

# COMMUNIQUÉ

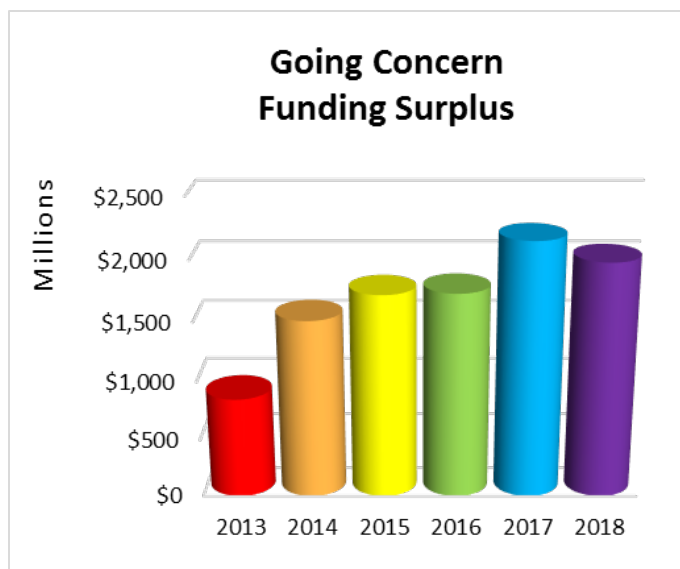
## CBC PENSION PLAN QUARTERLY REPORT

### Financial Health

The CBC Pension Plan continues to be in a sound financial position with the Plan's key measures of overall pension plan financial health finishing the year in a positive position. This is the first year since 2007 that the pension plan has both of its funded statuses above 100%.

The CBC Pension Plan had a going-concern funding surplus of \$1.98 billion at December 31, 2018, a decrease of \$171 million from the start of the year. The Plan's going-concern funding ratio was 139.4% at December 31, 2018, a decrease of 4.0% for the year.

The Plan's funding status on a solvency or windup basis was a surplus of \$79.4 million at December 31, 2018, an improvement of \$90.0 million since the start of the year. The Plan's solvency funding ratio was 101.1% at December 31, 2018, an increase of 1.2% for the year.



### Get to Know Your Board Members

**Mr. Calum McLeod**  
Pension Board Member  
since April 2018



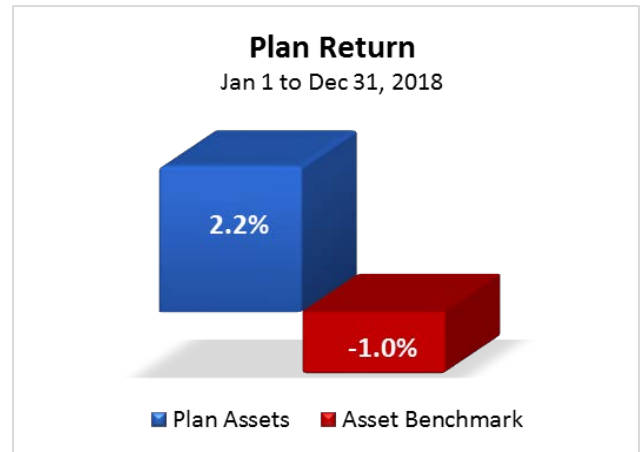
Mr. McLeod joined CBC/Radio-Canada in 2002 and is currently the Supervisor of Digital Presentation in Toronto. He was National Treasurer of the Canadian Media Guild (CMG) from 2014-2017 and is a member of the Consultative Committee on Staff Benefits and Pension (CCSB). He is a keen observer of financial markets, served by an abiding interest in macroeconomics, and more recently, technical analysis. Mr. McLeod has a Bachelor of Arts (Honours) from the University of Melbourne.

	December 31, 2018	December 31, 2017
NET ASSETS AVAILABLE FOR BENEFITS	\$7,013 million	\$7,111 million
Going Concern Funding Surplus	\$1,981 million	\$2,152 million
Solvency Funding Surplus / (Deficit)	\$79 million	(\$11 million)
Number of Pensions Being Paid	9,938	9,831
Number of Plan Contributors	7,321	7,243

## Financial Performance

For 2018, the Plan posted a return of 2.2%, which exceeded its asset benchmark return of -1.0%. The return was lower than the longer term average due to weak equity market returns in 2018. The Plan's annualized 4-year return of 7.1% continued to be strong and outperformed its asset benchmark of 4.9%.

Total assets in the pension dropped slightly in 2018 to \$7.01 billion from \$7.11 billion the prior year. Illustrating the mature nature of the Plan, the Plan made pension payments of \$301 million to pensioners and received contributions of \$105.8 million from CBC/Radio-Canada and employees in 2018.



## Investment Strategy

The Plan's Liability-Driven Investment strategy continued to perform well. The strategy targets returns that match the growth in the Plan's pension obligations over the long term. This results in more stable funded positions and enhances benefit security. While performance may fluctuate in any given year, the Plan remains committed to the long-term benefits of its Liability-Driven Investment strategy.

## Member Services

The Plan's members rated pension administration services with an overall satisfaction of 96% during the fourth quarter of 2018. This was based on a survey of members who called the pension administration center. The Plan strives to deliver a high-quality pension administration service to Plan members in a cost-effective manner.



**96%**  
MEMBER EXPERIENCE  
SURVEY RESULTS

## Governance Matters

At the March 2019 Pension Board meeting, Mr. Rob Jeffery was re-elected as the Chair of the CBC Pension Board of Trustees. The Board also accepted and approved the Plan's 2018 actuarial and audit reports, as well as approved the Plan's 2018 Financial Statements.

The 2018 Annual Report will be available shortly on the Plan's website at <http://cbc-radio-canada-pension.ca/publications/annual-reports/>





A summary of the Pension Board's 2015 - 2020 Strategic Plan and the status of key objectives is included in the infographic on the next page.

A glossary of common pension terms can be found at [cbc-radio-canada-pension.ca/help/glossary-of-terms](http://cbc-radio-canada-pension.ca/help/glossary-of-terms) (under the "Help" tab on the Plan's web site)

# Committed to Benefit Security

FOR FIFTY YEARS... AND BEYOND



STRATEGIC GOALS	KEY PERFORMANCE INDICATOR (KPI) as at December 31, 2018	STATUS	2018 ACTIVITIES as at December 31, 2018	STATUS	DESIRED OUTCOME BY 2020
<p><b>1</b> Deliver risk-adjusted net returns to support the financial viability and liquidity needs of the pension plan</p>	<ul style="list-style-type: none"> <li>4-year Fund return to exceed benchmark portfolio by 0.50%.</li> <li>4-year Fund return to equal or exceed actuarial required return.</li> <li>Surplus-at-Risk (SAR) volatility trades within Risk tolerance expectations.</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> </ul>	<ul style="list-style-type: none"> <li>Invest in a way to exceed the reference benchmark portfolio by 0.50% net of costs.</li> <li>Transition to the new asset mix policy.</li> <li>Review benchmarks for the strategic asset class.</li> <li>Review and enhance the in-house currency management program.</li> <li>Review ESG guidelines for market developments.</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> </ul>	<ul style="list-style-type: none"> <li>Plan reaches fully funded status.</li> </ul> 
<p><b>2</b> Provide pension administration services pursuant to the Plan Text on a timely and cost-efficient basis</p>	<ul style="list-style-type: none"> <li>Make Pension payments on time.</li> <li>Member experience survey results of 80% or higher.</li> <li>Provide pension admin service consistent within targets.</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> </ul>	<ul style="list-style-type: none"> <li>Manage and monitor the provision of pension administration services by Morneau to meet Service Level Agreements</li> <li>Undertake a RFP for pension administration and actuarial services.</li> <li>Review shared resource allocations with Sponsor.</li> <li>Explore the development of a PAC policies and procedures guide.</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> </ul>	<ul style="list-style-type: none"> <li>Service levels meet achievable expectations.</li> <li>Web usage by membership increases resulting in lower and fewer call centre services required.</li> </ul> 
<p><b>3</b> Communicate effectively with members and stakeholders</p>	<ul style="list-style-type: none"> <li>Annual assessment of relationship with Pension Plan Sponsor.</li> <li>Provide timely, comprehensive and clear communications to members.</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> </ul>	<ul style="list-style-type: none"> <li>Continue the roll out of the communication / branding strategy.</li> <li>Complete annual presentations to stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> </ul>	<ul style="list-style-type: none"> <li>Branding exercise completed.</li> <li>More formalized collaborative discussions with Sponsor established.</li> </ul> 
<p><b>4</b> Maintain effective governance and organizational structures to meet fiduciary obligations and business requirements</p>	<ul style="list-style-type: none"> <li>Meet all regulatory requirements.</li> <li>Obtain an unqualified audit opinion free of any material adjustments.</li> <li>Trustee meetings and education evaluation grades of Good or higher.</li> <li>Costs equal or less than benchmark.</li> <li>Trustee Self-Assessment rating of Satisfactory.</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> </ul>	<ul style="list-style-type: none"> <li>Undertake review of strategic investments team structure.</li> <li>Conduct 2017 and pre-2018 actuarial valuations.</li> <li>Evaluate processes for managing external service providers.</li> <li>Undertake Biennial Risk Register update.</li> <li>Undertake annual Succession Planning Review.</li> <li>Complete documentation of accounting controls and procedures.</li> <li>Prepare for upcoming changes to FlexPen.</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> </ul>	<ul style="list-style-type: none"> <li>Organization is well resourced with competent Trustees and management team capable to manage the organization into the future.</li> </ul> 
<p><b>5</b> Be a continuous learning organization</p>	<ul style="list-style-type: none"> <li>Continuing education items are regularly offered</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> </ul>	<ul style="list-style-type: none"> <li>Review Trustee orientation and onboarding process.</li> <li>Provide for orientation of incoming Trustee(s).</li> <li>Provide Trustee continuing education items.</li> <li>Review investment research access and providers.</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> </ul>	<ul style="list-style-type: none"> <li>An adaptive organization willing to assess innovative theses and practises including continual review of the LDI strategy.</li> </ul> 