

# COMMUNIQUÉ

## CBC PENSION PLAN QUARTERLY REPORT

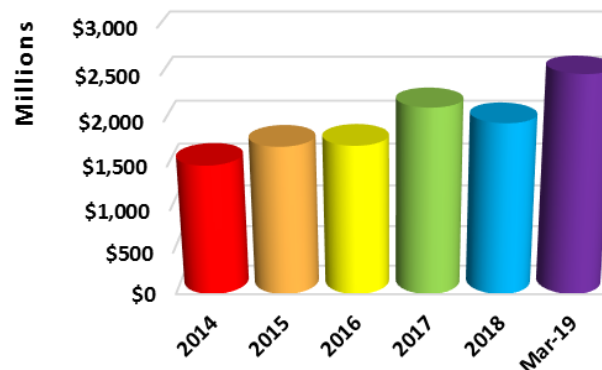
### Financial Health

The CBC Pension Plan continues to be in a sound financial position with the Plan's key measures of overall pension plan financial health remaining positive in the quarter.

The CBC Pension Plan had a going-concern funding surplus of \$2.51 billion at March 31, 2019 an increase of \$532 million from the start of the year. The Plan's going-concern funding ratio was 149.7% at March 31, 2019, an increase of 10.3% from the start of the year.

The Plan's funding status on a solvency or windup basis was in a surplus of \$239 million at March 31, 2019, an improvement of \$160 million since the start of the year. The Plan's solvency funding ratio was 103.3% at March 31, 2019, an increase of 2.2% for the year.

### Going Concern Funding Surplus



### Managing Director/CEO CBC Pension Plan

**Duncan Burrill**  
October 2018



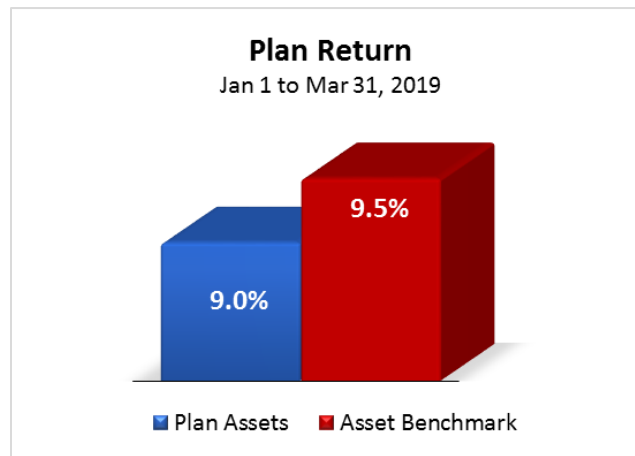
Mr. Duncan Burrill first joined the CBC Pension Plan in 2005 as the Risk Manager and in 2009 assumed the role of Secretary/Treasurer. Mr. Burrill played a key role in the implementation and ongoing management of the plan's liability driven investment strategy. He is active in the pension management industry and is currently the Chair of the Association of Canadian Pension Management's (ACPM) Federal Council.

	March 31, 2019	December 31, 2018
NET ASSETS AVAILABLE FOR BENEFITS	\$7,567 million	\$7,013 million
Going Concern Funding Surplus	\$2,513 million	\$1,981 million
Solvency Funding Surplus / (Deficit)	\$239 million	\$79 million
Number of Pensions Being Paid	9,951	9,938
Number of Plan Contributors	7,308	7,321

## Financial Performance

The Plan had net assets of \$7.57 billion at March 31, 2019, an increase of \$554 million for the year. The increase in assets was the result of strong Canadian bond and equity market returns in the first quarter. Illustrating the mature nature of the Plan, the Plan made pension payments of \$77 million to pensioners and received contributions of \$25 million from CBC/Radio-Canada and employees in the first quarter of 2019.

During the first quarter the Plan posted a return of 9.05%, which underperformed its asset benchmark return of 9.54%. The Plan's annualized 4-year return of 7.10% outperformed its asset benchmark of 5.20%.



## 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 its Liability-Driven Investment strategy.

## Member Services

The Plan's members rated pension administration services with an overall satisfaction of 93% during the first quarter of 2019. 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.



We are continually looking for ways to improve the timeliness of member communications and reduce the costs to administer the Plan. If you are a retired member and you would prefer to receive your future communications such as the Pension News and Highlights of the CBC Pension Plan Annual Report by e-mail, send an e-mail with your instructions to CBC Pension Payroll at [pension@cbc.ca](mailto:pension@cbc.ca).

## Governance Matters

After serving as a Trustee on the CBC Pension Board of Trustees for the past 3 years and with CBC/Radio-Canada for over 25 years, Ms. Monique Marcotte has announced her retirement as Vice-President, People and Culture. The Board thanked her for dedication and service to the Board of Trustees. Replacing her as Trustee will be Marco Dubé, who assumes the role of Vice-President, People and Culture on July 1, 2019.





The **2018 CBC Pension Plan Annual Report - Your Pension Plan Our Focus**, is now available 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)



✔ Achieved
 ⋯ Underway/Planned
 ✖ Incomplete

STRATEGIC GOALS		KEY PERFORMANCE INDICATOR (KPI) as at March 31, 2019	STATUS	2019 ACTIVITIES as at March 31, 2019	STATUS	DESIRED OUTCOME BY 2020
1	Deliver risk-adjusted net returns to support the financial viability and liquidity needs of the pension plan	<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>	<div>✔</div> <div>✔</div> <div>✔</div>	<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>Conduct multi-objective Asset-Liability Modeling (ALM) study</li> <li>Implement 2019 asset mix changes.</li> <li>Transition of real estate portfolio to a more global focus</li> <li>Update the Plan's investment beliefs</li> </ul>	<div>✔</div> <div>⋯</div> <div>✔</div> <div>⋯</div> <div>⋯</div>	<ul style="list-style-type: none"> <li>Plan reaches fully funded status.</li> </ul> 
		<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>	<div>✔</div> <div>✔</div> <div>✔</div>	<ul style="list-style-type: none"> <li>Manage and monitor the provision of pension administration services to meet Service Level Agreements</li> <li>Negotiate contract for pension administration and actuarial services</li> <li>Begin upgrade of PAC website</li> </ul>	<div>✔</div> <div>⋯</div> <div>⋯</div>	<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> 
3	Communicate effectively with members and stakeholders	<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>	<div>⋯</div> <div>✔</div>	<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>	<div>⋯</div> <div>✔</div>	<ul style="list-style-type: none"> <li>Branding exercise completed.</li> <li>More formalized collaborative discussions with Sponsor established.</li> </ul> 
		<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>	<div>✔</div> <div>✔</div> <div>✔</div> <div>⋯</div> <div>⋯</div>	<ul style="list-style-type: none"> <li>Hire &amp; onboard new Secretary/Treasurer</li> <li>Conduct 2018 actuarial valuation.</li> <li>Undertake biennial update of the 2015 to 2020 Strategic Plan.</li> <li>Evaluate the Plan's actuarial processes &amp; controls.</li> <li>Complete the development &amp; implementation of a Risk Management Framework</li> <li>Undertake annual Succession Planning Review.</li> </ul>	<div>✔</div> <div>✔</div> <div>⋯</div> <div>⋯</div> <div>⋯</div> <div>⋯</div>	<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> 
5	Be a continuous learning organization	<ul style="list-style-type: none"> <li>Continuing education items are regularly offered</li> </ul>	<div>✔</div>	<ul style="list-style-type: none"> <li>Provide for orientation of incoming Trustee(s).</li> <li>Provide Trustee continuing education items.</li> <li>Provide development /training opportunities for staff.</li> </ul>	<div>✔</div> <div>✔</div> <div>✔</div>	<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> 