

# COMMUNIQUÉ

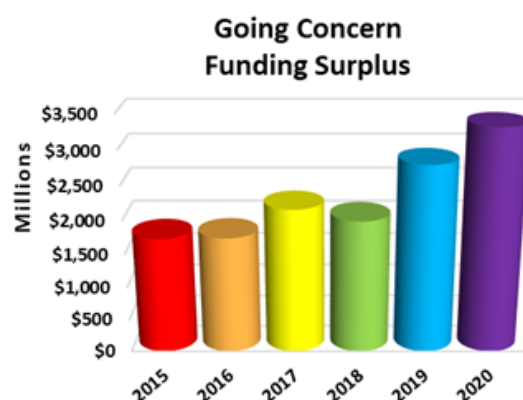
## CBC PENSION PLAN QUARTERLY REPORT

### Financial Health

The CBC Pension Plan's financial position continued to improve in 2020 with the Plan ending the year in the strongest financial position in more than two decades. Despite a volatile year, the Plan ended the year fully funded under both of its funded status measures.

The CBC Pension Plan had a going-concern funding surplus of \$3.3 billion at December 31, 2020, an increase of \$521 million from the start of the year. The Plan's estimated going-concern funding ratio was 161.4% at year end, an increase of 8% from the start of the year.

The Plan's funding status on a solvency or windup basis was in a surplus of \$381 million on December 31, 2020, an increase of \$152 million since the start of the year. The Plan's estimated solvency funding ratio was 104.6% on December 31, 2020, an increase of 1.7% for the year.



### Looking Ahead

The year 2020 was marked by unprecedented economic disruption and volatile financial markets as a result of the COVID 19 pandemic. At the Pension Plan we know that these types of "outlier" events do happen from time to time. We also know that it is almost impossible to predict exactly when they will occur and what the impact will be. We therefore do not spend much of our time trying to predict the future, but instead focus on building a strong resilient pension plan that will be able to succeed in a variety of environments. We will use the events of 2020 as a learning opportunity to identify refinements to our approach so that we can become even more resilient.

We are pleased to report that the Plan performed well in 2020 and continues to be fully funded both on a going concern and a solvency basis. The Plan's Liability-Driven Investment strategy continued to provide stable funded positions, member benefit security and low current service costs. We know that as we move forward into 2021, that the COVID 19 pandemic remains unresolved and that financial markets will continue to be unpredictable. So, while we are confident that the Plan has the right investment strategies to be successful in the long-term, in any given year, we could experience fluctuations in our rate of return and funded statuses.

	December 31, 2020	December 31, 2019
NET ASSETS AVAILABLE FOR BENEFITS	\$8,706 million	\$8,023 million
Going Concern Funding Surplus	\$3,313 million	\$2,792 million
Solvency Funding Surplus (Deficit)	\$381 million	\$229 million
Number of Pensions Being Paid	10,092	10,021
Number of Plan Contributors	7,377	7,459

## Financial Performance

The Plan had net assets of \$8.7 billion on December 31, 2020, an increase of \$683 million for the year. The increase in assets was driven by strong fixed income returns.

For 2020, the Plan posted a return of 11.49%, which underperformed its asset benchmark return of 14.16%. The Plan's annualized 4-year return of 10.59% outperformed its asset benchmark of 9.91%.

Illustrating the mature nature of the Plan, the Plan made pension payments of \$313 million to pensioners and received contributions of \$111 million from CBC/Radio-Canada and employees to the end of the year.



## Thank you

### Michael Mooney

Pension Board Member  
Retiring March 31, 2021



Mr. Mooney joined CBC/Radio-Canada in 1990 and, prior to his retirement, was the Interim Vice-President and Chief Financial Officer. He has been responsible for various Finance activities over the years including budgeting, planning, accounting and financial reporting, government financial relations, and enterprise risk management. Mr. Mooney has served as a Pension Board member since July 2019 and previously in 2015, when he was Interim Chief Financial Officer. The Board of Trustees would like to thank Mr. Mooney for his service and commitment to the Board and Plan Members and wish him all the best in his retirement.

## COVID 19 Update: A Message to Members

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 94% during the fourth 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

At the March 2021 Pension Board meeting, Ms. Sandra Mason was re-elected as the Chair of the CBC Pension Board of Trustees and the Board welcomed Ms. Carol Najm, Vice-President and Chief Financial Officer, CBC/Radio-Canada, as a Trustee. The Board accepted and approved the Plan's 2020 actuarial and audit reports, as well as approved the Plan's 2020 Audited Financial Statements.

The **2020 CBC Pension Plan Annual Report - Building a Foundation For Your Future**, will be available shortly on the Plan's website at: <http://cbc-radio-canada-pension.ca/publications/annual-reports/>

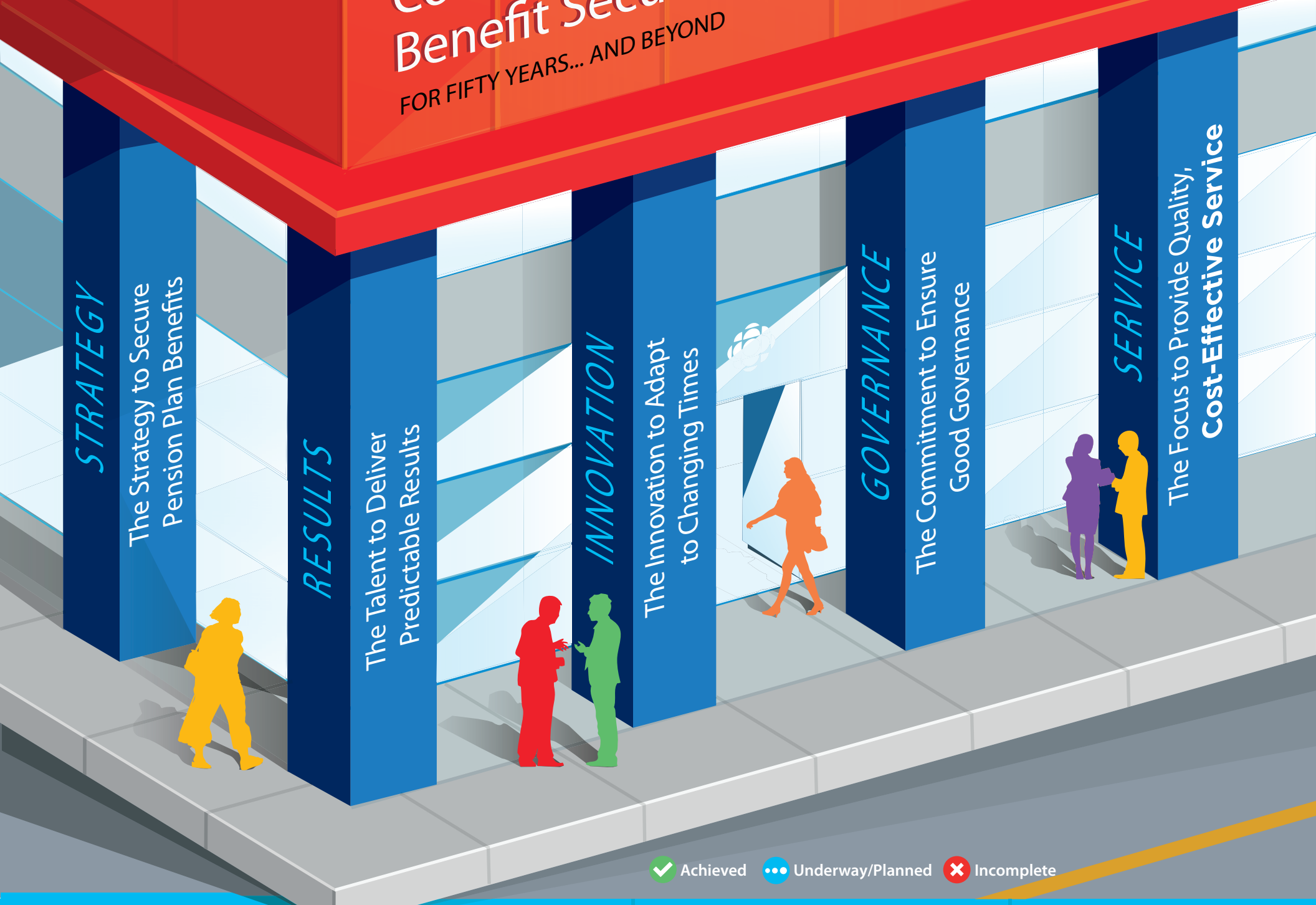
A summary of the Pension Board's 2015 - 2020 Strategic Plan and the status of key objectives is included in the infographic on the next page.
















































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)

*Communiqué is the CBC Pension Board's quarterly report to Plan members. For more information on the Plan and operations of the CBC Pension Plan please visit the Pension Board website – [cbc-radio-canada-pension.ca](http://cbc-radio-canada-pension.ca)*

# Committed to Benefit Security

FOR FIFTY YEARS... AND BEYOND



STRATEGIC GOALS	KEY PERFORMANCE INDICATOR (KPI) as at December 31, 2020	STATUS	2020 ACTIVITIES as at December 31, 2020	STATUS	DESIRED OUTCOME BY 2020	STATUS
<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.<sup>1</sup></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> 	

<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.