

COMMUNIQUÉ

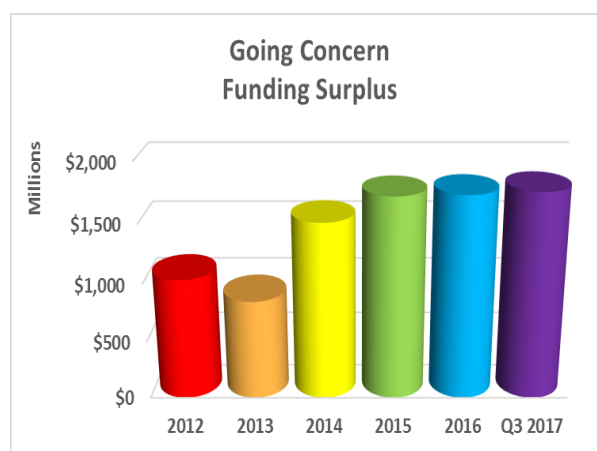
CBC PENSION PLAN QUARTERLY REPORT

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 comparing favorably to other Canadian pension plans.

The CBC Pension Plan had a going-concern funding surplus of \$1.76 billion at September 30, 2017, an increase of \$24 million from the start of the year. The Plan's going-concern funding ratio was 135% at September 30, 2017, unchanged from the start of the year.

The Plan's funding status on a solvency or windup basis was a deficit of \$219 million at September 30, 2017, an improvement of \$120 million since the start of the year. The Plan's solvency funding ratio was 97% at September 30, 2017, an increase of 2% for the year.



Get to Know Your Board Members

Mr. Rob Jeffery
Pension Board member since
May 2016



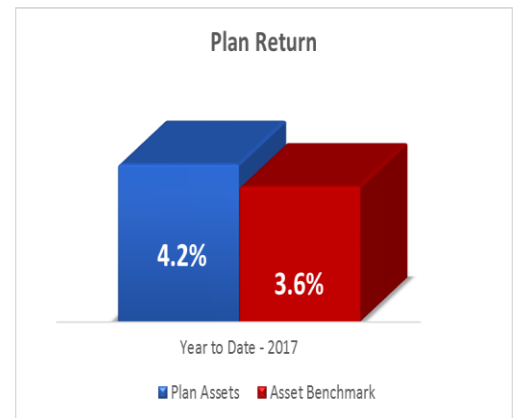
Mr. Jeffery is a business executive with the Armco Group of Companies, a diversified real estate and investment company. He brings extensive investment and business experience to the Board. Mr. Jeffery, who is a Professional Accountant (CPA, CA) and has a Master of Business Administration (MBA) degree, sits on the boards of CBC/Radio-Canada, the Chartered Professional Accountants of Nova Scotia and the Fred C. Manning School of Business Advisory Board at Acadia University.

	September 30, 2017	December 31, 2016
Net assets available for benefits	\$6,719 million	\$6,618 million
Estimated funding position – Going concern basis	\$1,756 million	\$1,731 million
Estimated funding position – Solvency basis	-\$219 million	-\$338 million
Number of pensions being paid	9,796	9,756
Number of Plan contributors	7,219	7,098

Financial Performance

For the first 9 months of 2017, the Plan posted a return of 4.2%, which exceeded both of its primary benchmarks. This outperformance contributed to improving the Plan's overall financial position as Plan assets grew by \$101 million to end the period at \$6.72 billion. Illustrating the mature nature of the Plan, the Plan made pension payments of \$218 million to pensioners and received contributions of \$79 million from CBC/Radio-Canada and employees in the first 9 months of 2017.

The Plan's annualized 4-year return of 10.7% also outperformed both of its primary benchmarks.



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 third quarter of 2017. This was based on a survey of members who called the pension administration service. 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

One of the key responsibilities of the Pension Board is to develop annual objectives that are aligned with the Plan's Strategic Plan, as well as to review progress against current year objectives. At the December 2017 Pension Board meeting, the Trustee's approved the 2018 objectives and budget and reviewed preliminary 2017 results. The Plan was successful at achieving all of its primary objectives in 2017.

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 (under the "Help" tab on the Plan's web site)



STRATEGIC GOALS		KEY PERFORMANCE INDICATOR (KPI) as at September 30, 2017	STATUS	2017 ACTIVITIES as at September 30, 2017	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"> 4-year Fund return to exceed benchmark portfolio by 50 bps. 4-year Fund return to equal or exceed actuarial required return. Surplus-at-Risk (SAR) volatility trades within Risk tolerance expectations. 	<div>✓</div> <div>✓</div> <div>✓</div>	<ul style="list-style-type: none"> Invest in a way to exceed the reference benchmark portfolio by 50 bps net of costs. Undertake an Asset / Liability modelling study. Monitor developments in the annuity market/regulatory framework. Give consideration to new investment opportunities. 	<div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div>	<ul style="list-style-type: none"> Plan reaches fully funded status. 
		<ul style="list-style-type: none"> Make Pension payments on time. Member experience survey results of 80% or higher. Provide pension admin service consistent within targets. 	<div>✓</div> <div>✓</div> <div>✓</div>	<ul style="list-style-type: none"> Manage and monitor the provision of pension administration services to meet Service Level Agreements. Seek improvements to PAC website. Review internal pension administration services and requisite resource requirements. Identify areas for cost savings within Pension and Fund administration. 	<div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div>	<ul style="list-style-type: none"> Service levels meet achievable expectations. Web usage by membership increases resulting in lower and fewer call centre services required. 
3	Communicate effectively with members and stakeholders	<ul style="list-style-type: none"> Annual assessment of relationship with Pension Plan Sponsor. Provide timely, comprehensive and clear communications to members. 	<div>⋯</div> <div>✓</div>	<ul style="list-style-type: none"> Continue the rollout of the communication / branding strategy. Develop and send pension statements to inactive members as per new regulatory requirements. Work with sponsor to promote the benefits of a DB Pension Plan. Undertake annual presentations to stakeholders. Implement updated pension audit process. 	<div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div>	<ul style="list-style-type: none"> Branding exercise completed. More formalized collaborative discussions with Sponsor established. 
		<ul style="list-style-type: none"> Meet all regulatory requirements. Obtain an unqualified audit opinion free of any material adjustments. Trustee meetings and education evaluation grades of Good or higher. Costs equal or less than benchmark. Trustee Self-Assessment rating of Satisfactory. 	<div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div>	<ul style="list-style-type: none"> Complete 4 Controlled Self Assessments based on risk priorities identified in the Risk Register review. Pursue enhanced vendor monitoring process. Research options to introduce a new financial reporting system. Streamline monthly/quarterly reports to focus on strategy execution. Conduct 2016 and pre-2017 actuarial valuations to meet required timelines. 	<div>✓</div> <div>⋯</div> <div>✓</div> <div>✓</div> <div>✓</div>	<ul style="list-style-type: none"> Organization is well resourced with competent Trustees and management team capable to manage the organization into the future. Cost effectiveness reviews likely lead to more assets managed in-house. 
5	Be a continuous learning organization	<ul style="list-style-type: none"> Continuing education items are regularly offered 	<div>✓</div>	<ul style="list-style-type: none"> Provide orientation and assist integration of new Trustees. Provide Trustee continuing education items with priority to areas where competency shortfalls exist. Provide staff development / training opportunities. Continue to pursue technology and analytical advancements that embolden/support/streamline initiatives. 	<div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div>	<ul style="list-style-type: none"> An adaptive organization willing to assess innovative theses and practises including continual review of the LDI strategy. 