

# COMMUNIQUÉ

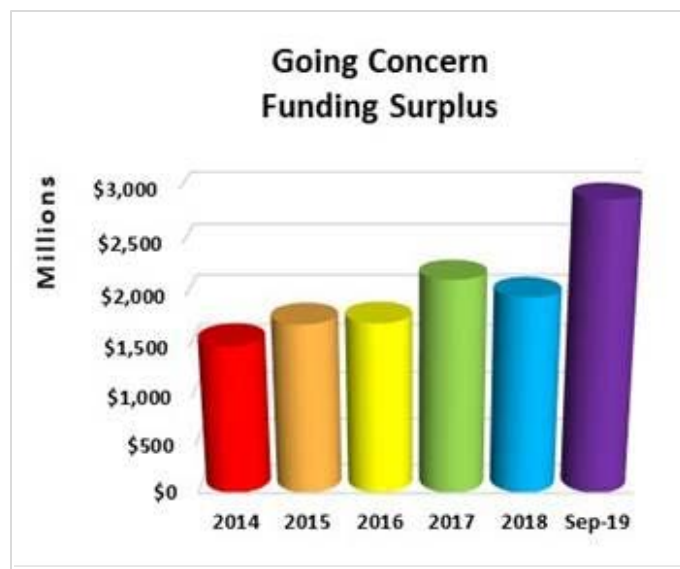
## CBC PENSION PLAN QUARTERLY REPORT

### 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 \$2.9 billion at September 30, 2019, an increase of \$920 million from the start of the year. The Plan's going-concern funding ratio was 156.9% at September 30, 2019, an increase of 17.5% from the start of the year.

The Plan's funding status on a solvency or windup basis was in a surplus of \$104 million at September 30, 2019, an improvement of \$25 million since the start of the year. The Plan's solvency funding ratio was 101.3% at September 30, 2019, an increase of 0.2% for the year.



### Secretary / Treasurer CBC Pension Plan

**Julie Murphy**

March 2019



Ms. Murphy joined the CBC Pension Plan in March 2019 as Secretary/Treasurer. She is a Chartered Professional Accountant with over 20 years' experience in finance, treasury and operations management. She joins the Plan from The Ottawa Hospital where she was the Director, Accounting & Treasury and oversaw the accounting, treasury, capital management and payroll functions. She has direct experience in Capital Markets and has also served as a Trustee for a defined benefit pension plan.

	September 30, 2019	December 31, 2018
NET ASSETS AVAILABLE FOR BENEFITS	\$8,003 million	\$7,013 million
Going Concern Funding Surplus	\$2,901 million	\$1,981 million
Solvency Funding Surplus / (Deficit)	\$104 million	\$79 million
Number of Pensions Being Paid	10,002	9,938
Number of Plan Contributors	7,413	7,321

## Financial Performance

The Plan had net assets of \$8.0 billion at September 30, 2019, an increase of \$990 million for the year. The increase in assets was the result of strong fixed income and equity market returns in the first three quarters of the year. Illustrating the mature nature of the Plan, the Plan made pension payments of \$233 million to pensioners and received contributions of \$85 million from CBC/Radio-Canada and employees to the end of September.

During the first three quarters of 2019, the Plan posted a return of 16.92%, which underperformed its asset benchmark return of 17.28%. The Plan's annualized 4-year return of 9.94% outperformed its asset benchmark of 8.43%.



## 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 95% during the third 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

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 2019 Pension Board meeting, the Trustee's approved the 2020 objectives and operating budget.

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

# Committed to Benefit Security

FOR FIFTY YEARS... AND BEYOND



STRATEGIC GOALS	KEY PERFORMANCE INDICATOR (KPI) as at September 30, 2019	STATUS	2019 ACTIVITIES as at September 30, 2019	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 meet core fund return objectives.</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>	<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 to meet Service Level Agreements</li> <li>Negotiate contract for pension administration and actuarial services</li> <li>Begin upgrade of PAC website</li> </ul>	<ul style="list-style-type: none"> <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>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>	<ul style="list-style-type: none"> <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>Provide for orientation of incoming Trustee(s).</li> <li>Provide Trustee continuing education items.</li> <li>Provide development /training opportunities for staff.</li> </ul>	<ul style="list-style-type: none"> <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> 