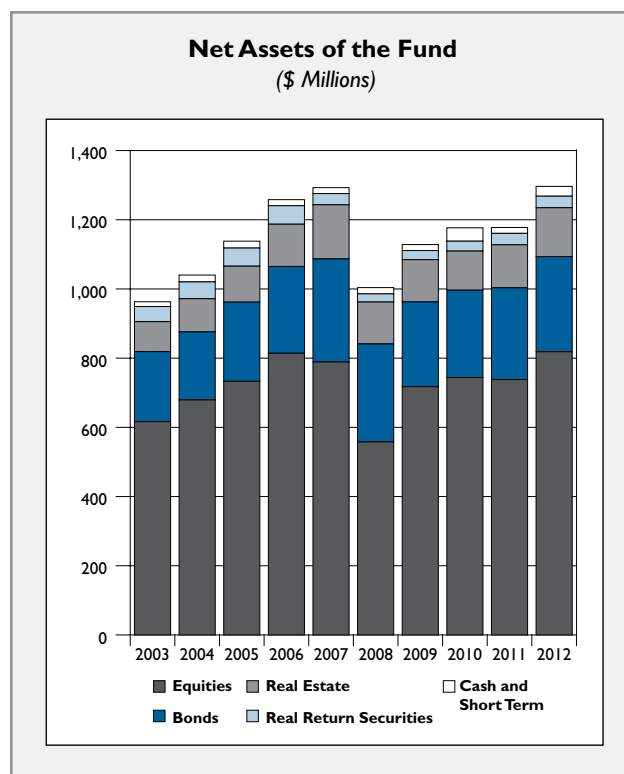
beliefs underpinning the Fund's policies and practices. These include the Pension Fund's approach to investment decision-making, which has a long-term orientation, values the quality of assets, and takes risk into account. This philosophy recognizes the long-term nature of the pension liabilities and the desire for investments to be diversified, fully understandable, transparent, and appropriate for the Pension Fund. In practice, the Fund seeks to acquire a diversified portfolio of fundamentally sound assets in order to generate sufficient long-term investment returns as well as immediate cash flows to pay pension benefits.

The Pension Fund's asset allocation policy is based upon the principle of diversification of investments among various asset classes relative to the liabilities of the Pension Plan. It is reviewed at least every five years. The asset allocation policy has been established at 57% public equity investments, 28% fixed income securities and 15% inflation sensitive investments. The policy includes permissible ranges around these percentage weights. Equity investments include Canadian and foreign equities. Fixed income is comprised of Canadian bonds and money market investments. The inflation

sensitive category encompasses real return securities, real estate and infrastructure investments. Until the Fund has invested a target amount of 5% in infrastructure investments, the asset allocation policy is being adjusted to have a corresponding higher amount, e.g. 62%, in public equity investments and a lower amount, e.g. 10%, in inflation sensitive investments.

In December 2011, the Board had approved changes to the Fund's long-term strategic asset allocation policy that were expected to come into effect gradually in future years subject to market conditions and interest rate levels. These changes included a gradual reduction of public equity investments, a gradual increase of inflation sensitive investments, and a change in fixed income investments to focus on long-term bonds. These changes, in aggregate, were expected to help make the Pension Plan's financial position less sensitive to market volatility and interest rates. During 2012, however, expectations grew that low levels of interest rates would continue for a more extended period of time than previously foreseen, which would mean that implementing changes to the Fund's asset allocation policy would be more costly than anticipated. As a result, the Board of Directors re-confirmed the existing asset allocation policy. The Pension Fund will undertake another review of the policy when the financial position of the Pension Plan improves and no later than 2016.

The Statement of Investment Policies and Goals established by the Trustees for the Pension Fund sets out additional policies necessary for the management and administration of the Fund. It includes further definition of permitted investments and the requirements for diversifying investments and managing financial risks. It also includes policies for measuring, monitoring, and reporting on the performance of the Pension Fund. The Statement of Investment Policies and Goals conforms to the requirements of the PBSA and was updated in 2012 to ensure it is also aligned with the ERM Policies for the Pension Fund. It is reviewed and approved annually by Trustees in accordance with the PBSA.



Risk Management

In addition to the risk appetite statement and asset allocation policy for the Pension Fund, the ERM Policies for the Pension Fund identify the strategic, operational, and financial risks faced by the Fund. The Board of Director's specific requirements for managing these risks are addressed by a range of established policies and practices. Many of these are discussed in this Annual Report in the section on Plan Governance.

The financial risks relating to the Pension Fund are managed primarily through the diversification of assets, limits and parameters for credit risk, market risk, and liquidity risk, annual audits of financial statements, and annual actuarial valuations. An actuarial valuation was conducted as of year-end 2012 (refer to the Actuarial Valuation section of this Annual Report). More information relating to financial risks is provided in the notes to the financial statements.

Regular measurement and reporting of Pension Fund performance is also vital. An extensive set of risk and return indicators is used to measure the Fund's ongoing performance. These indicators and the Fund's performance, including compliance with investment and risk management policies, are reviewed by the Investment Committee and Trustees.

Economic Environment

The global economy during 2012 was driven by a continuation of monetary stimulus in advanced economies and by sustained, though slower than expected, economic growth in emerging market economies. Economic growth in the advanced economies was also slower than previously anticipated, and was reflective of ongoing deleveraging by households and financial institutions, continued financial austerity, elevated unemployment in many parts of the world and reduced business and consumer confidence.

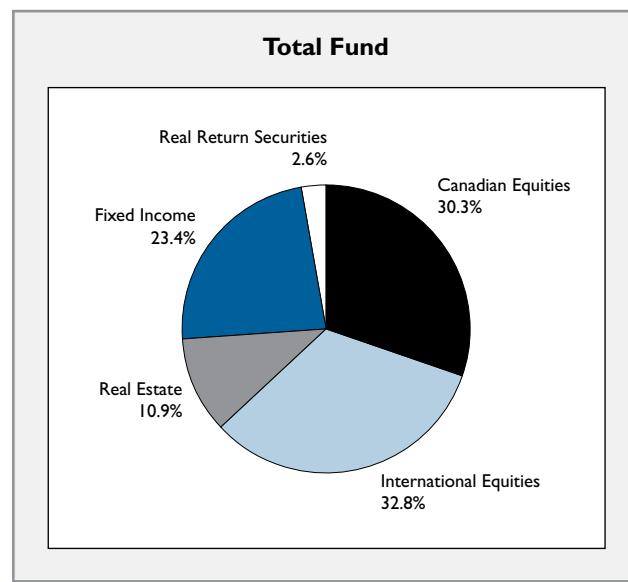
The Canadian economy continued to grow at a modest pace in 2012. Based on the Bank of Canada's outlook for 2013, domestic consumption and business investment are expected to continue to drive economic growth, while exports are expected to gradually rise but remain below their pre-recession peak due to sluggish foreign demand and the persistent strength of the Canadian dollar. According to its January 2013 Monetary Policy Report, the Bank of Canada expects economic growth of 2.0% in 2013.

The Pension Fund's performance is impacted by the economic environment and capital market conditions. Accordingly, the strategic asset allocation policy is established factoring in an extensive range of scenarios for economic conditions and the relative rates of return of various investments.

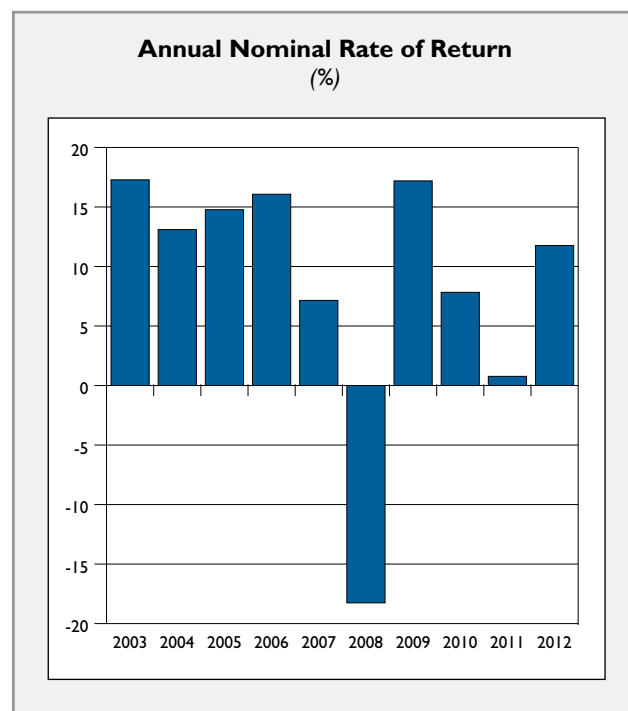
Pension Fund Performance

The majority of the Fund's investments are actively managed by internal investment managers. External investment managers are also appointed by Trustees with a range of active and passive investment mandates. Portfolio managers are responsible for individual security selections within their mandates.

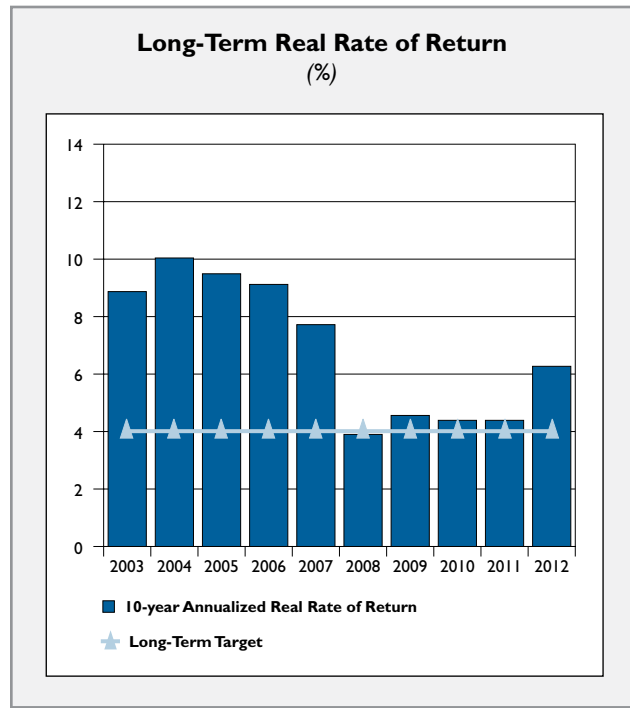
The Fund's net assets available for benefits at 31 December 2012 were \$1,296.5 million compared to \$1,177.7 million at the end of 2011.



The Fund's performance is measured against a passive benchmark portfolio that is based on the strategic asset allocation policy. The total investment return for the Fund in 2012 was 11.76%, which was 248 basis points more than the benchmark, which returned 9.28%.



The Fund's total return in 2012 was driven by favourable returns in the equity markets and in real estate. Of note, all of the Fund's actively managed investments out-paced the market's returns with the result that the Fund's return exceeded its benchmark. It is also noteworthy that with this result, the Fund's performance over the past 10 years has on average exceeded its benchmark by about 1% on an annualized basis. This is net of all operating expenses.



It is important to focus on the real rate of return achieved over the long-term given that pension benefits are fully indexed to inflation based on the Consumer Price Index (CPI) and will be paid on average for many years. The real rate of return is the nominal rate of return less inflation. The Fund's 10-year annualized real rate of return was 6.27%, which is significantly higher than the long-term real rate of return objective and actuarial assumption of 4.00%.

This objective is periodically reviewed. It was most recently reviewed during the actuarial valuation for year-end 2012 and determined to still be a reasonable expectation for the long-term.

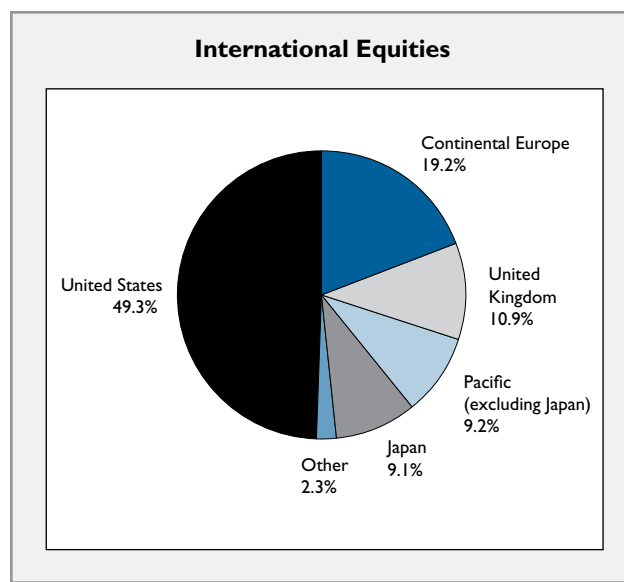
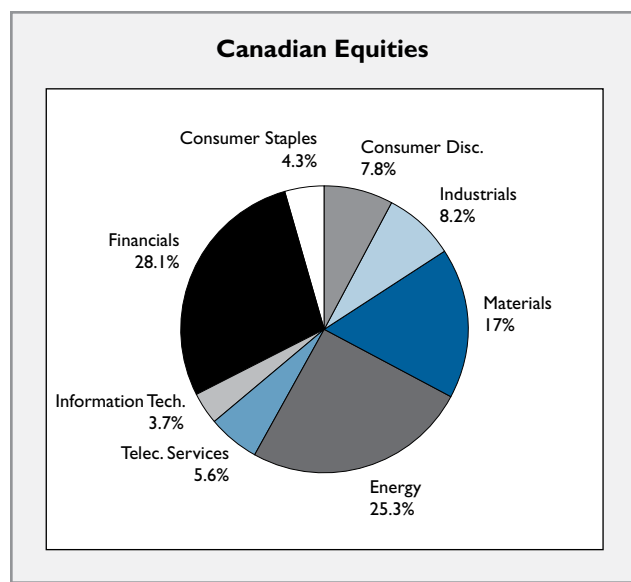
Performance by Asset Class

Canadian Equities:

The Canadian equity market started the year on a positive note as the U.S. economy showed signs of recovery and Greece averted imminent default on its debt. However, investors' enthusiasm faded quickly as European political friction remained on centre stage and China's economy showed signs of exhaustion. Despite these events overseas, the Canadian equity market, along with other major global equity markets, posted a strong performance in the second half of 2012 on renewed confidence about a recovery in the U.S. economy.

In that environment, investors tended to be prudent and favoured large capitalization stocks in less cyclical sectors such as consumer staples. Commodity sectors remained under pressure as growth in China, the main driver for commodity demand, remained a question mark. The Canadian energy sector also experienced weakness as the sector is plagued by structural issues that put pressure on Canadian oil prices relative to global oil indices.

The Pension Fund's Canadian equity portfolio achieved a return of 9.69% in 2012, which was better than the return of 7.19% for the S&P/TSX Composite Index. The Fund's preference for more conservative investments, overweighting in more stable consumer sectors and focus on dividend paying corporations, continued to reward the Canadian equity portfolio. Underweighting securities in the more volatile materials sector was also beneficial to performance.



International Equities:

Investments in international equities provide exposure to the stock markets of the U.S. and Europe, Australasia and the Far East (EAFE). Investments in U.S. equities are managed by BlackRock Asset Management Canada Limited and Goldman Sachs Asset Management L.P. The portion that is managed by BlackRock Asset Management Canada Limited is invested in units of a U.S. equity pooled fund indexed to the Standard & Poor's 500 Index. Other investments in U.S. equities are actively managed by Goldman Sachs Asset Management L.P. in a segregated account. The Fund's investments in EAFE equities are through units of funds actively managed by JP Morgan Asset Management (Canada) Inc. and Sprucegrove Investment Management Ltd.

A major benefit of foreign equity investments is portfolio diversification. Global equity markets tend to be more widespread among different industry sectors than the Canadian equity market, which is heavily concentrated in the materials, energy, and financial sectors. By investing abroad, the portfolio gains exposure to sectors not widely available in Canada, such as the consumer discretionary, consumer staples, and healthcare sectors, and to faster growing geographic regions such as the Far East.

In accordance with the Pension Fund's investment policies, a portion of the foreign currency risk arising from foreign equity holdings was hedged during the year. This is aimed at reducing the volatility of returns over time when measured in Canadian dollars.

The 2012 return for the Pension Fund's U.S. investments was 16.20% as measured in Canadian dollars, including a positive currency hedging impact of 1.38% against the U.S. dollar. The return on U.S. investments was more than the benchmark for this asset class, which was 14.90%, as a result of outperformance in the actively managed mandate. The manager of this mandate continued to focus on attractively valued companies with predictable revenues and earnings, as well as strong competitive advantages and pricing power. These companies outperformed the broader index in 2012. The EAFE equity investments returned 18.23% as measured in Canadian dollars, including a positive currency hedging impact of 1.45%. The return on EAFE investments outperformed the benchmark for this asset class, which was 15.35%, with positive securities selection by the growth manager driving most of the outperformance.

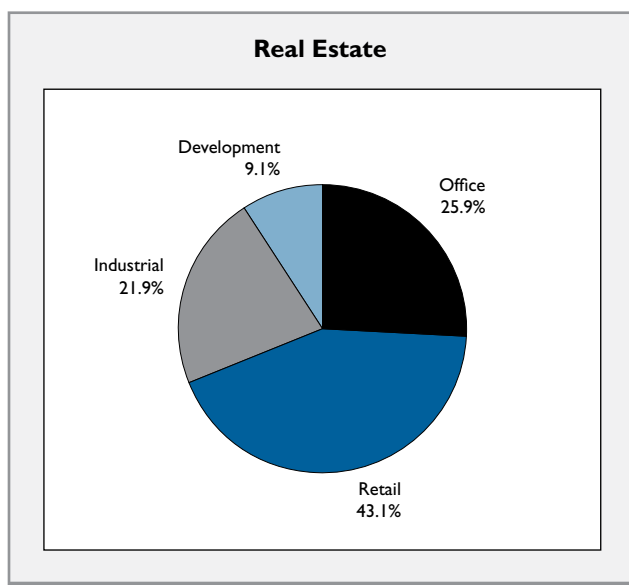
Infrastructure:

In late 2012, the Pension Fund made its first investment commitment, for U.S. \$18 million, to an infrastructure investment fund. This money will be invested over time as the infrastructure investment fund seeks to acquire assets to add to those it already owns in a number of countries.

Real Estate:

The Fund's real estate holdings provide exposure to an important Canadian asset class. The holdings are diversified by commercial property type and by region.

Real estate investment opportunities are decided on only after thorough analysis of markets, property locations, legal and financial implications, environmental conditions affecting properties, and potential returns. Investments are financed in part through mortgages on properties. The Fund participates directly in the management of most of its real estate investments.



This portfolio continued to experience strong appreciation in the market values of various properties combined with more normal levels for income. The Real Estate portfolio returned 21.86% in 2012, which was more than the benchmark for this asset class of 14.89%.

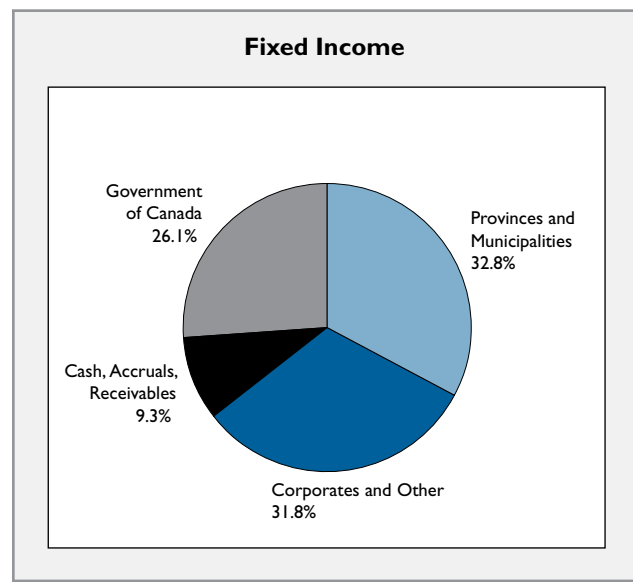
Real Return Securities:

Investments in real return securities provide a hedge against inflation. Holdings consist primarily of real return bonds issued by the Government of Canada and the provinces. In 2012, the portfolio returned 2.84%, comparable to the benchmark for this asset class of 2.85%, as a result of continued declines in interest rates.

Fixed Income:

These investments include high-quality government and corporate bonds, money market investments, and cash or cash equivalent holdings that ensure short-term liquidity. Bonds are evaluated against stringent criteria to ensure that only investment-grade instruments with a "BBB" category credit rating or better are included in the portfolio.

With moderate expectations for growth, the Bank of Canada held its overnight target interest rate at 1.00% through 2012. The combination of a modestly growing Canadian economy and slower than anticipated global growth led to a stable level of interest rates. Overall, Canadian bond yields fell slightly in 2012.



The return of the Bond portfolio was 3.87% in 2012 which exceeded the benchmark for this asset class of 3.60%. The primary driver of this performance was the higher yield of the Fund's portfolio from holding more investments in bonds issued by provinces and corporations compared to the benchmark. The return of the Money Market portfolio was 0.94% in 2012, similar to its benchmark's return of 0.91%.

Operations Management

The Net Assets of the Pension Fund increased \$118.8 million in 2012.

Interest, dividends and real estate net revenues were \$0.7 million higher than in 2011 due to lower interest income returns and real estate net revenues offset by higher dividends.

Total contributions in 2012 were lower than in 2011 by \$3.8 million due to lower CMHC contributions (\$4.9 million) partly offset by higher employee contributions (\$1.2 million).

Benefits payments increased \$4.0 million over 2011 mainly due to continued growth of pensioner membership.

Operating expenses were \$7.3 million in 2012, which was slightly higher than in 2011 mainly due to investment management fees as well as personnel and related costs for the administration of pension benefits.

The Fund annually assesses its overall operating expenses against average costs for funds of its size and asset mix in Canada. The Fund's operating costs are in line with its peers.



Commitment to Financial Health

ACTUARIAL VALUATION

All federally registered pension plans are required to undertake an actuarial valuation annually for regulatory purposes unless the solvency ratio is greater than 120%. The principal purposes of an actuarial valuation include determining the financial position of a plan and providing the basis for contributions from the employer.

The actuarial valuation, which is carried out by an independent external actuary, must meet stringent legislative standards. It addresses long-term demographic trends, retirement experience and a wide variety of other factors that are analyzed in depth to determine whether changes in the Pension Plan's basic assumptions are needed. The valuation report is reviewed by CMHC's Management Committee and then approved by the Board of Directors for filing with OSFI and CRA.

Any differences between actuarial assumptions and future experience will emerge as gains and losses in future valuations, and will affect the financial position of the Plan, and the contributions required to fund it, at that time.

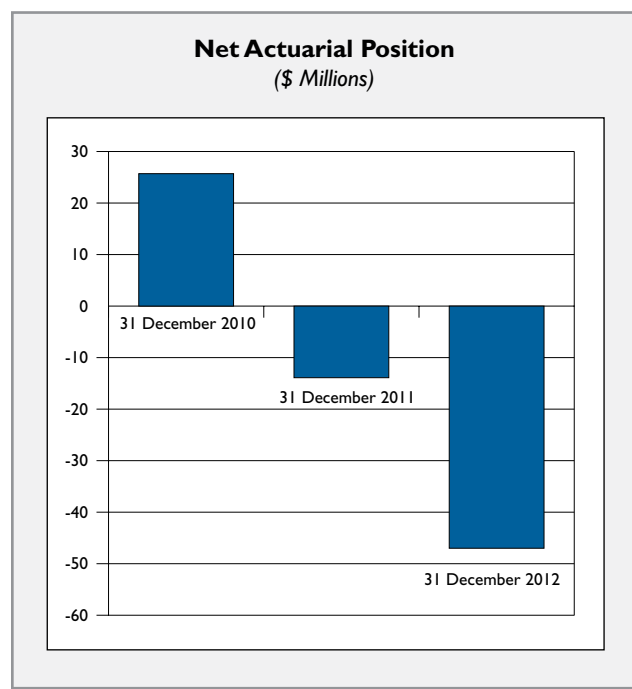
The actuarial valuation focuses on two fundamental aspects of the funded status of CMHC's registered defined benefit plan: going concern and solvency. These measure the sufficiency of the Pension Fund's assets to meet the Pension Plan's liabilities from two different perspectives.

Going concern valuation: The going concern valuation assumes that the Plan continues indefinitely. This valuation uses the expected long-term investment return associated with the Fund's diversified mix of assets at the valuation date to value the Plan.

Solvency valuation: The solvency valuation assumes a hypothetical immediate termination of the Plan and that no further contributions are made. This valuation uses the interest rates prevailing at the valuation date to value the Plan based on an assumption that all assets are invested only in high quality fixed income-related investments.

The 31 December 2012 valuation reported that the Plan has a deficit on a going concern basis with an actuarial deficit of \$47.0 million and a going concern funded ratio of 96.4%. As at 31 December 2012, the actuarial value of net assets was \$1,258.7 million and the actuarial value of liabilities was \$1,305.7 million. As permitted by the PBSA, the actuarial value of assets used for the determination of the going concern funded position is determined through a method that smoothes fluctuations in actual investment returns relative to expected investment returns over five years.

The funded position on a going concern basis, as determined by the actuarial valuations filed with regulators, is shown in the chart.



The 31 December 2012 valuation also reported that the Plan continues to have a deficit on a solvency basis with an actuarial deficit of \$640.0 million and a solvency funded ratio of 66.9%. The actuarial value of net assets in this valuation is based on the Fund's market value of net assets at 31 December 2012 and was \$1,294.4 million. The actuarial value of liabilities on a solvency basis was \$1,934.4 million.

Although legislation permits the reduction of payments related to a solvency deficit, subject to certain conditions including a maximum limit, such a reduction is not allowed for payments related to a going concern deficit. The PBSA requires that any deficit on a going concern basis must be funded through annual going concern special payments that amortize the deficit over not more than 15 years. Consequently, CMHC is required to make going concern special payments to the Plan in 2013 in the amount of \$4.8 million. In regards to the solvency deficit, CMHC is seeking approval to reduce the solvency special payments. As a result, the anticipated solvency special payment in 2013 would be \$76.1 million. The total special payments in 2013 would therefore be \$80.9 million. These provisions exist in legislation to make solvency funding requirements less sensitive to financial market volatility.

ACTUARIAL OPINION

Towers Watson Canada Inc. was retained by Canada Mortgage and Housing Corporation to perform an actuarial valuation of the Plan on an accounting basis as at 31 December 2012. The purpose of the valuation was to determine the pension obligations of the Plan, and changes therein, for the year ended 31 December 2012, for inclusion in the Plan's financial statements prepared in accordance with the Canadian Institute of Chartered Accountants Handbook. The objective of the Plan's financial statements is to fairly present the financial position of the Plan as at 31 December 2012 as a going concern. The results of our valuation might not be appropriate for and should not be relied upon or used for any other purposes.

We reviewed the membership data and information on net assets available for benefits, and changes therein, for the year ended 31 December 2012 received from Plan management and found the data to be sufficient and reliable for the purpose of the valuation.

To our knowledge, the actuarial valuation as at 31 December 2012 reflects all changes to the Plan's provisions in 2012. The actuarial method is prescribed by the Canadian Institute of Chartered Accountants Handbook. The actuarial assumptions are determined by Plan management as their best long-term estimates of future events, in consultation with Towers Watson Canada Inc. Nonetheless, the future experience of the Plan will inevitably differ, perhaps significantly, from the actuarial assumptions and will result in gains or losses which will be revealed in future valuations.

In our opinion, the data on which the valuation for accounting purposes is based are sufficient and reliable for the purpose of the valuation and the actuarial assumptions are in accordance with accepted actuarial practice.

Our valuation and related report were prepared, and our opinions given, in accordance with accepted actuarial practice in Canada.

TOWERS WATSON CANADA INC.
ACTUARIES OF THE CMHC PENSION PLAN
MONTRÉAL, QUEBEC
24 MAY 2013



Jacques Lafrance, FCIA-FICA



Allison Miles, ACIA-AICA

INDEPENDENT AUDITORS' REPORT

To the Trustees of Canada Mortgage and Housing Corporation Pension Fund

We have audited the accompanying financial statements of the **Canada Mortgage and Housing Corporation Pension Plan**, which comprise the statement of financial position as at 31 December 2012, and the statements of changes in net assets available for benefits and of changes in pension obligations for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

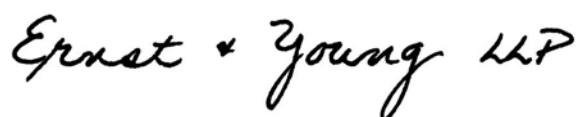
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Canada Mortgage and Housing Corporation Pension Plan as at 31 December 2012, and the changes in its net assets available for benefits and changes in its pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

The logo for Ernst & Young LLP is written in a stylized, cursive script. The words "Ernst & Young" are in a larger, more prominent script, with "LLP" in a smaller, simpler script to the right.

OTTAWA, CANADA
CHARTERED ACCOUNTANTS
JUNE 11, 2013
LICENSED PUBLIC ACCOUNTANTS

FINANCIAL STATEMENTS

Canada Mortgage and Housing Corporation Pension Plan

STATEMENT OF FINANCIAL POSITION

Year ended 31 December
(in thousands of dollars)

	2012	2011
ASSETS		
Investments (note 3)	1,414,214	1,299,913
Contributions Receivable from the Employer	553	1,000
Contributions receivable from the employees	43	-
Accounts receivable	956	1,602
Accrued interest and dividends receivable	3,101	2,835
Cash	1,376	1,592
Total assets	1,420,243	1,306,942
LIABILITIES		
Accounts payable and accrued liabilities (note 10)	4,147	1,618
Mortgages payable (note 4)	119,639	127,632
Total liabilities	123,786	129,250
NET ASSETS AVAILABLE FOR BENEFITS	1,296,457	1,177,692
Pension Obligations	1,305,735	1,262,366
DEFICIT	(9,278)	(84,674)

See accompanying notes to the financial statements.



Karen Kinsley, FCPA, FCA

CHAIR, PENSION FUND TRUSTEES
PRESIDENT
AND CHIEF EXECUTIVE OFFICER OF CMHC



DOUGLAS STEWART

TRUSTEE OF THE PENSION FUND
VICE-PRESIDENT OF CMHC REGIONAL OPERATIONS
AND ASSISTED HOUSING

Canada Mortgage and Housing Corporation Pension Plan**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

Year ended 31 December
(in thousands of dollars)

	2012	2011
INCREASE IN NET ASSETS		
Investment income		
Interest		
Short-term Investments	14	21
Bonds and debentures	9,332	10,124
Real return securities	568	651
	9,914	10,796
Dividends		
Canadian	11,538	9,305
American	4,928	4,412
Other foreign	6,275	5,948
	22,741	19,665
Net revenue from real estate (note 5)	5,221	6,748
	37,876	37,209
Increase (Decrease) in fair value of investments	99,589	(25,665)
Contributions (note 6)		
Employer	42,260	47,200
Employees	13,220	12,034
	192,945	70,778
DECREASE IN NET ASSETS		
Benefits (note 7)	63,404	59,359
Net contributions transferred or refunded	3,462	3,491
Operating expenses (notes 8 and 10)	7,314	7,012
	74,180	69,862
Total increase in net assets	118,765	916
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	1,177,692	1,176,776
End of year	1,296,457	1,177,692

See accompanying notes to the financial statements.

Canada Mortgage and Housing Corporation Pension Plan**STATEMENT OF CHANGES IN PENSION OBLIGATIONS**

Year ended 31 December
(in thousands of dollars)

	2012	2011
Pension Obligations, beginning of year	1,262,366	1,220,008
Plan amendments	-	185
Changes in actuarial assumptions	-	(22,151)
Interest accrued on benefits	73,380	80,712
Experience gains and losses	7,266	15,827
Benefits accrued	29,589	30,635
Benefits paid	(66,866)	(62,850)
Net Change in Pension Obligations	43,369	42,358
Pension Obligations, end of year (note 9)	1,305,735	1,262,366

See accompanying notes to the financial statements.

Canada Mortgage and Housing Corporation Pension Plan

NOTES TO FINANCIAL STATEMENTS

31 December 2012

I. DESCRIPTION OF PLAN

a) General

The Canada Mortgage and Housing Corporation Pension Plan (the "Plan") is a compulsory contributory defined benefit pension plan for all employees who satisfy certain eligibility conditions. Under the Plan, contributions are made by the Plan members and Canada Mortgage and Housing Corporation ("CMHC"). The Plan is registered under the *Pension Benefits Standards Act, 1985* ("PBSA") registration #55086.

Under the Pension Plan Rules, benefits are determined by a formula based on 2% of a member's best five-year average salary multiplied by the number of years of benefit service up to a maximum of 35 years. The pension is payable at age 60 or upon retirement allowing for certain early retirement provisions in accordance with the Pension Plan Rules. The Plan provides survivor benefits for a member's eligible spouse or common-law partner and eligible dependent children. The benefits are indexed to the Consumer Price Index ("CPI") and integrated with the Québec/Canada Pension Plan from age 65. For more complete information, reference should be made to the Pension Plan Rules.

b) Funding policy

The PBSA requires that CMHC, being the Plan Sponsor, fund the benefits determined under the Plan. The determination of the value of these benefits is made on the basis of actuarial valuations. Changes to the PBSA and its regulations that took effect in 2010 require that valuations be performed annually, unless the solvency ratio is greater than 120%. These valuations are prepared in line with the Standard of Practice for Valuation of Pension Plans as prescribed by the Canadian Institute of Actuaries (see note 9).

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

These financial statements have been prepared in accordance with the Canadian accounting standards for pension plans as set out in Section 4600, Pension Plans, in Part IV of the Canadian Institute of Chartered Accountants ("CICA") Handbook. These financial statements present the information of the Plan as a separate reporting entity independent of the Plan Sponsor and participants of the Plan.

In accordance with Section 4600, the Plan adopted accounting policies that comply on a consistent basis with International Financial Reporting Standards in Part I of the CICA Handbook, to the extent that those standards do not conflict with the requirements of Section 4600.

The objective of these financial statements is to assist Plan members and other users in reviewing the activities of the Plan or the benefit security of an individual Plan member's benefits. The financial statements do not purport to reflect the financial status of the Plan if terminated on the statement date, the funding requirements of the Plan or the pension expense that should be included in the financial statements of the Plan Sponsor. Because the financial statements pertain to the Plan as a whole, they provide no information about the portion of assets attributable to any individual member or group of members.

b) Accounting estimates

The preparation of financial statements in accordance with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, the reported amounts of changes in net assets available for benefits during the year and the reported amount of the actuarial present value of accrued pension benefits and net assets available for benefits at the date of the financial statements. These estimates are based on management's best knowledge of current events and actions that the Plan may undertake in the future. Actual results may differ from these estimates.

c) Investments

The CMHC Pension Fund ("Fund") investment transactions are comprised of fixed income and equity securities as well as investment properties. They are recorded at fair value as of the trade date, which is the date upon which the substantial risks and rewards have been transferred. Transaction costs are expensed as incurred. Investments are stated at fair value. Fair value is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The increase (decrease) in the fair value of investments includes realized gains and losses from the sale of investments and unrealized gains and losses from the change in the difference between the cost or fair value at the end of the previous period and fair value at the end of the current period including appraisal adjustments on real estate valuations.

The following describes how the fair value of investments is determined:

- i) Short-term money market securities consist of Government of Canada Treasury bills and are valued at quoted market bid prices.
- ii) Bonds, debentures and real return securities are valued at quoted market bid prices where available. For those instruments where quoted market prices are not available, estimated values are calculated based on trade prices for similar securities as appropriate.
- iii) Canadian and American equities fair value is based on quoted market prices. For other foreign equities, the fair value is the net asset value per units provided by the issuers. The net asset value is calculated based on the quoted market prices of the funds asset less the funds liability divided by the total number of outstanding units.
- iv) Real estate is comprised of direct investments in real estate (rental income and capital appreciation properties) and investments in real estate companies established under Section 149 of the *Income Tax Act*. Real estate is valued at estimated fair values based on independent appraisals at least once every three years plus net working capital.

Interest income and revenue from real estate are recorded on an accrual basis. Since real estate is valued on a fair value basis, depreciation and amortization are not charged to income.

Dividend income is recognized on the ex-dividend date.

d) Short-term assets and liabilities

Due to their short-term nature, cash, contributions receivable, accounts receivable, accrued interest and dividend receivable, and accounts payable and accrued liabilities are carried at cost, which approximates fair value. Payment of pensions, refunds and transfers, which are due as at year-end, are recorded as accounts payable.

e) Mortgages payable

Mortgages are valued at cost, which approximates fair value. Mortgages associated with real estate are made at commercial mortgage rates.

f) Foreign currency translation and forward currency contracts

Foreign currency transactions are translated into Canadian dollars at the rate of exchange prevailing at the dates of the transactions. The fair value of the investments and cash balances denominated in foreign currencies are translated at the rates in effect at year-end.

The Fund enters into forward currency contracts to manage its exposure to foreign currencies. Forward currency contracts are reported at fair value as at the reporting date. The realized and unrealized gains and losses arising from these transactions are included in the increase (decrease) in the fair value of investments.

g) Future changes in accounting policies

In May 2011, the International Accounting Standards Board issued a new standard on Fair Value Measurement – International Financial Reporting Standards (IFRS) 13. The new standard defines fair value and determines the measurement and disclosure requirements for items measured at fair value. IFRS 13 requirements are effective January 1, 2013. Management does not foresee a significant impact to the CMHC Pension Plan financial statements.

3. INVESTMENTS**a) General**

The following table outlines the Plan's investments in financial instruments as at 31 December. Other foreign equity includes the fair value of forward currency contracts of \$-0.5 million (2011 - \$0.9 million):

	2012		2011	
	Amortized Cost ⁽¹⁾	Fair value	Amortized Cost ⁽¹⁾	Fair value
<i>(in thousands of dollars)</i>				
Fixed income				
Short-term investments	26,402	26,446	11,497	11,516
Bonds and debentures				
Government of Canada	78,340	78,996	75,492	77,214
Provinces/municipalities	89,991	99,379	81,990	92,960
Corporate/other	89,134	96,551	88,376	95,169
Total bonds and debentures	257,465	274,926	245,858	265,343
Total fixed income	283,867	301,372	257,355	276,859
Equity				
Canadian	250,382	393,352	238,042	357,595
American	195,004	209,611	196,166	191,245
Other foreign	223,142	215,615	222,784	189,263
Total equity	668,528	818,578	656,992	738,103
Inflation sensitive				
Real return securities	23,965	33,331	23,598	33,079
Total inflation sensitive	23,965	33,331	23,598	33,079
Total investment in financial instruments	976,360	1,153,281	937,945	1,048,041

¹ Cost for Equity

As at 31 December 2012, the Plan's investments in financial instruments include \$134.7 million (2011 - \$117.6 million) of fixed income securities at fair value issued by the Plan Sponsor or its related parties, which include Government of Canada bonds.

The following table provides a reconciliation of the fair value of investments in real estate for the year ending December 31:

<i>(in thousands of dollars)</i>	2012	2011
Fair Value at beginning of year	251,872	245,608
Additions	8,218	827
Capital expenditures	1,615	-
Disposals	(11,875)	(5,852)
Unrealized Fair Value Gains (Losses)	11,103	11,289
Fair Value at end of year	260,933	251,872

The Fund asset mix is maintained within the following ranges:

	%
Equity	
Canadian	20% to 35%
American	10% to 22%
Other foreign	10% to 22%
Total equity	45% to 65%
Fixed income	
Bonds and debentures	20% to 40%
Cash equivalents (short-term investments and cash)	0% to 5%
Total fixed income	20% to 40%
Inflation sensitive	
Real estate	4% to 12%
Infrastructure	0% to 8%
Real return securities	0% to 5%
Total inflation sensitive	6% to 20%

The Fund's long-term asset allocation policy is as follows:

Equity	57%
Fixed income	28%
Inflation sensitive	15%

b) Fair-Value Hierarchy

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- **Level 1:**
Financial assets are measured based on quoted prices in active markets for an identical asset.
- **Level 2:**
Financial assets and liabilities not quoted in active markets are measured based on discounted cash flow or other valuation methodologies making maximum use of directly or indirectly observable market data.
- **Level 3:**
Financial assets and liabilities not quoted in active markets are measured based on discounted cash flow analysis techniques or other valuations methodologies where significant inputs are not based on observable market data.

The following tables represent the fair value hierarchy of financial assets:

As at 31 December, 2012

<i>(in thousands of dollars)</i>	Level 1	Level 2	Level 3	Total
Fixed Income				
Short-term investments	26,446			26,446
Bonds and debentures				
Government of Canada	78,996			78,996
Provinces/ municipalities	99,379			99,379
Corporate/ other	95,115	1,436		96,551
Total bonds and debentures	273,490	1,436		274,926
Total fixed income	299,936	1,436		301,372
Equity				
Canadian	393,352			393,352
American	209,611			209,611
Other foreign	216,140	(525)		215,615
Total equity	819,103	(525)		818,578
Inflation sensitive				
Real return securities	33,331			33,331
Total inflation sensitive	33,331			33,331
	1,152,370	911		1,153,281

As at 31 December, 2011

<i>(in thousands of dollars)</i>	Level 1	Level 2	Level 3	Total
Fixed Income				
Short-term investments	11,516			11,516
Bonds and debentures				
Government of Canada	76,406	808		77,214
Provinces/ municipalities	92,960			92,960
Corporate/ other	93,332	1,837		95,169
Total bonds and debentures	262,698	2,645		265,343
Total fixed income	274,214	2,645		276,859
Equity				
Canadian	357,595			357,595
American	191,245			191,245
Other foreign	188,316	947		189,263
Total equity	737,156	947		738,103
Inflation sensitive				
Real return securities	33,079			33,079
Total inflation sensitive	33,079			33,079
	1,044,449	3,592		1,048,041

There were no significant transfers between Level 1 and 2 in 2012 and 2011.

c) Risk management

The key financial risks related to the assets of the Plan are market risk, credit risk and liquidity risk. These are mitigated by policies that define the Fund's overall objective and circumscribe investments in terms of what is permitted, how investments may be made, and minimum standards for diversification, quality, and liquidity. Policies also describe the management structure and monitoring procedures adopted for the ongoing operation of the Fund.

i) Market risk

Market risk is the risk of adverse financial impact arising from changes in underlying market factors, including interest rates, foreign currency rates and equity prices. The Fund is able to mitigate this risk by incorporating diversification requirements in its investment policies and guidelines. Diversification reduces the risk of market value decreases and helps protect the Fund from potential negative impacts within one asset class or sector.

Interest rate risk

Interest rate risk relates to the impact of interest rate changes on the Plan's cash flows. The risk arises from differences in the timing and amount of cash flows related to Plan assets and liabilities.

The Plan's interest rate risk is managed through the implementation of policies that limit risk for the Plan's investment activities. The asset allocation policy takes into account the liability profile of the Plan and diversifies the assets of the Fund. Other policies limit the price sensitivity of fixed income assets to interest rate changes relative to established benchmark indices.

The impact of a 1% increase/decrease in interest rate on the fair value of fixed income securities would be:

	2012		2011	
(in thousands of dollars)	Increase	Decrease	Increase	Decrease
Short-term investments	(66)	66	(29)	29
Bonds and debentures	(19,110)	19,110	(17,470)	17,470
Real return securities	(5,510)	5,510	(5,498)	5,498
	(24,686)	24,686	(22,997)	22,997

Foreign currency risk

Foreign currency risk is the risk that the value of an investment will fluctuate as a result of changes in foreign exchange rates and is associated with the Plan's investments in American and other foreign equities. Exposure to U.S. currency is hedged through investments in pooled funds that transact in U.S. currency hedging instruments. Other foreign equities currency exposure is hedged through forward currency contracts. The current policy is to hedge 50% of the currency exposure arising from American and other foreign equity holdings, while allowing for a tolerance band of 40% to 60%.

Fluctuation in foreign exchange rates will have a negative or positive impact on the value of the unhedged portion of investments in foreign denominations. The following table demonstrates the impact a 1% increase/decrease in foreign currency will have on the fair value of the investments net of foreign currency contracts:

	2012		2011	
(in thousands of dollars)	Increase	Decrease	Increase	Decrease
U.S.	921	(921)	901	(901)
Other Foreign	1,081	(1,081)	942	(942)
	2,002	(2,002)	1,843	(1,843)

Equity price risk

Equity price risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment or its issuer, or factors affecting all securities traded in the market. The Plan's exposure to equity price risk arises primarily from investments in equities and to a lesser extent investments in real estate. Policies set minimum standards for diversification of assets at the total Fund level and within individual portfolios.

When a significant portion of an equity portfolio is invested in similar sectors a concentration of equity price risk exists. The following table outlines the sectors the equity portfolios are invested in:

(in thousands of dollars)	2012		2011	
	\$	%	\$	%
Financials	181,899	22.2	149,448	20.2
Energy	144,621	17.7	144,416	19.6
Materials	97,080	11.9	96,621	13.1
Industrials	88,594	10.8	76,115	10.3
Consumer discretionary	84,609	10.3	66,867	9.1
Information technology	67,369	8.2	57,822	7.8
Consumer staples	54,543	6.7	47,771	6.5
Health care	43,769	5.3	40,877	5.5
Telecommunication services	33,186	4.1	33,824	4.6
Utilities	14,189	1.7	12,123	1.6
Other	8,719	1.1	12,219	1.7
	818,578	100.0	738,103	100.0

ii) Credit risk

Credit risk is the risk of loss arising from a counterparty's inability to fulfill its contractual obligations. Credit risk includes the risk of default,

and encompasses both the probability of loss and the probable size of the loss, net of recoveries and collateral, over time.

The Plan's credit risk associated with investments is managed through the implementation of policies, which include minimum credit rating requirements and limits by sector, counterparty, and credit rating. In the event that a credit change renders an approved investment holding ineligible, the Fund will take the necessary actions to restructure holdings while minimizing losses. The credit quality of issuers of debt securities is assessed by reference to published credit ratings and investment management analysis.

Concentration risk is the amount of the credit risk the Fund is exposed to in relation to sectors. This concentration is shown in section a) of Note 3.

Credit risk exposure on fixed income and real return investments is divided into short-term (less than one year) and long-term (greater than one year). All short-term exposure is rated "R-1 high" or equivalent. The maximum exposure to credit risk for fixed income and real return investments is the carrying amount of these investments.

The following table represents the credit risk exposure on long-term investment securities:

(in thousands of dollars)	2012	2011
AAA	134,125	135,767
A- to AA+	150,156	141,069
BBB	23,976	21,586
	308,257	298,422

Credit risk arising from forward currency contracts is managed by entering into contracts with creditworthy counterparties subject to minimum credit-rating requirements and by setting limits on the allowable amount of exposure to each of these counterparties.

iii) Liquidity risk

Liquidity risk is the risk that the Plan would have insufficient cash flows to meet its pension obligations, investment-related obligations, and operating expenses as they come due. Liquidity risk is managed through holdings of highly liquid short-term investments, forecasting of cash flow requirements, and daily monitoring. Cash sources include investment income, proceeds from the sale of investments, and employee and employer contributions. The largest single source of cash in the year was from the sale and maturity of investments which provided \$646.2 million (2011 – \$632.0 million) to the Fund.

The Plan's financial liabilities consist of accounts payable, accrued liabilities and mortgages. The term to maturity of accounts payable and accrued liabilities is within one year and the net amount payable is \$4.1 million (2011 – \$1.6 million). The maturity analysis for mortgages payable is provided under Note 4.

4. MORTGAGES PAYABLE

Mortgages mature at various dates between February 2013 and January 2021. Mortgages are secured by land and specific rental properties which bear interest at rates ranging from 2.099% to 5.70%. The mortgages have both fixed and variable interest rates. The estimated payments of principal and interest are as follows:

(in thousands of dollars)	2012		2011	
	Principal	Interest	Principal	Interest
2012			27,025	5,852
2013	23,035	5,200	20,143	4,346
2014	17,209	4,091	18,178	3,450
2015	22,691	3,497	16,671	2,941
2016	12,893	2,520	12,597	2,058
2017-2021	43,811	2,607	33,018	1,456
	119,639	17,915	127,632	20,103

During 2012, interest paid on these mortgages amounted to \$6.3 million (2011 – \$6.9 million).

5. NET REVENUE FROM REAL ESTATE

Net revenue from real estate represents rental revenues less expenses including tenant improvements.

6. CONTRIBUTIONS

The contributions are composed of the following:

(in thousands of dollars)	2012	2011
Employer:		
Current Service contributions	16,369	18,600
Voluntary contributions	-	28,600
Special Payments	25,891	-
Total Employer	42,260	47,200
Employees:		
Current Service contributions	11,723	10,326
Past Service contributions	1,497	1,708
Total Employees:	13,220	12,034
Total Contributions	55,480	59,234

As a result of the deficits reported in the December 31, 2011 actuarial valuation report, special payments were required in 2012. The going concern and solvency special payments amounted to \$1.4 million (nil – 2011) and \$22.6 million (nil – 2011) respectively in 2012.

Special payments also include \$1.9 million (nil – 2011) to fund transfer deficiencies for members electing to transfer out of the plan in 2012.

7. BENEFITS

(in thousands of dollars)	2012	2011
Retirement	61,685	58,017
Disability	153	203
Termination	1,566	1,139
Death	-	-
Total Benefits	63,404	59,359

8. OPERATING EXPENSES

Operating expenses include the administrative costs related to the management of the Plan. The following table outlines the operating expenses for the year ended 31 December:

<i>(in thousands of dollars)</i>	2012	2011
Operating Expenses:		
Pension Benefits Administration	2,060	1,916
Investment Personnel and Related Costs	1,872	1,863
Investment Management Fees	1,454	1,391
Support Services	629	592
Quote and Data Services	241	219
Actuarial Fees	239	263
Computers and Software	183	190
Occupancy Costs	160	161
Other	158	142
Consulting Fees	133	121
Audit Fees	84	88
Custodial Fees	55	52
Trustees and Investment Committee	46	14
Total Operating Expenses	7,314	7,012

9. PENSION OBLIGATIONS

At 31 December 2012, an actuarial valuation of the Plan was conducted by Towers Watson. A copy of this valuation will be filed with the Office of the Superintendent of Financial Institutions and Canada Revenue Agency.

The valuation was prepared using the projected unit credit method with the following significant assumptions:

	2012	2011
Real Discount Rate	4.00%	4.00%
Inflation/Indexation	2.00%	2.00%
Rate of Compensation Increase	3.00%	3.00%

Variances between such estimates and actual experience, which may be material, will emerge as gains and losses in future valuations. Based on the 31 December 2012 valuation, the actuarial present value of accrued pension benefits is \$1,305.7 million (2011 - \$1,262.4 million).

As is standard for actuarial valuations, it is reasonably possible, based on existing knowledge, that changes in future conditions in the near term could require a material change in the recognized amounts. It is not possible to determine the magnitude of any such changes as they relate to general economic conditions.

CMHC bears the risk of experience loss against the long-term assumptions and credit risk associated with the Plan asset portfolio and is responsible for the liability associated with the ongoing operations of the Plan.

In accordance with the PBSA, the next required actuarial valuation will be 31 December, 2013.

10. RELATED PARTY TRANSACTIONS

The Fund enters into transactions with CMHC, the Plan Sponsor, and its related parties. CMHC is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations.

The following table summarizes the amount invested in instruments issued by CMHC or its related parties as at 31 December:

<i>(in thousands of dollars)</i>	2012	2011
Short-Term Investments ⁽¹⁾	26,446	11,516
Bonds and Debentures ⁽²⁾	78,703	76,919
Real Return Securities ⁽³⁾	29,598	29,135
Total	134,747	117,570

⁽¹⁾ in its related parties.

⁽²⁾ \$24.4 million (2011 - \$19.6 million) in CMHC and \$54.3 million (2011 - \$57.3 million) in its related parties.

⁽³⁾ in its related parties.

Transactions with CMHC, the Plan Sponsor, were concluded in the normal course of activities and measured at the amount of consideration established and agreed to by both parties. Included in operating expenses is \$4.6 million (2011 – \$4.5 million) for administrative services provided by the Sponsor to the Plan. Accounts payable and accrued liabilities as at 31 December 2012 and 2011 include less than \$1 million due to CMHC for administrative services provided to the Plan.

11. COMMITMENTS AND CONTINGENT LIABILITIES

- i) Various claims have been instituted against the Trustees of the Fund and/or CMHC pertaining to the Plan. In view of the inherent difficulty of predicting the outcome of such claims, the Plan cannot state what the eventual outcome of such matters will be; however, based on current knowledge, management does not believe that liabilities, if any, arising from pending litigation will have a material adverse effect on the financial position of the Plan.
- ii) In connection with the sale of a property in 2008, the existing mortgage was assumed by the purchaser and the Fund remained on the mortgage covenant. The remaining principal balance payable as at 31 December 2012 is approximately \$8.2 million (2011 – \$8.5 million). Based on the value of the property relative to the mortgage balance, management believes that the likelihood of exposure under the covenant is low.

- iii) In 2012 the Plan has committed to fund infrastructure investments. The funding is expected to occur over the next several years in accordance with the agreed upon terms and conditions. As at December 31, 2012, the commitments amounted to U.S. \$18 million.
- iv) As at December 31, 2012, the Plan has a \$0.9 million (2011 – nil) letter of credit outstanding related to the potential development of one of its real estate properties.

12. CAPITAL MANAGEMENT

The funding surpluses or deficits determined periodically through the funding valuations prepared by an independent actuary are considered the capital of the Plan. The Plan's primary objective with respect to capital management is to ensure that it is adequate to provide for the pension benefits in accordance with the provisions of the CMHC Pension Plan Rules.

The Plan Rules, as well as the Plan's funding and operations are subject to the PBSA and its regulations, and to the *Income Tax Act* (ITA).

CMHC has managed the Plan's capital in accordance with the legal and regulatory requirements. There have been no changes in what is considered to be capital or the objectives of managing capital during the year.

13. COMPARATIVE FIGURES

Certain comparative figures presented in the notes to the financial statements have been reclassified to conform to the 2012 financial statement presentation.

COMMITTEE MEMBERSHIP AND PLAN ADMINISTRATION

(as at 31 December 2012)

Pension Fund Investment Committee

Members	
Wojo Zielonka	Chair Vice-President, Capital Markets
Serge Gaudet (From October 2012)	Acting Vice-President, Corporate Services and Chief Financial Officer
Peter Friedmann	General Manager, Ontario Region and National Director, Leadership Development
Benoit Sanscartier	Project Manager, Insurance Servicing Operations Review
Claude Gautreau (From September 2012)	Pension Council Member Senior Market Analyst, Atlantic Region
Bruce Curwood	Russell Investments Canada Limited Toronto, Ontario
René Delsanne	Expertise Financière J.C. Dorval 1999 Inc. Montréal, Quebec
Advisors	
Pierre Serré (From October 2012)	Chief Risk Officer
Sharon Rosentzveig	Assistant General Counsel
Observer	
Luc Demers	Chief Compliance Officer

Pension Council

Chair	
Julie Philippe	Director, Total Compensation Human Resources
Employee Representatives	
Claude Gautreau	Atlantic Region
François Lévesque	Quebec Region
Peter Hood	Ontario Region
Terry Wotton	Prairie and Territories Region
Fleuri Perron	B.C. Region
Julie Murphy	National Office and Ottawa Point of Service
Kamal Gupta	National Office and Ottawa Point of Service
Pensioner Representatives	
Guy Riopel	Atlantic and Quebec Regions
Stephen Hall	Ontario, Prairie and Territories, and B.C. Regions
Jacques Beaupré	National Capital Region

Pension Council (continued)

Alternate Employee Representatives	
Vacant	Atlantic Region
Sébastien Paquet-Poirier	Quebec Region
Robert Genier	Ontario Region
Ian Moore	Prairie and Territories Region
Carol Frketich	B.C. Region
Syed Z. Rizvi	National Office and Ottawa Point of Service
Nicolas Malboeuf	National Office and Ottawa Point of Service
Alternate Pensioner Representatives	
Curt Wilson	Atlantic and Quebec Regions
Bill Beatty	Ontario, Prairie and Territories, and B.C. Regions
Bob Elliott	National Capital Region

Plan and Fund Administration

Human Resources	
Julie Philippe	Director, Total Compensation
Lise Philippe	Manager, Pension Policy and Administration
Investments and Pension Fund	
Karen Bailey	Director, Investments and Pension Fund
Lucie Lafleur	Manager, Pension Fund Administration
Legal Advisors	
Sharon Rosentzweig	Assistant General Counsel
Louise Michel	Client Service Team Leader/Senior Counsel
Pension Consultant	
Mercer (Canada) Limited Ottawa, Ontario	
Actuary	
Towers Watson Canada Inc. Montréal, Quebec	
Auditors	
Ernst & Young LLP Chartered Accountants Licensed Public Accountants Ottawa, Ontario	



Delivering on the Promise

NEW RETIREES IN 2012

To all CMHC Pension Plan members who retired in 2012, we, the Trustees of the Pension Fund and the Management of CMHC, wish you and your families a long and enjoyable retirement.

Your dedicated service while at CMHC has helped Canadians access a wide choice of quality, affordable homes and contributed to the creation of healthy, vibrant communities across the country.

Name	Joined CMHC	Business Area
Adam-Girard, Chantal	03-27-1972	Quebec Portfolio and Loans Administration
Andraos, Christa	05-19-1998	Prairie and Territories Export and International
Archambault, Simone	05-17-1976	Quebec Singles Business Development Centre
Arsenault, Sandra	09-02-1975	Ontario Community Development Centre
Bachenskie, Richard	04-13-1982	Information Technology
Beatty, Frances	09-25-1989	B.C. Singles Business Development Centre
Bergeron, Line	06-02-1975	Quebec Singles Underwriting Centre
Bevill, Jacquelyn	08-26-1991	Prairie and Territories Community Development Centre
Bisaillon, Hélène	03-14-1978	Information Technology
Boileau, Lucie	05-28-1979	Quebec Portfolio and Loans Administration
Brodsky, Marten	03-12-1979	Legal Services Division
Carrier, Claude	06-14-2004	Portfolio and Agreement Administration
Chaput, Francine	09-15-1977	Quebec Portfolio and Loans Administration
Charlebois, Jacques	07-13-1992	Quebec Community Development, Research and Information Transfer
Dinchik, Susan	10-16-1989	Greater Ontario Region Singles Business Development Centre
Drerup, Oliver	07-15-1996	CMHC International
Drewnowska, Maria	05-31-1993	Securitization Operations

Name	Joined CMHC	Business Area
Eames, Brian	08-10-1998	CMHC International
Farina, Vania	09-09-1974	Ontario Community Development Centre
Gaudreau, Yvonne	02-04-1991	Financial Operations
Gibeau, Sylvie	06-16-1975	Quebec - Human Resources
Giovinazzo, Brenda	08-05-1975	B.C. Aboriginal Housing Centre
Glandon, Guy	11-24-1981	Insurance Servicing
Goatcher, Richard	02-18-1987	Prairie and Territories Market Analysis
Goudie, Linda	03-25-1981	Financial Accounting
Gravel, Robert	03-16-1987	Facilities Management Group
Hammond, Andy	04-28-1980	Ontario Business Service Centre
Hapuarachchi, Piyasena	11-16-1998	Market Analysis Centre
Henderson, Carol	09-16-1985	B.C. Aboriginal Housing Centre
Hoffman, Susan	11-02-1981	Prairie and Territories Aboriginal Housing Centre
Holmes, Linda	02-03-1997	Human Resources, Communications and Marketing
Hope, Betty-Lou	07-15-2005	Prairie and Territories Aboriginal Housing Centre
Johnson, Patricia	07-19-1993	Ontario Singles Underwriting Centre
Jones, Leslie	03-05-1979	Canadian Housing Information Centre
Joudry, Rosalba	12-08-1975	Ontario Portfolio and Loans Administration Centre
Ladha, Sharmin	04-14-1997	Prairie and Territories Community Development Centre
Lall, Harry	08-08-2000	National Recoveries Centre
Lavallière, Robert	11-23-1981	Information Technology
Lavoie, Nancy	10-03-1977	Prairie and Territories Singles Underwriting Centre
Leblanc, Cecilia	01-04-1982	Policy and Research
Lépine, Claude	08-10-1998	Information Technology
Lorbetski, Brian	01-06-1992	Procurement Services
Lortie, Jacquelin	04-28-2008	Quebec Portfolio and Loans Administration
MacDougall, David	11-21-1990	B.C. Aboriginal Housing Centre
McCauley, Louise	09-07-1977	Total Compensation
McGugan, Barry	11-07-1983	Prairie and Territories Multiples Underwriting Centre
McNeil, Deborah	09-20-1976	Atlantic BSC - Finance and Administration
Mundy, Yvonne	09-08-1993	Ontario Singles Underwriting Centre
O'Callaghan, Johannes	07-16-1990	Atlantic Market Analysis Centre, Research and Information Transfer
Patterson, Patricia	10-29-2001	Ontario Singles Underwriting Centre
Pelneault, Sylvie	09-27-1976	Insurance Servicing
Rea, Wilhelmina	04-27-2009	Policy and Research
Rouleau, Sylvie	08-11-1999	Audit and Evaluation Services
Skerritt, Sheila	05-25-1982	Corporate Records Management
Steele, Mary	05-31-1982	Portfolio and Agreement Administration
Sumnall, Kenneth	04-21-1981	Ontario Market Analysis Centre
Thakar, Jayshree	07-20-1987	CMHC International
Thibault, Francine	01-03-1984	Insurance Servicing
Thiboutot, Danièle	09-09-1975	Quebec Portfolio and Loans Administration
Tunncliffe, Kenneth	10-01-1987	Granville Island - Railspur Studio
Walsh, Judith	10-16-1989	Prairie and Territories Business Centre
Walters, Andrea	01-04-1977	Ontario Singles Underwriting Centre
Walton, Christina	05-05-1980	Ontario Community Development Centre
Zamprelli, James	10-30-2000	Policy and Research
Zieba, Mietka	01-02-1998	Prairie and Territories Export and International

For Answers to Your Pension Questions

Questions having to do with the CMHC Pension Plan in general or with your individual CMHC pension-related circumstances should be directed to:

Pension and Benefits

Human Resources

Canada Mortgage and Housing Corporation

700 Montreal Road

Ottawa, ON K1A 0P7

E-mail: pension-ben@cmhc-schl.gc.ca

Tel: (613) 748-2954 or 1-800-465-9932

Fax: (613) 748-2320

To Provide Feedback on This Report

The CMHC Pension Plan Annual Report provides all members with financial and operational information on the Plan and Fund. Your feedback on this Report would be welcomed. Please address your comments or suggestions to:

Manager

Pension Fund Administration

Canada Mortgage and Housing Corporation

700 Montreal Road

Ottawa, ON K1A 0P7

Wish to learn more?

Answers to many questions plan members might have about their CMHC Pension Plan are provided in the booklets "Your CMHC Pension Plan" (available to employees via HR on-line) and "A Guidebook for Pensioners." Hard copies of these booklets are obtainable upon request from Pension and Benefits (please refer to the above for contact information).

