



Canadian Multi Employer Retirement Fund for the Graphic Arts Media

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TO ALL MEMBERS

IMPORTANT PENSION PLAN INFORMATIONAL UPDATE

Dear Plan Member,

The Trustees of the Canadian Multi Employer Retirement Fund for the Graphic Arts Media has been undertaking several studies to determine the viability and sustainability of the Pension Plan.

The current Plan statistics are:

1. The Plan has seen a dramatic decrease in members over the past 13 years. Active members were 1,180 in 2004 and are now 116 at the end of 2016.
2. In concert with the above, employer contributions have decreased from \$1,973 million in 2004 to just over \$400,000 in 2016.
3. The Plan's funded status has decreased from 90% in 2004 to 69% at November 2016.

Thankfully, over these periods of decline the Plan had an excellent investment manager who achieved superior rates of return in the Capital Markets and returned 1st percentile investment performance over the 10 year period of 2006 to 2016.

In order to insulate the Plan and its members from the risks associated with investing in stocks the assets of the fund were transferred to a bond portfolio in early 2017.

The Trustees are now studying options including the viability of a merger with another large pension plan as a merger may provide benefit security. If the merger option turns out to not be viable the Trustees will proceed with the wind up of this Pension Plan as they see no future potential for growth in active members. Under the wind up route there will be reductions to **ALL** members' pensions based on the funded status of the Pension Plan at the wind up date.

The current study of a plan merger will take a few months. Once complete the Trustees will make a decision as to the future of your Pension Plan either in its current state or to merge with another pension plan. Once a final decision has been made all members will receive written notification mailed to their home address on file with the Administration Office.