

# COMMUNIQUÉ

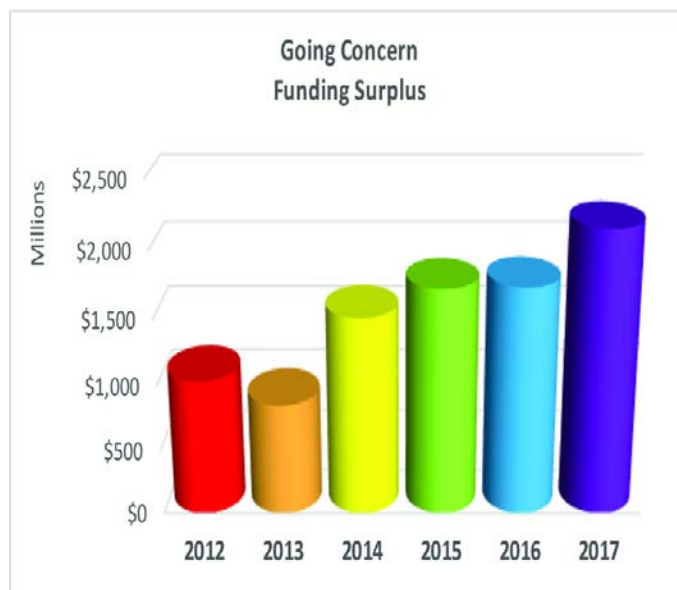
## CBC PENSION PLAN QUARTERLY REPORT

### 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 \$2.15 billion at December 31, 2017, an increase of \$420 million from the start of the year. The Plan's going-concern funding ratio was 143.4% at December 31, 2017, an increase of 8.0% from the start of the year.

The Plan's funding status on a solvency or windup basis was a deficit of \$11 million at December 31, 2017, an improvement of \$327 million since the start of the year. The Plan's solvency funding ratio was 99.9% at December 31, 2017, an increase of 4.8% for the year.



### Get to Know Your Board Members

**Ms. Monique Marcotte**  
Pension Board member since  
August 2016



Ms. Marcotte is the Vice-President, People and Culture at CBC/Radio Canada. She brings over 25 years of knowledge and work experience at CBC/Radio-Canada to the Board of Trustees. During this time, she has held a wide range of management roles in French and English language services, as well as human resources, strategy and planning.

	December 31, 2017	December 31, 2016
Net assets available for benefits	\$7,111 million	\$6,618 million
Estimated funding position – Going concern basis	\$2,152 million	\$1,731 million
Estimated funding position – Solvency basis	-\$11 million	-\$338 million
Number of pensions being paid	9,831	9,756
Number of Plan contributors	7,243	7,098

## Financial Performance

For 2017, the Plan posted a return of 11.2%, which exceeded all of its primary benchmarks. This outperformance contributed to improving the Plan's overall financial position as Plan assets grew by \$493 million to end the period at \$7.11 billion. Illustrating the mature nature of the Plan, the Plan made pension payments of \$291 million to pensioners and received contributions of \$104 million from CBC/Radio-Canada and employees in 2017.

The Plan's annualized 4-year return of 11.4% also outperformed 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 fourth 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.



## Governance Matters





Ms. Maureen McCaw was re-elected as the Chair of the CBC Pension Board of Trustees. The March Board of Trustees meeting was the final meeting for Mr. Jon Soper, who had served on the Board for 16 years. The Board noted his dedication and service to the Board of Trustees. The Board also accepted and approved the Plan's 2017 actuarial and audit reports, as well as approved the Plan's 2017 Financial Statements.

The 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)



STRATEGIC GOALS		KEY PERFORMANCE INDICATOR (KPI) as at December 31, 2017	STATUS	2017 ACTIVITIES as at December 31, 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"> <li>4-year Fund return to exceed benchmark portfolio by 50 bps.</li> </ul>	✓	<ul style="list-style-type: none"> <li>Invest in a way to exceed the reference benchmark portfolio by 50 bps net of costs.</li> </ul>	✓	<ul style="list-style-type: none"> <li>Plan reaches fully funded status.</li> </ul>
		<ul style="list-style-type: none"> <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>Undertake an Asset / Liability modelling study.</li> <li>Monitor developments in the annuity market/regulatory framework.</li> <li>Give consideration to new investment opportunities.</li> </ul>	✓	
2	Provide pension administration services pursuant to the Plan Text on a timely and cost-efficient basis	<ul style="list-style-type: none"> <li>Make Pension payments on time.</li> </ul>	✓	<ul style="list-style-type: none"> <li>Manage and monitor the provision of pension administration services to meet Service Level Agreements.</li> </ul>	✓	<ul style="list-style-type: none"> <li>Service levels meet achievable expectations.</li> </ul>
		<ul style="list-style-type: none"> <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>Seek improvements to PAC website.</li> <li>Review internal pension administration services and requisite resource requirements.</li> <li>Identify areas for cost savings within Pension and Fund administration.</li> </ul>	✓	<ul style="list-style-type: none"> <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> </ul>	✓	<ul style="list-style-type: none"> <li>Continue the rollout of the communication / branding strategy.</li> </ul>	✓	<ul style="list-style-type: none"> <li>Branding exercise completed.</li> </ul>
		<ul style="list-style-type: none"> <li>Provide timely, comprehensive and clear communications to members.</li> </ul>	✓	<ul style="list-style-type: none"> <li>Develop and send pension statements to inactive members as per new regulatory requirements.</li> <li>Work with sponsor to promote the benefits of a DB Pension Plan.</li> <li>Undertake annual presentations to stakeholders.</li> <li>Implement updated pension audit process.</li> </ul>	✓	<ul style="list-style-type: none"> <li>More formalized collaborative discussions with Sponsor established.</li> </ul> 
4	Maintain effective governance and organizational structures to meet fiduciary obligations and business requirements	<ul style="list-style-type: none"> <li>Meet all regulatory requirements.</li> </ul>	✓	<ul style="list-style-type: none"> <li>Complete 4 Controlled Self Assessments based on risk priorities identified in the Risk Register review.</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>
		<ul style="list-style-type: none"> <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>Pursue enhanced vendor monitoring process.</li> <li>Research options to introduce a new financial reporting system.</li> <li>Streamline monthly/quarterly reports to focus on strategy execution.</li> <li>Conduct 2016 and pre-2017 actuarial valuations to meet required timelines.</li> </ul>	✓	<ul style="list-style-type: none"> <li>Cost effectiveness reviews likely lead to more assets managed in-house.</li> </ul> 
5	Be a continuous learning organization	<ul style="list-style-type: none"> <li>Continuing education items are regularly offered</li> </ul>	✓	<ul style="list-style-type: none"> <li>Provide orientation and assist integration of new Trustees.</li> <li>Provide Trustee continuing education items with priority to areas where competency shortfalls exist.</li> <li>Provide staff development / training opportunities.</li> <li>Continue to pursue technology and analytical advancements that embolden/support/streamline initiatives.</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> 