

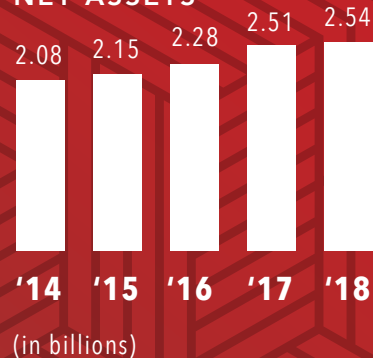
2018 ANNUAL REPORT



Canadian Commercial Workers Industry Pension Plan
Registration No. 0580431

HIGHLIGHTS

NET ASSETS



GLOBAL DIVERSIFICATION



\$1 Billion
invested in Canada

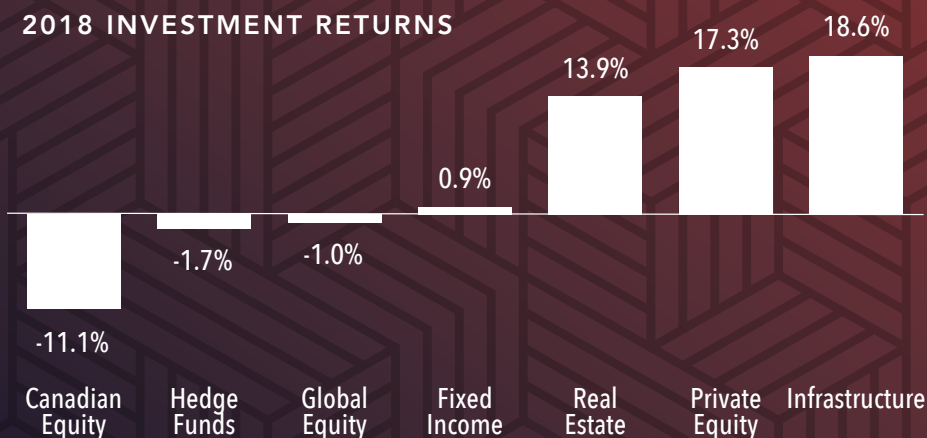
\$1.5 Billion
invested globally



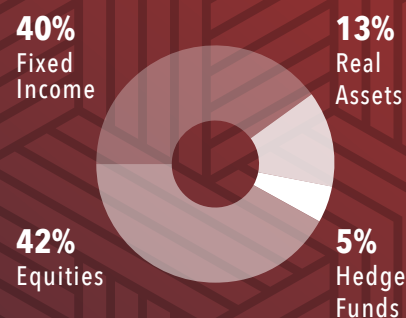
ANNUALIZED RETURNS

| 1 Year | 4 Years | 10 Years | Target Return |
|-------------|-------------|-------------|---------------|
| 2.3% | 6.0% | 7.8% | 6.0% |

2018 INVESTMENT RETURNS



TARGET ASSET MIX



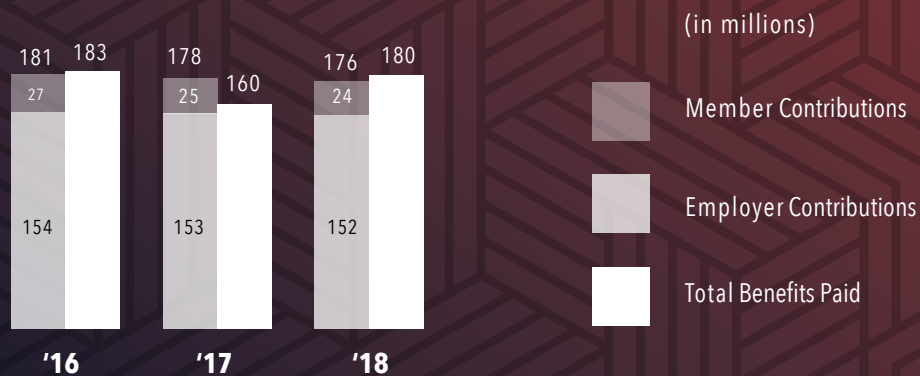
MEMBERSHIP

275,000
Total members

30,224
Retired members, surviving spouses and beneficiaries

1,984
Newly retired members

CONTRIBUTIONS VS. BENEFITS PAID



A MESSAGE FROM THE BOARD OF TRUSTEES

2018 was a challenging year for Canadian pension plans. Against a backdrop of increasing geopolitical and economic uncertainty—multiple rate hikes, volatile oil prices, the spectre of a protracted, multi-front trade war—the investment portfolio of the Canadian Commercial Workers Industry Pension Plan (the “Plan”) generated a 2.3% rate of return, below its 6% target return.

However, with a broadly-diversified portfolio of high-quality assets and an investment strategy designed with

resilience in mind, the Plan’s return outperformed its peer group’s average, as measured by the All Plan Universe benchmark (-0.7%), by three percentage points. In spite of the trying investment climate, net assets available for benefits grew for the ninth time in the past ten years.

While we expect to face increased headwinds in the coming years, we believe that, on balance, the Plan is well positioned to weather future storms. We will continue to invest prudently, control expenses, seek out expert advice, and

maintain our commitments to transparency, accountability, and sound governance.

We are pleased to share the Plan’s results for 2018—a year not without its challenges, but one in which measured progress continued to be made toward our goal of ensuring the long-term viability of the Plan.

INVESTMENTS

THE MARKETS

Volatility returned to the markets in 2018, starting in February when several major stock market indices lost more than 10% during a nine-day trading period. Investors were spooked by ongoing trade conflicts and concerns that the U.S. Federal Reserve would quicken its pace of rate hikes. Some trade uncertainty was relieved in the third quarter by the announcement of a revised NAFTA, known as the United States-Mexico-Canada-Agreement, although trade tensions between the U.S. and China continued throughout 2018 and remained unresolved by the end of the year.

A larger than expected increase in wages, coupled with near full employment, caused the U.S. Federal Reserve to raise interest rates four times during the year, bringing the benchmark rate to 2.5% at the end of 2018.

Volatility shook the market again in the latter half of December when, peak to trough, the S&P 500 Index fell 15.6%.

The S&P 500 ended the year with a return of -4.4% in U.S. dollars—although, when converted to Canadian dollars, the S&P 500 returned 4.2%, making it the only equity index to post a positive return over the year in Canadian dollar terms.

The MSCI EAFE Index was down -6.0% with European countries marked by political tensions, which included the ongoing Brexit negotiations, “Yellow Vest” protests in France, and populist movements in Italy. Emerging market equities were also down, -6.9%, with China suffering from lower growth prospects and tariffs implemented by the U.S. The strength of the U.S. dollar was also a detractor for emerging market economies.

The Canadian equity market, as measured by the S&P/TSX Composite, was down -8.9%, further affected by a decline in the energy sector, with the price of oil, as measured by the West Texas Intermediate (WTI) benchmark, ending the year at US\$42.30 per barrel, down 26.2% during the year. Further exacerbating the problem in Canada was the price differential between WTI

and Western Canadian Select (WCS), which reached an all-time high in September, hurt by the delays in pipeline projects.

The Bank of Canada raised interest rates three times during the year, bringing the benchmark rate to 1.75%. In the midst of a rising interest rate environment, Canadian bonds posted a slightly positive return during the year with the FTSE Canada Universe Index up 1.4% and the FTSE Canada Long Term Bond Index up 0.3%.

OUR PORTFOLIO

The Plan's assets are broadly diversified and include both publicly traded and privately held assets within each category. The Trustees and their advisors seek out investment opportunities both at home and abroad in an effort to reduce concentration risk in any one market. Foreign holdings are diversified by both country and industry.

Over the four years ending December 31, 2018, the Plan's portfolio returned an annualized rate of return of 6%, equaling the Plan's target return (or the rate of return deemed necessary to meet pension obligations as they come due).

Rates of return for 2018 were mixed across different asset classes. Fixed income (0.9% rate of return) contributed positively to the Plan's total return, while private equity (17.3%), infrastructure (18.6%), and real estate³ (13.9%) were the strongest performers. Conversely, Canadian equity (-11.1%) and global equity (-1.0%) detracted from the Plan's total return due to the volatility experienced throughout the year. Hedge fund returns (-1.7%) were also negative for the year.

INVESTMENT ACTIVITIES

During the year, the Trustees met quarterly to, among other things, review the Plan's asset mix, performance, and manager arrangements. All managers continue to perform as expected and no performance-related changes were made during 2018.

Changes to the investment portfolio in 2018 included a reduction to the Plan's allocation to private equity and the retention of two new investment managers, Alliance Bernstein and Neuberger Berman, to address the private debt allocation in the Plan's target asset mix. Private debt assets are

attractive as they generate regular income, are less sensitive to long-term interest rates than traditional fixed income investments, and further increase portfolio diversification.

As part of the Trustees' ongoing commitment to sound governance, the mandates of the Plan's various third-party service providers are reviewed on a regular basis. In the third quarter of 2018, a request for proposals process was initiated for investment consulting, performance measurement, and compliance monitoring services. After a thorough review process, the Trustees engaged Aon Hewitt Inc. to replace the incumbent service provider.

LOOKING AHEAD

In the near term, the Trustees will be working with the Plan's new investment consultant on the undertaking of a new asset-liability modeling study, which analyzes the impacts of plan design, funding and benefit policy, and investment strategy, in an effort to aid the Trustees in their decision making.

Additionally, a significant portion of the Plan's private equity portfolio matures in 2019 and a manager search will be conducted in advance of reinvesting those assets.

Over the longer term, the Trustees will continue to monitor the Plan's asset mix and investment managers for ongoing performance and suitability.

FUNDING

FUNDING SOURCES

In 2018, employer contributions to the Plan totalled \$152 million, while member contributions totalled \$24 million. An additional \$58 million in income was generated by the Plan's investment portfolio. After subtracting benefit payments and expenses (which remained below 1% of Plan assets for 2018), total assets available for benefits grew by approximately \$33 million in 2018.

FUNDED STATUS

In 2015, the Trustees made significant changes, both in terms of funding and benefits, aimed at strengthening the financial position of the Plan.

Since that time, the financial position has steadily improved, with the Plan's most recent actuarial valuation, as at December 31, 2017, indicating a going-concern funded status of 81% and a wind-up funded status of 49.4%—improvements over the previous year of 4.0 and 4.6 percentage points, respectively. While an actuarial valuation of the Plan for 2018 has not yet been completed, preliminary estimates indicate a further improvement to the wind-up funded status to 51.4%.

Nevertheless, these figures mean that, had the Plan been wound up at the end of 2017 or 2018, accrued benefits would have had to be reduced. However, there is no intention to wind up the Plan, which is managed with the expectation that it will remain active for many years to come. Additionally, the Plan continues to qualify as a Specified Ontario Multi-Employer Pension Plan, allowing for a more favourable funding framework.

GOVERNANCE

GOVERNING DOCUMENTS

The Plan is governed by a Trust Agreement, which sets out the powers and duties of the Trustees and defines the relationship between the various stakeholders, and a Plan Text, which outlines members' entitlements. Changes made to the Plan Text are communicated to members.

POLICIES

The Trustees maintain a Funding and Benefit Policy, which sets out the framework for maximizing the likelihood that Plan assets are sufficient to meet the scheduled benefits, and a Statement of Investment Policies and Procedures ("SIPP") that, among other things, establishes the Plan's investment principles, guidelines, and management

structure in an effort to ensure that the Plan's assets are invested in a prudent manner, in compliance with all applicable regulatory requirements. The SIPP is reviewed annually to ensure that it remains responsive to the needs of the Plan. A comprehensive rewrite was undertaken during 2016, minor revisions were completed in 2017, and the Trustees will continue to work with the Plan's investment consultant to update the SIPP, as necessary.

COMPLIANCE

The Plan is required to comply with both provincial and federal legislation that governs pensions. The Trustees continuously monitor and enhance compliance practices, as necessary, and retain an external Compliance Officer responsible for quarterly compliance reporting. The Plan was fully compliant with its SIPP and all applicable regulatory requirements during 2018.

REGULATORY UPDATE

Effective June 8, 2019, regulation of the Plan was transferred from the Financial Services Commission of Ontario to the Financial Services Regulatory Authority of Ontario ("FSRA"), a new, independent regulatory agency established by provincial legislation. The government has indicated that FSRA is intended to enhance financial protection for consumers and modernize the regulation of pension plans and financial services. More information on FSRA's proposed strategic framework and key areas of focus is available at www.fsrao.ca.

¹ Composed of the following asset classes (and target allocations): real estate (8%) and infrastructure (5%).

² The RBC Investor and Treasury Services All Plan Universe tracks the performance of a cross-section of assets under management across Canadian defined benefit pension plans.

³ Excluding the Plan's direct investment in Citi Plaza.

INVESTMENT PARTNERS

Alliance Bernstein
Aven Therapeutics
BlackRock
Brookfield Asset Management
CBRE Global Investors
CIBC Asset Management
Clairvest Equity Partners
Greystone Managed Investments
Leith Wheeler Investment Counsel
Macquarie Infrastructure and Real Assets
Marathon Asset Management
Neuberger Berman
Royalty Pharma
Wellington Management Company
Winton Group

SERVICE PROVIDERS

ACTUARIAL Benchmark Decisions Ltd., Buck Canada HR Services Ltd.
ADMINISTRATION Prudent Benefits Administration Services Inc.
AUDIT BDO Canada LLP
COMPLIANCE/INVESTMENT CONSULTING Aon Hewitt Inc.
CUSTODIAL/PENSION PAYMENTS RBC Investor & Treasury Services
LEGAL COUNSEL Koskie Minsky LLP
REAL ESTATE ADVISORY Avison Young

BOARD OF TRUSTEES

Anouk Collet Executive Assistant to the National President, UFCW Canada
Jim Cooke V.P. HR Total Rewards, Sobeys Inc.
Shawn Haggerty President, UFCW Canada Local 175
Paul Meinema National President, UFCW Canada
Wendy Mizuno Group Head, Pensions & Benefits, George Weston Ltd.
Jeff Traeger President, UFCW Canada Local 832
Tom Zakrzewski V.P. Labour Relations, Metro Ontario Inc.