

COMMUNIQUÉ

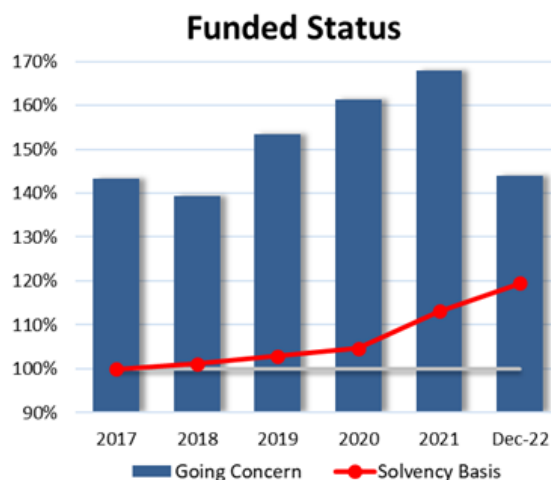
CBC PENSION PLAN QUARTERLY REPORT

Financial Health

The CBC Pension Plan continues to be in a sound financial position as its key measures of overall pension plan financial health remained positive at year end. The Plan ended the year fully-funded under both of its funded status measures.

The Plan had a going-concern funding surplus of \$2.36 billion on December 31, 2022, a decrease of \$1.36 billion from the start of the year. The Plan's going-concern funding ratio was 143.9% at year end, a decrease of 24% from the start of the year. This was primarily the result of volatility in the bond and equity markets in 2022 that impacted the value of the Plan's net assets.

The Plan's solvency (or windup basis) funded status was in a surplus of \$1.26 billion on December 31, 2022, an increase of \$192 million since the start of the year. The Plan's solvency funding ratio at year end was 119.4%, an increase of 6.3% for the year. This represents the highest solvency funded status in over 20 years. Member benefit security continues to be strong.



A Year in Review

The year 2022 was marked by geo-political, economic, and financial market disruptions as the world emerged from the COVID 19 pandemic facing increased levels of inflation and rapid increases in interest rates. Financial markets also had to contend with the significant economic and financial consequences of a war in Europe. Market volatility rose and both fixed income and equity markets declined. While the Plan was not immune to the impact of these shorter-term market events, our Liability-Driven Investment strategy performed very well, and we emerged from 2022 with healthy funded ratios on both a going concern and a solvency basis. The Plan's Liability-Driven Investment strategy continues to provide stable funded positions, member benefit security and low current service costs. We are confident the Plan has the right leadership, team, structures and investment strategies to be successful in the long-term. We have a long-term track record of successfully navigating short-term fluctuations to deliver strong returns and member benefit security over the long-term.

| | December 31, 2022 | December 31, 2021 |
|-----------------------------------|-------------------|-------------------|
| NET ASSETS AVAILABLE FOR BENEFITS | \$ 7,728 million | \$9,192 million |
| Going Concern Funding Surplus | \$ 2,359 million | \$3,718 million |
| Solvency Funding Surplus | \$1,257 million | \$1,065 million |
| Number of Pensions Being Paid | 10,252 | 10,164 |
| Number of Plan Contributors | 7,556 | 7,402 |

Financial Performance

The Plan had net assets of \$7.73 billion on December 31, 2022, a decrease of \$1.46 billion for the year. The decrease in assets from the start of the year was primarily due to the significant rise in interest rates that had a negative impact on the Plan's fixed income returns as well as a decline in the global equity markets.

Illustrating the mature nature of the Plan, the Plan made pension payments of \$326 million to pensioners and received contributions of \$72 million from employees and CBC/Radio-Canada in 2022.

The Plan focuses on longer-term measures of performance in assessing our success in achieving our mission. The Plan's annualized 4-year return of 5.64% outperformed its asset benchmark return and its solvency objective but slightly underperformed its going-concern objective for the period.



Investment Strategy

While performance may fluctuate in any given year, the Plan remains committed to its Liability-Driven Investment strategy. 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. The Plan's Liability-Driven Investment strategy continues to perform as expected with both the Plan's funded status measures remaining positive. We regularly review our investment strategy to improve and refine as market conditions change, to ensure we can provide sustainable long-term returns and benefit security to our members.

Member Services

The Plan's members rated pension administration services with an overall satisfaction of 96% during the fourth quarter of 2022. 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.

Governance Matters

At the March 2023 Pension Board meeting, Sandra Mason was re-elected as the Chair of the CBC Pension Board of Trustees. The Board accepted and approved the Plan's 2022 actuarial and audit reports, as well as approved the Plan's 2022 Audited Financial Statements.


The **2022 CBC Pension Plan Annual Report – Investing 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 2021 - 2025 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 (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

2022 HIGHLIGHTS

 Achieved  Underway/Planned  Incomplete/Not Met

| STRATEGIC GOALS | KEY PERFORMANCE INDICATOR (KPI) as at December 31, 2022 | STATUS | 2022 ACTIVITIES as at December 31, 2022 | STATUS | DESIRED OUTCOME BY 2025 |
|--|--|---|---|---|--|
| <p>1 Deliver risk-adjusted net returns to support the financial viability and liquidity needs of the pension plan</p> | <ul style="list-style-type: none"> 4-year Fund return to exceed benchmark portfolio by 0.50%. 4-year Fund return to equal or exceed actuarial required return. * Surplus-at-Risk (SAR) volatility trades within Risk tolerance expectations. | <ul style="list-style-type: none">    | <ul style="list-style-type: none"> Invest in a way to ensure core fund return objectives are met. Implement 2022 asset mix changes. Expand private investment exposure towards strategic target allocation. Implement environmental, social and governance (ESG) policy. Evaluate new investment opportunities and approaches. | <ul style="list-style-type: none">      | <ul style="list-style-type: none"> Plan maintains fully funded status. Our strategic asset allocation processes remain best in class.  |
| <p>2 Provide quality and efficient member pension services while continuously improving our communications with both members and stakeholders</p> | <ul style="list-style-type: none"> Make pension payments on time. Achieve member experience survey results of 80% or higher. Provide member services consistent with targets. Perform annual assessment of relationship with Sponsor. Provide timely, comprehensive, and clear communications to members. | <ul style="list-style-type: none">      | <ul style="list-style-type: none"> Manage the provision of member services to meet agreed member service levels. Upgrade pension payroll system and in-source pension payroll processing. Begin development of an on-line pensioner portal to provide members access to benefit payment information. Provide updates to members and conduct annual presentations to stakeholders. | <ul style="list-style-type: none">      | <ul style="list-style-type: none"> Deliver cost effective services that meet member expectations. Ensure members receive timely, comprehensive, and clear communications through their preferred medium. Improve communication with stakeholders.  |
| <p>3 Maintain effective governance and organizational structures to meet fiduciary obligations and business requirements</p> | <ul style="list-style-type: none"> Meet all regulatory requirements. Obtain an unqualified audit opinion free of any material adjustments. Achieve Trustee meetings and education evaluation grades of good or higher. Cost effective management measured by the benchmark. Achieve Trustee Self-Assessment rating of satisfactory. | <ul style="list-style-type: none">      | <ul style="list-style-type: none"> Implement any new regulatory requirements and conduct 2021 actuarial valuation and audit. Undertake assurance review to evaluate the in-sourcing of pension payroll services. Assess service options for custody of the Plan's assets. | <ul style="list-style-type: none">     | <ul style="list-style-type: none"> Ensure organization is well resourced with competent Trustees and management team capable of managing the organization into the future. Achieve best practices in plan governance and oversight.  |
| <p>4 Support a culture of diversity, innovation, continuous learning, and accountability</p> | <ul style="list-style-type: none"> Ensure continuing education items are regularly offered. | <ul style="list-style-type: none">  | <ul style="list-style-type: none"> Provide Trustees with continuing education items. Hire and integrate new personnel and plan for potential retirements. Support and grow a diverse and inclusive workforce. Reintegrate personnel back into the office and explore flexible work arrangements. | <ul style="list-style-type: none">     | <ul style="list-style-type: none"> Attract and retain a highly motivated and diverse team that seeks innovative strategies that add value over the long-term.  |

*The Plan's 4-year return continued to exceed its solvency objectives but did not meet its going-concern objectives. The Plan's significant exposure to fixed income investments has resulted in the Fund underperforming the going-concern return objectives as fixed income investments have posted negative returns over the last four years.