

# COMMUNIQUÉ

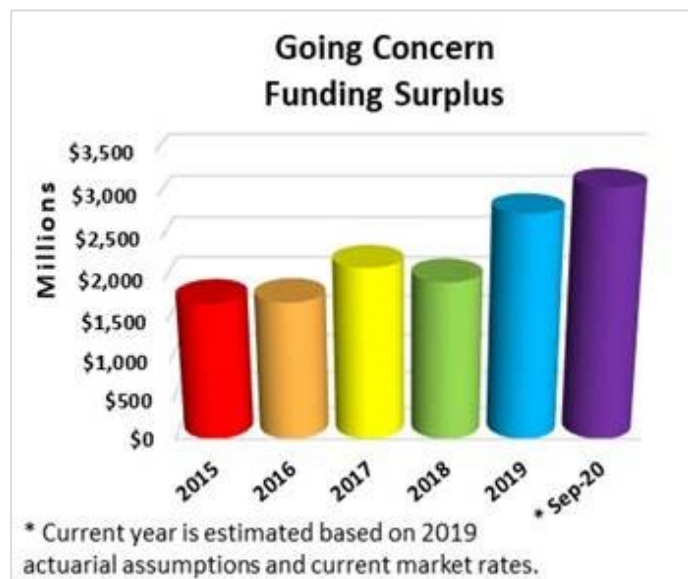
## CBC PENSION PLAN QUARTERLY REPORT

### 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 \$3.1 billion on September 30, 2020 an increase of \$302 million from the start of the year. The Plan's estimated going-concern funding ratio was 158.3% at quarter end, an increase of 4.9% from the start of the year.

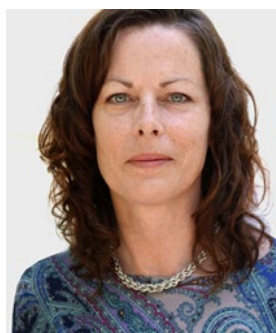
The Plan's estimated funding status on a solvency or windup basis was a deficit of \$134 million on September 30, 2020, a decrease of \$363 million since the start of the year. The Plan's estimated solvency funding ratio was 98.4% on September 30, 2020, a decrease of 4.5% for the year.



### Get to Know Your Board Members

#### Sandra Mason

Chair of the Board of Trustees  
October 2020



Ms. Mason is a highly accomplished financial professional and corporate director. She has extensive media industry and governance experience and was previously the Senior Vice-President and Chief Financial Officer at The Globe and Mail. Ms. Mason brings strong governance experience to the Board of Trustees through her previous roles on other Boards and pension committees. She is a Professional Accountant (CPA, CA) and has a Bachelor of Commerce degree from Dalhousie University. Ms. Mason was appointed to the Board of Directors of CBC/Radio-Canada on June 1, 2020 and joined the Pension Board in October 2020 replacing Mr. Jeffery as Board Chair.

	September 30, 2020	December 31, 2019
NET ASSETS AVAILABLE FOR BENEFITS	\$8,398 million	\$8,023 million
Going Concern Funding Surplus	\$3,094 million	\$2,792 million
Solvency Funding Surplus / (Deficit)	(\$134) million	\$229 million
Number of Pensions Being Paid	10,029	10,021
Number of Plan Contributors	7,461	7,459

### Financial Performance (unaudited)

The Plan had net assets of \$8.4 billion on September 30, 2020, an increase of \$375 million for the year. The increase in assets was driven by strong fixed income returns.

During the first three quarters of 2020, the Plan posted a return of 6.80%, which underperformed its asset benchmark return of 10.47%. The Plan's annualized 4-year return of 8.75% outperformed its asset benchmark of 8.23%.

Illustrating the mature nature of the Plan, the Plan made pension payments of \$231 million to pensioners and received contributions of \$84 million from CBC/Radio-Canada and employees year to date.



### COVID 19 Update: A Message to Members

While capital markets have been volatile as a result of the COVID-19 pandemic, the Plan remains in a sound financial position, and your pension remains secure. Defined benefit pension plans are designed for the long term and the Plan's sustainability is not dependent on how the markets perform in any given year. We remain committed to careful management and oversight of the investments to ensure long-term success. Members can rest assured that their pension is secure.

To keep employees and communities safe, the Pension Fund, the Pension Administration Centre and the Pension Payroll teams continue to work remotely with only essential work being performed at the offices. Pensions continue to be paid on the first business day of the month and new pensions will commence on time if all the required documents are received. Our focus is to provide the same high-quality service to our members.

### Member Services

The Plan's members rated pension administration services with an overall satisfaction of 96% during the third 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.



### Governance Matters

In October, Mr. Rob Jeffery announced his resignation from the Board of Trustees and Ms. Sandra Mason was elected as the new Chair. The Pension Board would like to thank Mr. Jeffery for his dedicated service over the last 4 years.

One of the Pension Board's essential practices under its governance framework is to develop a 5-year Strategic Plan and annual objectives. At the December 2020 Pension Board meeting, the Trustees approved the 2021-2025 Strategic Plan, the 2021 annual objectives and operating budget.

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 September 30, 2020	STATUS	2020 ACTIVITIES as at September 30, 2020	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.<sup>1</sup></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>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>✓</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 with 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>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>✓</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 administration costs.</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>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>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> </ul>	<ul style="list-style-type: none"> <li>Modernized communication approach.</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>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>✓</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 a management team capable of managing 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 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>✓</li> <li>✓</li> <li>✓</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> 

<sup>1</sup> Due to the continued volatility in equity markets in 2020, the Plan temporarily exceeded its risk expectations in the quarter. We are monitoring and expect this to return within range in the coming months.