

# COMMUNIQUÉ

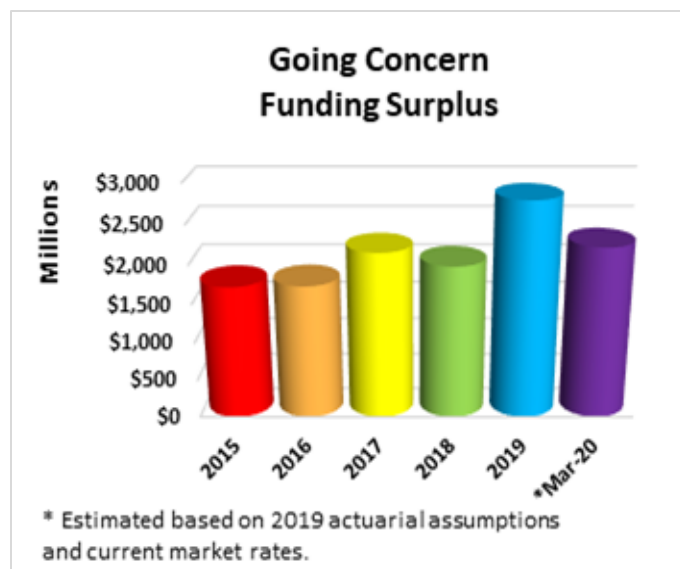
## CBC PENSION PLAN QUARTERLY REPORT

### Financial Health

The CBC Pension Plan is weathering the COVID-19 related market volatility very well and continues to be in a sound financial position.

The CBC Pension Plan had an estimated going-concern funding surplus of \$2.2 billion at March 31, 2020, a decrease of \$574 million from the start of the year. The Plan's estimated going-concern funding ratio was 142.2% at quarter end, a decrease of 11.2% from the start of the year.

The Plan's estimated funding status on a solvency or windup basis was a deficit of \$451 million at March 31, 2020, a decrease of \$680 million since the start of the year. The Plan's estimated solvency funding ratio was 94.3% at March 31, 2020, a decrease of 8.6% for the year.



### COVID 19 Update: A Message to Members

We know that the recent market volatility has been a source of anxiety for many people and we wanted to provide an update to reassure our members that your pension remains secure. Your pension is based on a pre-set formula and not on short-term market returns. It is important to remember that defined benefit pension plans are designed for the long term and that the Plan's sustainability is not dependant on how the markets perform in any given year.

The month of April saw a considerable rebound in the markets resulting in the Plan's estimated going-concern funding surplus improving to \$2.7 billion, a funding ratio of 152.3% and the estimated solvency funding status deficit decreasing to \$141 million, a funding ratio of 98.3%. We remain committed to careful management and oversight of the investments in order to ensure long-term success. Members can rest assured that their pension is secure.

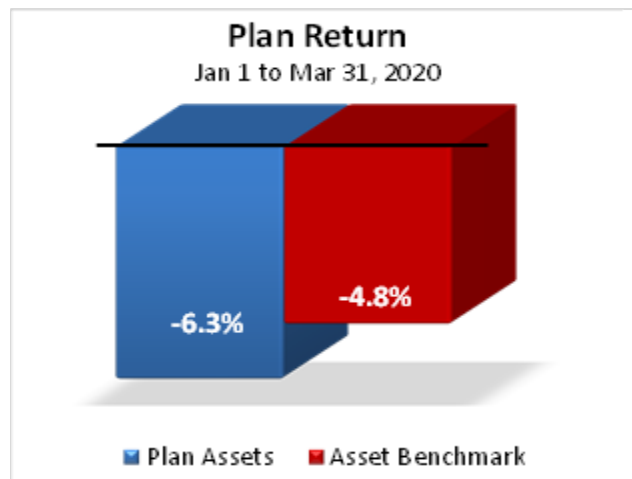
	March 31, 2020	December 31, 2019
NET ASSETS AVAILABLE FOR BENEFITS	\$7,471 million	\$8,023 million
Going Concern Funding Surplus	\$2,218 million	\$2,792 million
Solvency Funding Surplus / (Deficit)	(\$451) million	\$229 million
Number of Pensions Being Paid	10,025	10,021
Number of Plan Contributors	7,463	7,459

### Financial Performance (unaudited)

The Plan had net assets of \$7.47 billion at March 31, 2020, a decrease of \$552 million in the quarter. The decrease in assets was due to a decline in the global equity markets due to the Covid-19 pandemic spreading around the world.

During the first quarter, the Plan posted a return of -6.32%, which underperformed its asset benchmark return of -4.83%. The Plan's annualized 4-year return of 7.26% outperformed its asset benchmark of 6.33%.

Illustrating the mature nature of the Plan, the Plan made pension payments of \$78 million to pensioners and received contributions of \$26 million from CBC/Radio-Canada and employees in the first quarter of 2020.



### 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 91% during the first quarter of 2020. 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 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 primary duties of the Board of Trustees is to oversee the investments of the Pension Fund. A Pension Board meeting was held in May with the investment management team to review the Fund's first quarter performance and market outlook. The Board recognizes that the Plan's investment strategy is for the long-term and that these market fluctuations do not have a significant impact on the Plan's ability to provide a reliable pension benefit to members.

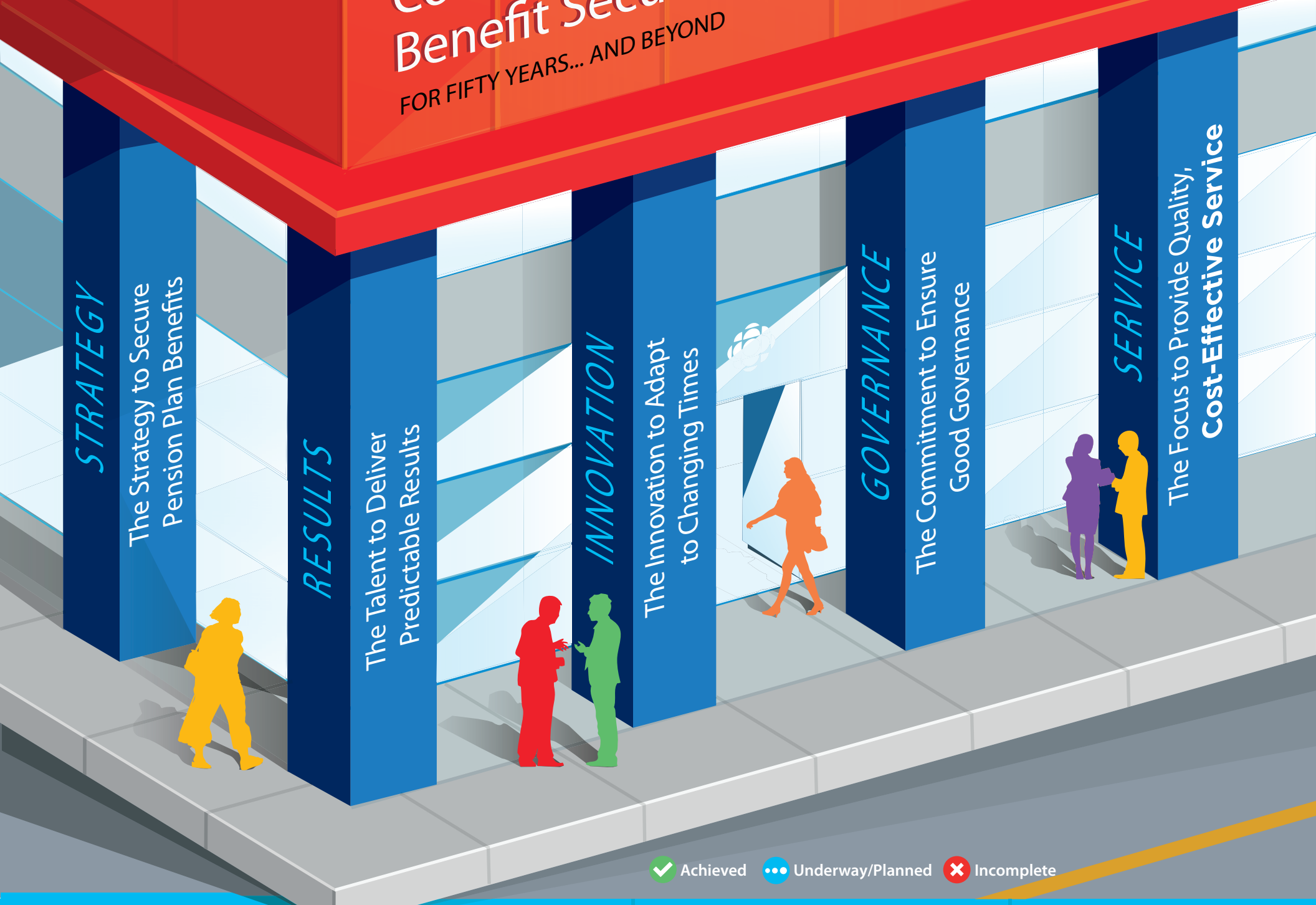
The **2019 CBC Pension Plan Annual Report - Building a Foundation For Your Future**, is available on the Plan's website at: <http://cbc-radio-canada-pension.ca/publications/annual-reports/>








































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 March 31, 2020	STATUS	2020 ACTIVITIES as at March 31, 2020	STATUS	DESIRED OUTCOME BY 2020
<b>1</b> 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>	  	<ul style="list-style-type: none"> <li>Invest in a way to meet core fund return objectives</li> <li>Implement 2020 asset mix changes.</li> <li>Implement new asset structure.</li> <li>Expand assessment of the Plan's Environmental, Social and Governance (ESG) risk exposures.</li> <li>Evaluate new investment opportunities and approaches.</li> </ul>	    	<ul style="list-style-type: none"> <li>Plan reaches fully funded status.</li> </ul> 
<b>2</b> 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> <li>Member experience survey results of 80% or higher.</li> <li>Provide pension admin service consistent with targets.</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>Manage and monitor the provision of pensioner payment services by CBC to meet service level agreements.</li> <li>Complete upgrade of PAC website to enhance functionality and member experience.</li> </ul>	  	<ul style="list-style-type: none"> <li>Service levels meet achievable expectations.</li> <li>Web usage by membership increases resulting in lower administration costs.</li> </ul> 
<b>3</b> 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>	 	<ul style="list-style-type: none"> <li>Develop website launch communication strategy to promote usage of new PAC website with members.</li> <li>Enhance capacity for electronic communication with Plan members.</li> <li>Complete annual presentations to stakeholders.</li> <li>Review sponsor and pension plan meetings to identify enhancements.</li> </ul>	   	<ul style="list-style-type: none"> <li>Modernized communication approach.</li> <li>More formalized collaborative discussions with Sponsor established.</li> </ul> 
<b>4</b> 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> <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>Develop a new 2021-2025 Strategic Plan.</li> <li>Conduct 2019 actuarial valuation to meet required timelines.</li> <li>Undertake assurance review to evaluate the Plan's control self-assessment process.</li> <li>Undertake biennial Risk Register update.</li> <li>Undertake annual Succession Planning Review.</li> <li>Maintain uninterrupted operations during the Covid-19 pandemic</li> </ul>	     	<ul style="list-style-type: none"> <li>Organization is well resourced with competent Trustees and a management team capable of managing the organization into the future.</li> </ul> 
<b>5</b> 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 to incoming Trustee(s).</li> <li>Provide Trustees continuing education items.</li> <li>Provide training / development opportunities for staff.</li> </ul>	  	<ul style="list-style-type: none"> <li>An adaptive organization willing to assess innovative theses and practices including continual review of the LDI strategy.</li> </ul> 