Investing for YOUR Future

CBC Pension Plan 2022 Annual Report

CBC Pension Board of Trustees

CBC Radio-Canada

The CBC Pension Plan provides a stable, sustainable, and secure lifetime pension benefit for its members.

The CBC Pension Board of Trustees understands the importance of pension benefit security to members. Our vision is to be a high performing sustainable Pension Plan that is valued by you, our members, and CBC/Radio-Canada.

In this year's Annual Report, you will find details about the CBC Pension Plan activities and performance for 2022.

We are investing for your future to ensure you receive the pension benefits you've worked hard for and earned.

Contents

Terms that appear in bold grey are defined in the glossary at the end of the report.

For the purposes of this Annual Report, "the Plan" and "Pension Plan" refer to the CBC Pension Plan.

Cover and Inside Spread

Our cover and inside spread of the Three Sisters Mountains in Alberta was selected this year as part of a new initiative to feature Canadian landscapes highlighting where our members work and live.

For further information, contact:
CBC Pension Board of Trustees
919 – 99 Bank Street
Ottawa, ON, K1P 6B9
Email: pension@cbcpension.ca
Website: cbc-radio-canada-pension.ca

This document was last updated April 27th 2023.

Financial Overview
2022 Highlights

Going Concern
Funding Ratio

143.9%

Funding Surplus

$2.36 billion

Solvency
Funding Ratio

119.4%

Funding Surplus

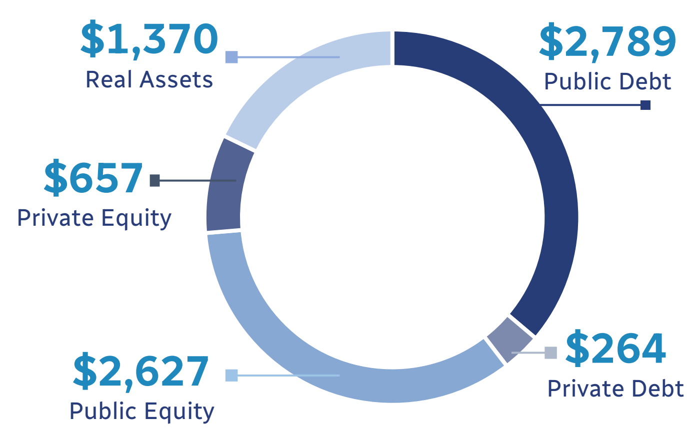
$1.26 billion

-12.6%
2022 Rate of Return

$7.73 billion
Net Assets

+5.6%
4-Year annualized rate of return

Asset Allocation
(in millions)



Membership Overview
2022 Highlights

10,252
Retired members (51%)
Average age: 74

7,556
Active members (38%)
Average age: 46

2,173
Deferred members (11%)
Average age: 49

5.5%
Growth in membership since 2012

1.4 to 1
Retired to active member ratio

$326M
Total pensions paid in the year

61.7
Active members' average age at retirement

318
New retirements

34%	62%	4%
Under Age 59	Age 60-69	Age 70+

Longest pension in payment is over
55 years

18 Retired members age 100 and over
692 age 90 and over

Message from the Chair

Sandra Mason
Chair of the Board of Trustees

On behalf of the CBC Pension Board of Trustees, I am pleased to share the CBC Pension Plan 2022 Annual Report. The Plan continues to be fully-funded on both a going-concern and solvency basis, two key measures of the Plan's overall financial health. Your pension remains secure.

It is our privilege to serve Plan members who worked to inform, enlighten, and entertain Canadians as well as those who continue to do so each day. As the Board of Trustees, we are committed to ensuring that the benefits you have earned will be there when you need them and for years to come. Our focus continues to be on delivering a high-performing sustainable pension plan that is valued by our members and CBC/Radio-Canada.

"The Board of Trustees has full confidence that the CBC Pension Plan is positioned for continued success..."

While it was another challenging year for financial markets, the sustainability of the Plan is not dependant on how markets perform in any given year. The Plan's liability driven investment strategy has a strong track record of weathering market volatility as well as downturns. Over the longer-term, the Plan's investment strategy and robust approach to managing risk continues to perform well.

Our role, as Trustees, is to provide sound guidance and governance around pension administration, investments, and risks to protect the retirement security of our members. Maintaining a healthy and sustainable pension plan also requires a robust strategic plan. The Plan has set four strategic goals that drive its short and long-term priorities. Progress towards achieving these goals is regularly monitored, reported, and reviewed by the Board of Trustees. Further details are included in the Plan Governance section of the Annual Report.

The Board of Trustees is responsible for prudently investing the pension fund assets to support the financial viability of the pension plan over the long-term. In 2022, the Board of Trustees undertook a Strategic Asset Allocation review to ensure the Plan's portfolio of assets can continue to meet its long-term return objectives without assuming too much risk.

Other important activities completed in 2022 included adjusting the blend of assets in our investment portfolio to optimize the balance between risk and investment returns and conducting the biennial review of the Plan's risk register, which ensures the Plan has appropriately identified and is managing its key risks.

Responsible investing is about managing risks and improving returns by incorporating issues and factors that will shape the future. The Board of Trustees continues to focus on the Plan's responsible investing activities and the extent to which environmental, social, and governance (ESG) factors are integrated into the Plan's investment approach. We believe that a greater focus on ESG principles will build a better future and a stronger Plan for members. Further information on the Plan's responsible investing policy can be found in the Responsible Investment section of the Annual Report.

Trustees have full confidence that the CBC Pension Plan is positioned for continued success under Duncan Burrill and the team. We are convinced that their work will enable us to deliver on our strategic goals and ensure benefit security for our members. I also want to take this opportunity to thank my fellow board members for their commitment, engagement and of course their expertise which have all been tremendously enriching for me and in allowing us to make the best decisions for the Plan.

Message from the CEO

"I am pleased to report that the Plan ended 2022 with a going- concern funded status of 143.9% and a solvency funded status of 119.4%. Member benefit security remains strong."

Duncan Burrill
Managing Director/CEO

On Track

Pension plans faced considerable challenges in 2022 as both equity and fixed income markets declined. While the CBC Pension Plan was not immune to the impact of these market events, our Liability-Driven Investment (LDI) strategy performed very well, and we ended the year with healthy funding ratios. Member benefit security continues to be strong.

Fluctuations in the market value of companies and fixed income securities is a normal occurrence. While we may wish for a world where unexpected events do not occur and markets go up every year, this is not how the world works. We need to manage the Plan for the real world. In 2022, the world experienced a war in the Ukraine, ongoing supply chain disruptions, Covid-19 lockdowns in China, high inflation, and rapid increases in interest rates. These events came just as the world was emerging from the Covid-19 pandemic. We did not forecast most of these events and yet our "all weather" investment strategy allowed the Plan to emerge from 2022 in a strong financial position. With a well-designed investment strategy, a culture of continuous improvement and a passionate team, we remain on track to deliver member benefit security now and into the future.

Benefit Security is at the heart of our mission

The Plan's solvency and going concern funded statuses are the primary way that we assess our success at providing benefit security to our members and contribution funding stability to CBC/Radio-Canada. Funding ratios greater than 100% indicate that the Pension Plan holds more than enough assets to meet the long-term obligations of the Plan. I am pleased to report that the Plan ended 2022 with a going concern funded status of 143.9% and a solvency funded status of 119.4%. Member benefit security remains strong.

As markets can fluctuate significantly in any given year, we primarily assess the Plan's success against longer-term measures. Despite the challenging market and a negative return of -12.6% in 2022, the Plan's 4-year return of 5.6% and 10-year return of 7.4% remain strong and continue to meet our long-term return objectives. Total assets in the pension fund decreased by $1.5 billion in 2022 to $7.7 billion as our liability hedging investments incurred losses due to the rapid increase in interest rates. The liability hedging investments are designed to offset Plan's interest rate risks over the long-term and they play a key role in maintaining stable funding statuses. While the actions we took in 2021 to refine our strategic asset allocation contributed positively to our 2022 performance, we expect the full value to come in future years. Member benefit security remains our primary priority as the Plan made over $326 million in pension payments and transfers to members this year.

Investing for YOUR Future

We know how important a secure and affordable pension benefit is to our members. While we have a 60-year track record of delivering secure pension benefits to members, we never rest on our laurels. We are committed to evolving and adapting to create a sustainable and high performing pension plan. In a world of immense uncertainty, there is a lot we can't control, but we will continue to focus on what we can control—building a strong, resilient Plan where member benefit security is our highest priority. Please visit our **website** http://cbc-radio-canada-pension.ca/ for additional information.

The year 2022 represented a year of investment challenges but it also was marked by several key strategic achievements and activities outlined in this year's report. These results were accomplished through the hard work and dedication of the entire team who are passionate about achieving our mission for our members. I look forward to reporting to you again next year on our continual progress on providing a secure pension benefit to you, our members.

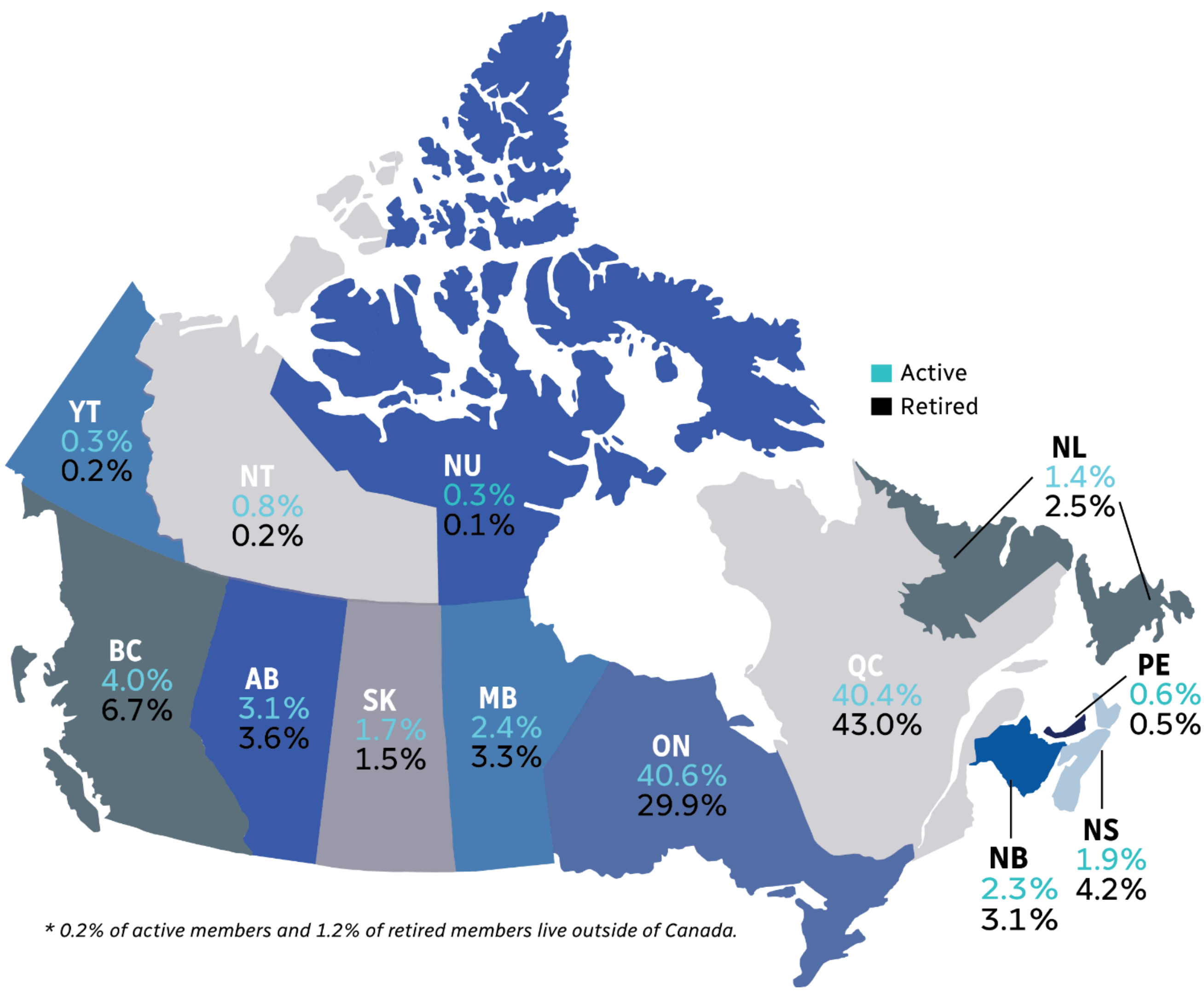
Your Plan

The Canadian Broadcasting Corporation Pension Plan (the Plan), established September 1, 1961, is a **contributory defined benefit pension plan** covering substantially all the CBC/Radio-Canada employees. The Plan is federally regulated and is governed by the provisions of the ***Pension Benefits Standards Act, 1985*** **and Regulations thereof.**

The primary purpose of the Plan is to provide defined pension benefits for its members in accordance with the Pension Plan text (and related documents) describing the Plan. The benefits members receive are financed by the Plan's **assets** and investment earnings as well as the pension contributions of CBC/Radio-Canada and active members.

Members across Canada

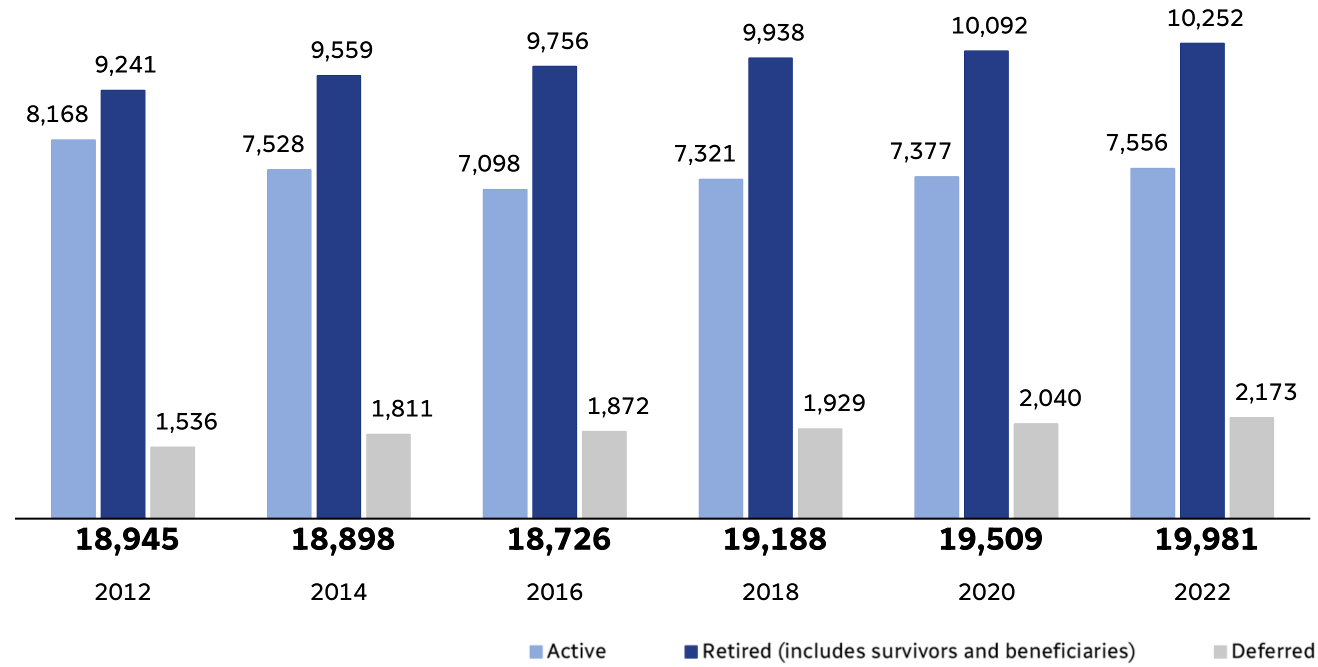
Distribution of active and retired members



** 0.2% of active members and 1.2% of retired members live outside of Canada.*

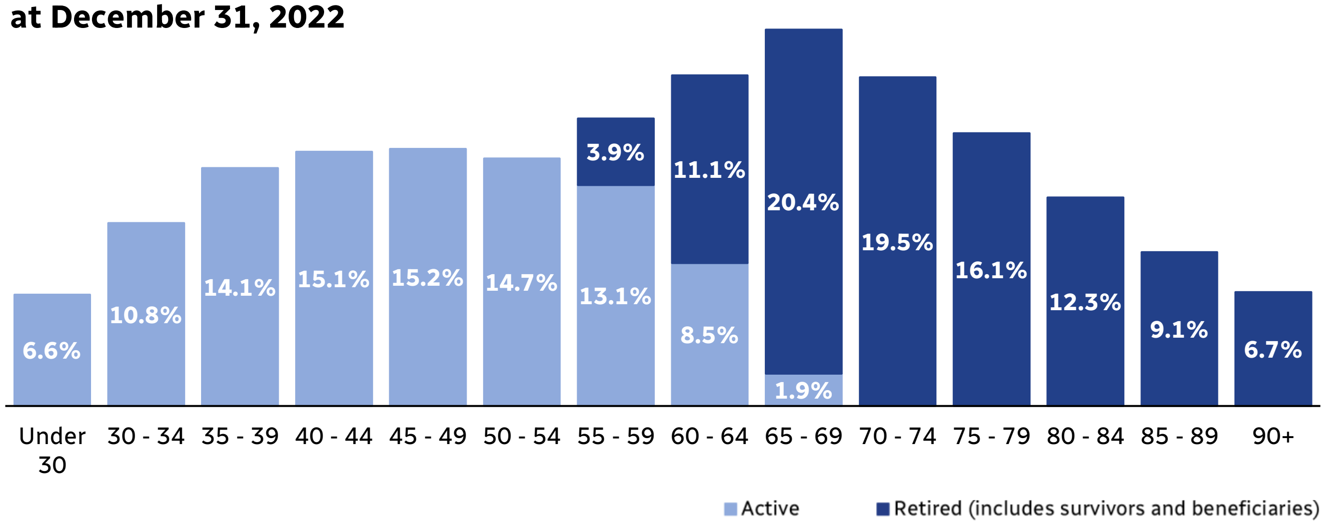
In 2022, the Plan welcomed 801 new active and 318 newly retired members.

Plan Membership
at December 31



Did you know? The Plan is considered a **mature pension plan** because the number of **retired members** is greater than the number of **active members**.

Active and Retired Members by Age
at December 31, 2022



*0.9% of retired members are under the age of 54.

Your Pension

Your Plan is a contributory defined benefit pension plan (DB) that offers a stable and secure lifetime pension that is "defined" ahead of time. Your pension benefits are determined using a formula based on your average pensionable salary, pensionable service, and yearly maximum pensionable earnings (YMPE).

Member Contributions

Annually, the Plan's **actuary** determines the cost of pension benefits for the upcoming year – this is called the current service cost. Current service costs are adjusted from year to year and are translated into pension contribution rates based on a percentage of pay. Your pension contributions are automatically deducted from your pay by CBC/Radio-Canada and then invested by the Plan until you retire.

	2020	2021	2022
Member Contributions at July 1st	**9.0%**	**9.2%**	**8.95%**
Calculated as % of pay			
Salary up to YMPE	8.27%	8.44%	8.19%
Salary above YMPE*	10.87%	11.10%	10.77%
YMPE	$58,700	$61,600	$64,900

** Subject to the maximum salary allowed under the Income Tax Act.*

Did you know? Many things can affect the calculation of the current service costs, such as future economic assumptions, the types of investments the Plan holds and the Plan's membership demographics.

Pension Benefits

Once you retire and start receiving a pension, these benefits are adjusted each January 1 for inflation up to a maximum of 2.7% a year. This adjustment is called the annual pension **indexation**.

	2021	2022	2023
Indexation Rate	**1.04%**	**2.41%**	**2.70%**

Did you know? 52% of our retired members are helping us **GO GREEN** by receiving timely pension updates via e-mail. Are you interested in going green? Send an email with your full name and CBC ID to pension@cbc.ca. Your annual pension statement will still be sent by mail.

Member Services

Our objective is to provide members with high-quality services in a cost-effective manner and we do this by partnering with the firm *TELUS Health* (formerly LifeWorks). They deliver services to Plan members through the **Pension Administration Centre (PAC)**.

Active and retired members can use the **PAC website** (www.pensionadmin-cbc-src.ca) for all their pension-related needs. It is an excellent source for pension plan information, providing resources and tools you need to make the most out of your Plan. It remains the most efficient and cost-effective method for active and retired members to access their personal pension information.

Did you know? Active or retired members can get a copy of their Annual Pension Statement from the PAC website. The Annual Pension Statement page of the website received **9,853 visits** in 2022.

4,896	123,360	1,797
Calls from Members to PAC	**Pension Payments**	**Pension/Buy-Back Calculations**

Active and retired members can log into the PAC website to access their personal pension information.

Members logged in 22,826 times.

Active members are also using the online tools available:

Pension Projection Tool	Retirement Income Calculator	Buy-Back Calculator
19,549	7,264	9,214
projections	simulations	calculations

Service Levels

Minimum and target service levels are set for the Plan's member services and these levels are monitored closely to ensure members receive the best service possible. **Minimum service levels** were met throughout the year, and we continuously strive to meet or exceed our target service levels.

Services provided	Target service levels	Average annual results
On-going pension payments	On the first of the month	All payments made on time
Retirement packages	95% sent within 5 business days	86.1%
Web based tools / system availability	Available 99% of the time	99.8%
Telephone inquiries	98% resolved on first call	98.5%
Annual statements	Sent by June 30th	Mailed four weeks early
Member experience survey	93% or higher	93.9%

Did you know? The Pension Administration Centre (PAC) received over **4,896 calls** in 2022. At the end of each call, members are invited to stay on the line to complete a short survey on their experience and the service they received. Over **1,900** members took time to provide feedback and the results show high levels of satisfaction with the service and support received.

Plan Governance

Pension plan **governance** refers to the processes and structures adopted by the CBC Pension Board of Trustees (Board of Trustees) to oversee as well as manage the Plan to achieve its strategic objectives. This includes the division of responsibilities among the Board of Trustees, Plan management, and Plan **sponsor**. The impact of decisions on stakeholders such as Plan members and CBC/Radio-Canada is always considered. The Trust Deed between the CBC/Radio-Canada and the Board of Trustees makes the Board of Trustees responsible for the administration of the Plan, which includes managing the Plan's assets (the **Pension Fund**) and calculating and paying out pension benefits to members.

In discharging their **fiduciary** responsibilities, Trustees must exercise care, diligence, as well as skill in the administration and the investment of the Plan that a person of ordinary prudence would exercise in dealing with the property of another. These fiduciary duties oblige Trustees to invest assets in a prudent manner considering all factors that could affect the funding and solvency of the Plan while in addition meeting its financial obligations. The Board of Trustees' **Statement of Investment Policies and Procedures (SIP&P)** also defines the investment policies, principles as well as eligible investments that are appropriate to meet the objectives of the Plan.

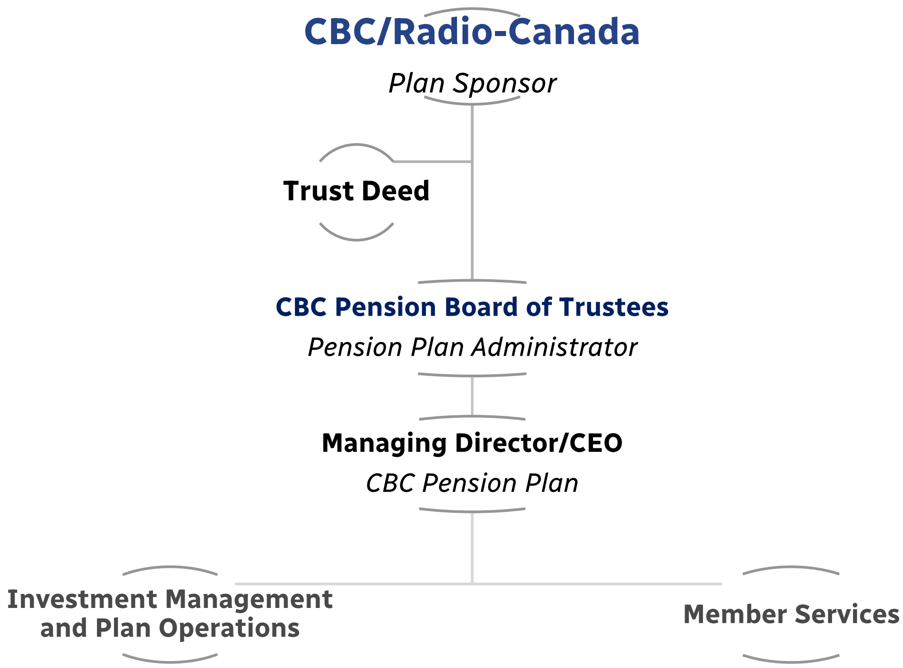
Good Governance Practices

Following good governance practices allows the Board of Trustees to fulfill their fiduciary obligations and supports the objective of delivering a secure pension benefit to members. Trustees adopted the **Canadian Association of Pension Supervisory Authorities (CAPSA)** Pension Plan Governance Guidelines as its governance framework in its on-going commitment to good governance practices.

Independence and Structure

The Board of Trustees administers the Plan as a trustee for the employer, members of the Plan, former members, and any other persons entitled to pension benefits or refunds under the Plan. Trustees are required to act independently and not as a representative of any interest, whether CBC/Radio-Canada, active employees, or retired members. The Plan’s Bylaws include a Plan responsibility chart, which defines the responsibilities of the participants in the governance, management, as well as operations of the Plan.

The Trust Deed defines the Board of Trustees as comprising seven members. Two Trustees must be designated senior officers of CBC/Radio-Canada. The Board of Directors of CBC/Radio-Canada will appoint the remaining five, of which two must be directors or officers of CBC/Radio-Canada and three will be general appointments.



What does the Sponsor do?

CBC/Radio-Canada establishes the benefits to be provided through the Plan and determines eligibility as outlined in the Plan text.

Decides the funding policy, contribution levels and surplus matters.

Appoints Trustees to serve on the Board of Trustees.

Receives assurance reporting from the Board of Trustees.

Guarantees pension payments.

What about the Board of Trustees?

The Board of Trustees approve and monitor the investment policy, investment structure and monitor performance.

Administer pension benefit payments in accordance with the Plan text.

Approve appointment of auditors, actuaries, and pension benefit administration provider.

Review processes and monitor activities delegated to the Managing Director/CEO and Pension Fund Management.

Provides disclosure on the Plan's activities to members, as well as to the Plan sponsor such as the CBC Pension Plan Annual Highlights, the Annual Report, and the Quarterly Communiqués.

What about Management?

Management administers the Plan in compliance with all regulatory requirements.

Manages the operations and investments of the Trust on day-to-day basis.

Ensures the provision of quality member pension benefit administration.

Objective is to generate investment returns to support the long-term viability of the Plan.

Board of Trustees

at December 31, 2022

Sandra Mason
Chair of the Board of Trustees and Member of the CBC/Radio-Canada Board of Directors

Carol Najm
Vice-President and CFO

François Roy
Member of the CBC/Radio-Canada Board of Directors

Marco Dubé
Vice-President, People and Culture

Calum McLeod
Employee Representative

Marie-Andrée Charron
Employee Representative

Alain Pineau
Retiree Representative

The Board functions as a single independent body addressing benefit administration, investment and risk management, as well as financial and regulatory reporting.

The Code of Conduct

The Plan's Code of Conduct includes standards of business conduct that govern the activities of the Board of Trustees and other individuals in discharging their duties. It addresses issues surrounding conflicts of interest, personal trading, confidentiality, business conduct, gifts, and other benefits guidelines. In addition, the Plan’s Code of Ethics, Standards of Professional Conduct, and Personal Investment Policy apply to designated investment personnel performing work on behalf of the Board of Trustees.

Board Effectiveness

In their oversight role, the Trustees should, as a collective, possess a diverse knowledge base that will allow them to effectively oversee a complex financial business and to understand the evolution of financial markets, risk management, and actuarial principles. The Board of Trustees has a formal orientation program to help new Trustees perform their fiduciary and governance duties. The program includes sessions on legal responsibilities, governance practices, investment management, finance, actuarial concepts, and approaches. The Board of Trustees also has a continuing education program designed to enhance the Trustees' knowledge base to ensure they can properly discharge their fiduciary duties. In 2022, the Board of Trustees met six times.

Governance Review

The Board of Trustees conducts an annual governance self-assessment focused on governance best practices. This assessment is designed to enhance the Board of Trustee's performance to identify strengths in the Board of Trustee's operations and areas where its operations could be more effective. Every ten years, the Board of Trustees, with the assistance of an external party, conducts an in-depth governance review to ensure that the current governance structure and processes continue to meet best practices. Good governance practices contribute to improved investment performance, efficient use of Plan personnel, and reliable assurance to members that the Plan can pay current as well as future benefits. The last governance review found that overall, the governance framework was robust given the Plan's size and complexity.

The Board of Trustees is committed to Investing for YOUR future.

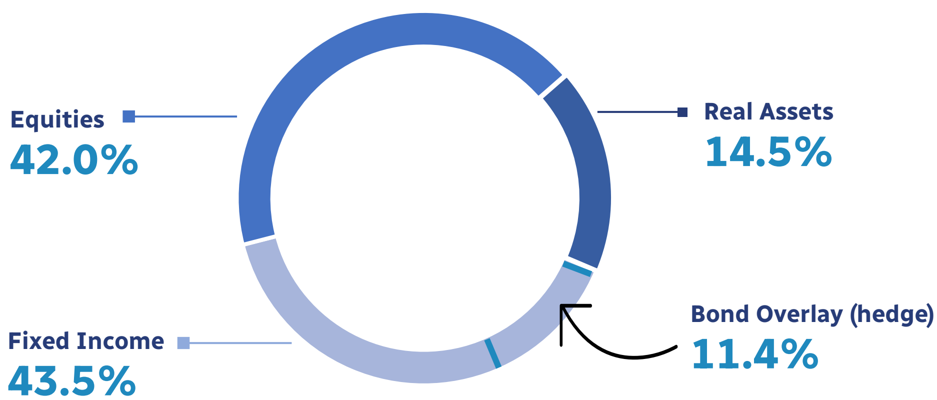
Investing the Plan's Assets

The Board of Trustees is responsible for investing the Plan's assets and in doing so, identify and pursue investment opportunities in accordance with the *Pension Benefits Standards Act*, *1985,* the Regulations to the Act, the Statement of Investment Policies and Procedures (SIP&P) as well as other applicable laws and regulations.

The SIP&P defines the investment policies, principles, and eligible investments that are appropriate to meet the objectives of the Plan. It defines the strategic **asset allocation** targets and the permitted ranges around each of these targets. Reviewed and approved annually by the Board of Trustees, the SIP&P identifies the long-term investment objective of the Plan. The SIP&P also identifies performance **benchmarks** for the individual asset classes and for the Plan as a whole.

The Plan's strategic asset allocation is the single most important driver of investment performance and risk. It is comprised of two broad categories of assets. The fixed income class (the matched assets) is sensitive to changes in interest rates and inflation comparable the Plan's obligations. This also includes a "Bond Overlay" consisting of **derivatives** used to hedge interest rate and inflation changes. The second category includes publicly traded equities and private investments (the return-seeking assets), which provide a higher expected rate of return over the long-term but are generally more volatile.

2022 Strategic Asset Allocation



The Plan's assets are **actively managed** by a group of internal and external investment managers under the guidance of the Managing Director/CEO. Management is assessed on their performance in exceeding SIP&P defined investment performance benchmarks and their ability to generate returns that equal the annual average increase in a benchmark portfolio plus 0.5% on a 4-year moving average basis after all Plan expenses.

Trustees strive to uphold a tradition of good governance in service, fiduciary responsibility and accountability through a dedicated trust entity staffed with a professional workforce, i.e., Plan Management.

Plan Management

The Board of Trustees has defined management responsibility for the planning, operating, and reporting activities of the Plan. The investment management, administration of Plan benefits associated with the Plan, human resources, communications, operations, and control, have been delegated by the Board of Trustees to the Managing Director/CEO who reports to the Board of Trustees.

Subject to Board approval, management develops and implements all relevant policies, including those in the areas of investment, communications, business conduct and control, compensation, operations as well as administration. Subject to these policies, management develops and implements the investment program, develops service quality standards, and ensures Plan members receive services that meet these standards. Management regularly reports to the Board of Trustees regarding compliance with applicable policies.

Management

Duncan Burrill
Managing Director/CEO

Julie Murphy
Secretary/Treasurer

Investment Management

Patrizia Cappelli
Portfolio Manager, Domestic Bonds

Koblavi Fiagbedzi
Portfolio Manager, Real Assets

Edward Golding
Portfolio Manager, Private Investments

Laura Hurst
Portfolio Manager, Global Equities

Bob VandenBygaart
Portfolio Manager, US Equities

Operations

Francesca Adibe
Senior Manager, Risk Management

Carole Bélanger
Senior Director, Pension Administration

Sheldon Sullivan
Senior Manager, Accounting Operations

Our Strategic Plan 2021-2025

Our vision is to be a high performing sustainable pension plan that is valued by our members and CBC/Radio-Canada.

Our Mission Statement

- As stewards of the CBC Pension Fund, our mission is to prudently invest the pension fund assets to support the financial viability of the Plan by seeking risk appropriate returns;
- To provide timely and accurate pension payments and quality pension administration services to members at a reasonable cost; and
- To uphold a tradition of good governance in service, fiduciary responsibility and accountability through a dedicated Trust entity staffed with a professional workforce.

To deliver on our mission, the Board of Trustees and management have set out a Strategic Plan for 2021 to 2025. We regularly monitor, measure, and review the progress we are making while also sharing quarterly updates with our members through the **communiqué** (https://cbc-radio-canada-pension.ca/publications/communique/).

OUR STRATEGIC GOALS

1 **Deliver risk adjusted net returns** to support the financial viability and liquidity needs of the Plan.

2 **Provide quality and efficient member pension services** while continuously improving our communications with both members and stakeholders.

3 **Maintain effective governance** and organizational structures to meet fiduciary obligations and business requirements

4 **Support a culture of diversity,** innovation, continuous learning and accountability.

Our Desired Outcomes by 2025

1 The CBC Pension Plan maintains fully funded status.

2 Deliver cost effective services that meet member expectations.
Members receive timely, comprehensive, and
clear communications through their preferred medium.

3 Advanced organizational systems and processes
and a highly capable management team.
Achieve best practices in plan governance and oversight.

4 Attract and retain a highly motivated and diverse team
that seeks innovative strategies that add value over the long-term.

What have we achieved together so far

In 2022, we made meaningful progress on our four strategic objectives with a continued focus of building a strong resilient Plan our members can depend on.

Despite volatility in financial markets during the year, the Plan continues to be in a sound financial position with both of its key measures of financial health, its going-concern and solvency funded statuses, remaining well above 100% at year end. The Plan's **Liability-Driven Investment (LDI) strategy** continued to meet its chief objective of reducing the Plan's solvency funded status volatility while achieving a robust long-term rate of return.

We are committed to ensuring the Plan can deliver a secure and sustainable benefit to members over the long-term. During the year, we implemented strategic asset allocation changes including reducing the Plan's leverage and expanding private investment exposures to diversify the sources of the Plans' returns. Regular assessments and revisions to our strategic asset allocation help the Plan meet our investment objectives over the long-term.

Understanding the Plan's investment risk exposures and sources of return ensures that the portfolio is well diversified and that we are compensated for the risks we take. During the year, the Plan undertook a search for a bank to provide custody of the Plan's investments. This is a critical service provider for the Plan that helps enhance both the efficiency and effectiveness of the Plan's investment operations.

To support future enhancements to member services, the Plan completed an upgrade of its pension benefits payment system. Our focus is on providing services that members value while also ensuring sensitive data is protected.

Looking Ahead

Following the completion of the Strategic Asset Allocation review in 2022, the Plan will implement further changes to its strategic asset allocation. The new strategic asset allocation reflects an evolution in our approach to liability driven investing with a better balance between the Plan's solvency and going concern funded status objectives. We are committed to ensuring that the Plan's investment strategy meets the primary objective of delivering benefit security to our members.

Having best in class governance practices has long been a key contributor to the Plan's success. In 2023, the Board of Trustees will undertake a review of its governance framework and practices to ensure that it continues to maintain the highest possible governance standards in overseeing the Plan.

The Plan's current Strategic Plan runs from 2021 to 2025 and will be at its mid-point in 2023. An interim review of the key factors impacting the current landscape with respect to investments, the regulatory environment, and Plan membership will ensure that we remain focused on the right priorities and that the Plan continues to be positioned for success over the long-term.

Responsible Investment

The Plan has a responsible investment approach that integrates environmental, social and governance (ESG) factors into its investment strategy, which aligns with our mission and contributes to the enhanced long-term risk-adjusted performance of the Fund. The Plan has a fiduciary duty to maintain robust investment processes that assess both traditional investment factors as well as ESG factors in managing its investments.

Responsible Investment Policy and Implementation

We have defined a Responsible Investment Policy within the overall SIP&P, which outlines the following key principles:

- ESG factors can significantly impact investment returns and risk exposures.
- Climate change presents a systemic risk as well as an investment opportunity.
- Corporate governance is a significant contributor to long-term corporate success.
- Active ownership and engagement with company management helps manage risk and contributes to long-term investment performance.
- Avoiding sectors and companies that have extreme levels of ESG risk is a prudent approach to investing.
- Being transparent and disclosing our approach to responsible investment to our members is important.

Our approach to responsible investing:

ESG INTEGRATION

We will integrate ESG factors into our investment processes. That is, when assessing investments, we will assess the ESG risks and opportunities of the investment. A key component of this assessment is the company's approach to, and strategy for dealing with ESG issues. The assessment of the ESG factors is then combined with our normal investment review and due diligence process to create a more holistic and robust assessment of the investment. This applies to both new and existing investments. The integration of ESG factors into our investment selection and monitoring processes helps enhance our risk adjusted returns and ensures we are being compensated for the risks we are exposed to.

ACTIVE OWNERSHIP

We will practice active ownership of our investments and engage with company management regarding their approaches to ESG issues. This will include assessing their business strategies to see how they plan to evolve their business in response to ESG issues. Being active owners includes voting our shares, monitoring the companies' activities, and engaging with managers. This helps us to better manage risk and contributes to strong long-term investment performance. We monitor corporate governance developments within companies that we own shares in and vote in a manner intended to optimize the long-term value of the Plan's investments. Our engagement with companies will also be achieved through membership in associations and through collaboration with other investors that have a shared focus.

Climate Change

We recognize that climate change poses significant short- and long-term risks to the Plan's investments but also provides the Plan with potential new investment opportunities. Climate change has caused the Plan's investment risk profile to evolve significantly. For example, the Plan's key climate change risks include risks to the physical assets we invest in as well technological risks to investments caused by the quickened pace at which companies adopt new technologies. Public policy is evolving rapidly around climate change, resulting in profound impacts on the financial viability of both individual companies and entire industries.

For the Plan to achieve its required investment returns, we need to anticipate how climate change and the resulting policy response will impact our investments in the future. We therefore support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) for enhanced disclosure of companies' climate change risks to help us assess the climate-related risks and opportunities in the Plan's investment portfolios.

2022 ESG Activities

We undertook the following activities in 2022 to integrate environmental, social and governance (ESG) principles in our investment strategies:

- **Responsible Investment Policy** – We continued the implementation of our new responsible investment policy within our investment processes. This included ways to better understand our ESG exposures and related risks.

- **Active Ownership** - We updated our proxy voting guidelines to reflect the Plan's enhanced focus on ESG issues.

- **RIA Membership** - We became a member of the Canadian Responsible Investment Association (RIA).

Management Discussion and Analysis

Financial Review

The Plan provides defined pension benefits for its members in accordance with the Plan text, the Trust Deed and other Plan documents. The Plan's assets are managed within a moderate level of risk to provide a rate of return sufficient to meet its obligations and attempt to avoid additional special payments by the Sponsor. The investment policy is expressed in the Plan's SIP&P. This policy is reviewed and approved annually by the Board of Trustees as required by the *Pension Benefits Standards Act*, *1985* and the Regulations to the Act.

Under Canadian accounting standards for pension plans, the Plan is required to make estimates when accounting for and reporting assets, **liabilities**, investment income, and expenses, as well as to disclose contingent assets and liabilities in the Plan's financial statements. Continual re-evaluation of estimates is also required. The areas of financial reporting that are the most dependent on estimates are the Plan's valuation and classification of investments, as well as the assumptions used to calculate the **pension obligations**.

Actuarial assumptions are used to determine accrued pension benefits and reflect the best estimate of future economic and non-economic factors. The primary economic assumptions include the asset rate of return, the salary escalation rate, and the rate of inflation. The non-economic assumptions include mortality, terminations and departures, and retirement rates of Plan members. The Plan's actual experience could differ from these estimates, and the differences are recognized as experience gains and losses in future years. The **fair value** of investments is an estimate of the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The best estimates of management, portfolio managers, and appraisers are used in selecting the valuation assumptions needed to determine the fair value of non-publicly traded investments.

Changes in net assets available for benefits

The Plan's net assets available for benefits decreased by $1.5 billion to $7.7 billion as of December 31, 2022.

Investment Income

Investment income increased to $305.1 million in 2022 from $299.4 million in 2021. Investment income includes interest and dividends earned during the year, as well as distributions from the Plan's private investments. Income earned from the Plan's fixed income investments in 2022 was $83.4 million, a decrease of $2.2 million from 2021 as the Plan's allocation to fixed income securities was reduced during the year.

Income earned from the Plan's equity investments in 2022 was $119.3 million, a decrease of $9.0 million from 2021, as the Plan's **private equity** investments received fewer distributions in 2022 due to the challenging market environment. The Plan's real assets investments continued to have another strong year in 2022 as distributions increased $16.9 million from 2021, totalling $102.5 million. Distribution income is one of the sources of cash flow to meet the monthly pension payments. Managing the Plan's cash flow requirements and the liquidity profile of its investments are key considerations when establishing its strategic asset allocation.

Change in Fair Value of Investments

The value of the Plan's investments decreased in 2022 as there were significant downturns in the fixed income and equity markets. The Plan's fixed income securities generated negative returns as significant increases in interest rates during the year caused bond prices to decrease. Both public and private equities experienced market value declines in 2022, however private equity had sufficient income to generate an overall positive return. The Plan's private debt and real assets investments partially helped offset some of the Plan's losses as they posted positive returns in 2022. The Plan's overall return for 2022 was -12.6% (+8.2% in 2021). The Plan's fixed income investments generated a negative return of -19.1% in 2022, while public equity investments returned -5.9% and real assets returned +13.4%.

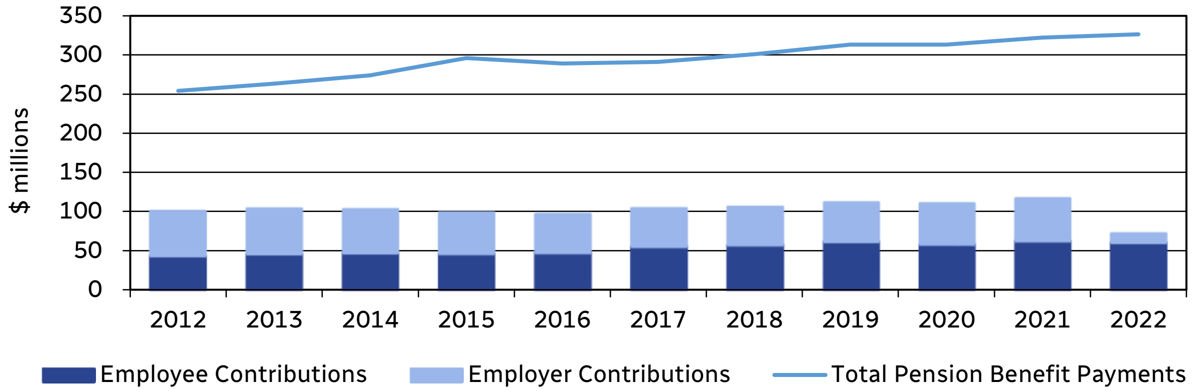
The fair value of the Plan's investments decreased by a total of $1.5 billion in 2022 after an increase of $472.8 million in 2021. The Plan's fixed income investments declined by $1.2 billion and its equity investments declined by $333.9 million, while real assets increased by $46.0 million in 2022. These values all reflect both realized and unrealized gains and losses during the year.

Contributions

The ongoing cost to provide a defined benefit pension plan to current employees is defined as the "current service cost" (i.e., the amount of contributions required to fund estimated future pension benefits earned in the current year). Generally, this cost is shared equally (50%/50%) between CBC/Radio-Canada as the sponsor (employer) and provider of the Plan and the employees (active members). The current service cost decreased to 17.9% of payroll in 2022 (8.95% for each of the active members and the sponsor) from 18.4% in 2021 primarily due to an increase in the actuarially estimated future returns on the Plan's investments. In April 2022, upon filing of the 2021 **actuarial valuation**, CBC/Radio-Canada was no longer permitted to make employer **contributions** as the Plan's funded status exceeded the allowable limits based on the Income Tax Act (Canada) and in conformity with the *Pension Benefits Standards Act*, 1985. Overall, total contributions to the Plan decreased to $72.3 million in 2022 from $116.5 million in 2021. Employee current service contributions increased to $54.3 million (an increase of $1.5 million from 2021), and as a result of the requirement to stop contributions in the second quarter of 2022, the employer contributions decreased to $12.6 million (a decrease of $42.2 million from 2021).

Past service contributions (buy-backs) decreased by $3.9 million to $3.8 million, and transfers to the Plan from other pension plans totaled $1.5 million. The chart below shows a 10-year history of contributions compared to pension benefit payments. It illustrates the level of maturity of the Plan; benefit payments are significantly higher than contribution levels.

Contributions v. Pension Benefit Payments



Pension Benefits Paid

The Plan paid a total of $326.4 million in pension benefits during 2022, an increase of $4.1 million from 2021. Retirement benefit payments rose by $7.5 million in 2022 to $270.1 million with the annual cost-of-living adjustment of 2.41%. The Plan's cost-of-living adjustment for pension payments is calculated annually using a year-over-year averaging method based on data published by Statistics Canada. There were an additional 88 pensions being paid, with a total of 10,252 pensioners at December 31, 2022, up from 10,164 in 2021. Death benefit payments increased to $38.4 million and refunds of contributions and transfers to other plans were $17.6 million. Pension benefits purchased through FlexPen withdrawals in 2022 were $0.4 million.

Administrative Expenses

In accordance with the Trust Deed, the expenses relating to investment operations and pension benefit administration are paid by the Plan. The administrative expenses for 2022 totaled $55.6 million, a decrease of $25.5 million from the previous year. The decrease in expenses in 2022 is mainly due to the negative investment returns for equity investments (public and private) resulting in significantly lower performance fees being earned by external investment managers. Total administrative expenses represented a cost of 68.7 cents per $100 of average assets under management in 2022 (68.7 **basis points**), compared to 94.5 cents per $100 (94.5 basis points) in 2021.

Performance fees paid to external asset managers totaled $14.4 million in 2022 ($44.8 million in 2021), a significant decrease as returns suffered during the market downturn. Performance fees are used in the investment industry to align the interests of asset managers with a pension plan's objectives. In 2022, performance fees made up 17.8 cents of the 68.7 cents (26% of the total 2022 costs) whereas in 2021, performance fees were 52.3 cents of the 94.5 cents (55% of the total 2021 costs). Internal management costs were higher in 2022 by $780 thousand as the Plan was fully staffed and services paid in US dollars were higher due to the weaker Canadian dollar. Pension benefit administration costs decreased by $41 thousand in 2022 and the Board of Trustee costs decreased by $37 thousand. Non-performance-related expenses amounted to 50.9 cents per $100 in average Plan assets in 2022 as compared to 42.3 cents in 2021 as the average Plan asset value decreased during the year.

The Plan participates in an annual external benchmarking study that covers the asset management portion of its administrative expenses, with the latest study being undertaken for the 2021 financial year. The Plan's 2021 investment-related costs covered in the study were 52.3 cents per $100 of average assets under management, while the benchmark costs for other Canadian asset managers in the survey (not adjusted for fund size or asset mix) were 51.9 cents. This indicates that the 2021 investment-related expenses of the Plan were in-line with the Canadian average. The Plan uses this survey annually to ensure its costs are within the industry average. Over the last several years, the Plan's costs have consistently remained near (some years slightly above and some years slightly below) the benchmark cost.

Pension Obligations

An actuarial valuation is used to estimate the Plan's pension obligations. Actuarial valuations are prepared on an annual basis at each year-end. The actuarial valuation determines the pension obligations under two different bases: (1) a going-concern basis and (2) a solvency basis.

If the results of a valuation indicate that the net assets available for benefits are greater than the pension obligations, the Plan has a funding surplus. If the pension obligations are greater than the net assets available for benefits, then the Plan has a funding **deficit**. As the methodologies used to determine the pension obligations under each basis is different, the valuation can result in the Plan having a funding surplus under one basis and a deficit under the other. Currently the Plan has a funding surplus under both bases. Valuation results and the reasons for calculating the pension obligations under different bases are outlined on the next page.

Going-Concern

The methodology and key assumptions underlying the actuarial valuation and projections are described in Note 8 to the Financial Statements. The primary long-term economic assumptions used in the 2022 going-concern projection changed from those used in the 2021 actuarial valuation. The long-term expected rate of return on the Plan's assets was increased from 5.65% per annum in 2021 to 5.95% per annum for 2022. This rate is determined using the actuary's expected long-term rates of return of the Plan's strategic asset allocation outlined in its SIP&P, subject to the **Office of the Superintendent of Financial Institutions (OSFI)** maximums.

The **going-concern valuation** is used to estimate the pension obligations under the assumption that the Plan will continue as a going concern (i.e., will continue to operate into the future). It is based on the long-term assumed rates of return for each of the Plan's investment asset classes. The going-concern valuation is used in preparing our financial statements and is presented as "Pension Obligations" on the statement of financial position. At December 31, 2022, the Plan's going-concern pension obligations were projected at $5.4 billion, a decrease of $105.1 million from the previous year's total of $5.5 billion.

There are two different calculations of the going-concern funding position; one is presented in the Plan's financial statements in accordance with generally accepted accounting principles (GAAP), and the other is used for regulatory purposes and reported to the OSFI. The OSFI calculation requires the Plan's investment gains and losses to be smoothed over a 4-year period to reduce (or "smooth") the effects of any one year's performance on the Plan's funding position. The table below outlines the Plan's funding status under each scenario. For financial reporting purposes, the Plan presents the accounting going-concern **funded ratio** as the asset smoothing adjustment is not included in the financial statements.

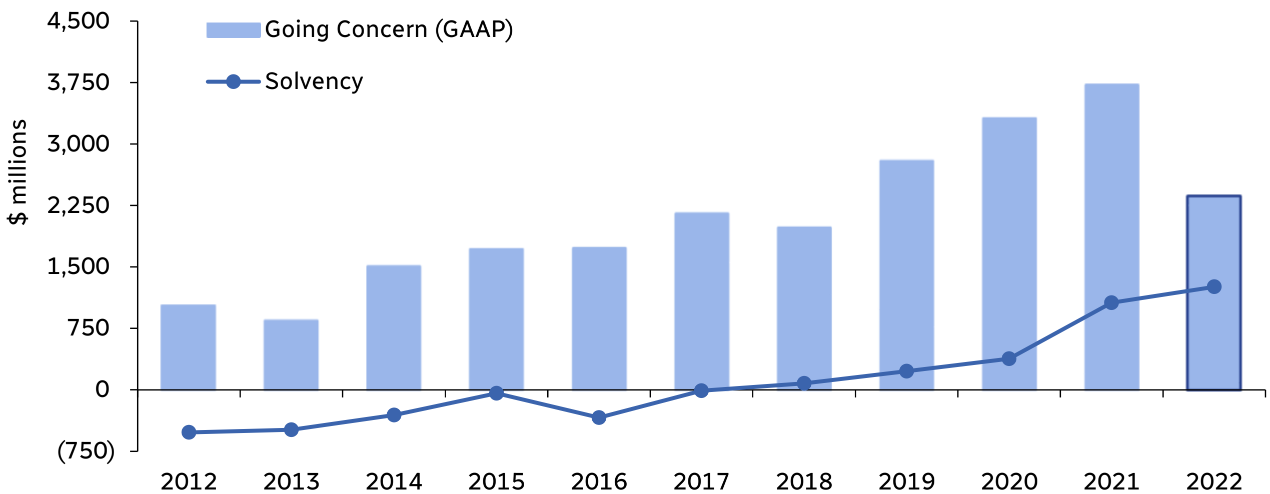
(Canadian $ thousands) at December 31, 2022	Accounting (GAAP)	Regulatory (OSFI)
Net Assets Available for Benefits	$ 7,728,365	$ 7,728,365
Asset Smoothing Adjustment *(defer net losses)*	n/a	679,414
Net Asset Available for Benefits *(adjusted)*	7,728,365	8,407,779
Pension Obligations *(going-concern basis)*	5,369,020	5,369,020
Fund Surplus	$ 2,359,345	$ 3,038,759
Funding Ratios: 2022	143.9%	156.6%
Funding Ratios: 2021	167.9%	151.1%

Solvency

The **solvency valuation** is used to estimate the pension obligations under the assumption that the Plan will wind up and simulates the creation of annuities to ensure that all future benefits that all members are entitled to will be paid. The solvency valuation is required under the *Pension Benefits Standards Act*, *1985* and for reporting purposes to OSFI. The solvency valuation is a regulatory reporting measure and is not required for financial reporting. The estimated pension obligations under the solvency method are $6.5 billion, which results in a projected solvency surplus of $1.3 billion, equivalent to a solvency ratio of 119.4% as of December 31, 2022. The discount rate assumption used to calculate the solvency liabilities increased due to higher yields and higher expected future fixed income returns. These higher expected returns reduced the liability greater than the assets of the Plan decreased in 2022, leading to the Plan's net solvency position improving by $191.5 million.

For regulatory purposes, the Plan's funding position is determined based on the lower of the going-concern funding position or the solvency funding position as determined in the latest actuarial valuation.

Funding Surplus / (Deficit) at December 31



Investment Approach

In accordance with the *Pension Benefits Standards Act* (PBSA), the Board of Trustees and Plan management must exercise the care, diligence, and skills in the administration and investment of the Plan that a person of ordinary prudence would exercise in dealing with the property of another. The assets must be invested in a prudent manner, considering all factors that may affect the Plan's funding and solvency. Permitted investments and restrictions, which are appropriate to the needs and objectives of the Plan, are identified in the SIP&P.

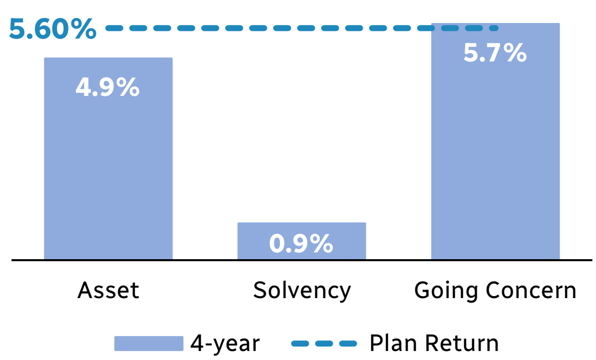
The Plan manages its investments with two main long-term objectives: one based on the movement of the Plan's liabilities, and one based on the movement of the underlying investment markets.

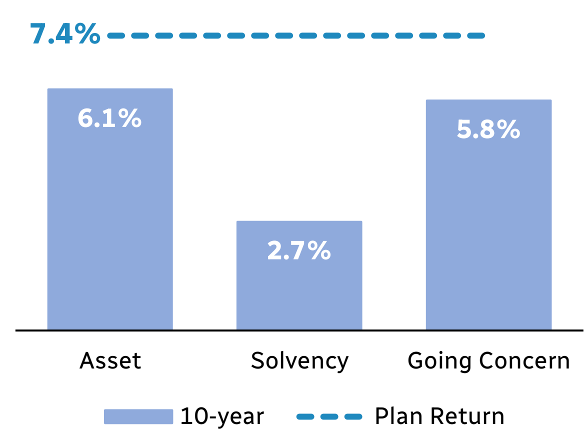
The primary objective (Plan Objective) is focused on ensuring the assets (investments) of the Plan exceed the growth in the Plan's Solvency and Going Concern liabilities (pension obligations). The Plan follows a liability-driven investment (LDI) strategy that is intended to outperform increases in the Plan's pension obligations and to mitigate the risk of a large funding deficit.

The secondary objective of the Plan (Asset Objective) is to generate net returns after all costs and fees that exceed an annual average change of a benchmark portfolio by 50 basis points (0.5%) over a 4-year moving average basis. The benchmark portfolio return is calculated by combining the return of the asset class benchmark indices in the proportion in which they are represented in the Plan's asset mix policy.

Over a four-year period, the Plan's annual rate of return exceeded both its long-term Solvency and Asset Objective but slightly underperformed its Going-Concern objective. Over a ten-year period, all objectives were met.

Long-Term Investment Objectives



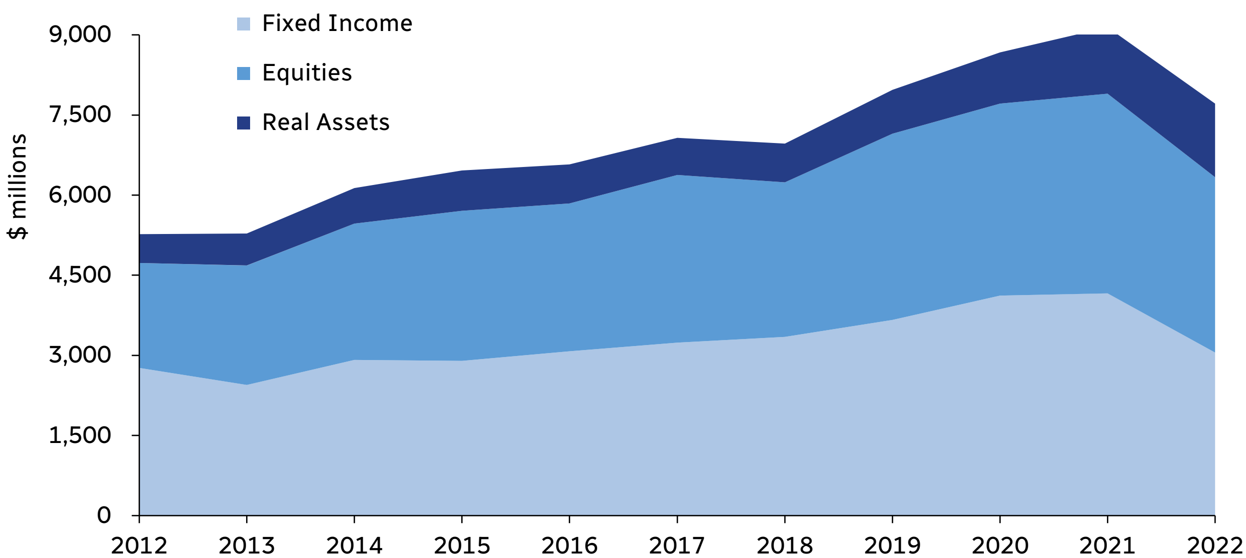


Asset Allocation and Investment Strategy

The strategic asset mix target of the Plan is 43.5% fixed income, 42% equities, and 14.5% real assets. The strategic asset allocation also includes an allocation to derivative fixed income instruments to hedge a portion of the Plan's interest rate and inflation risks.

The investment policy allows for the Plan to make tactical calls that vary the weighting of the asset classes within an operational range around the strategic asset allocation targets. The purpose is to enhance the performance of the Plan by taking advantage of market movements when there is compelling evidence of a major risk or return opportunity in the market. The Plan may increase its weighting of asset classes that are expected to perform well and reduce its weighting of asset classes that are expected to underperform.

Asset Allocation at Fair Value



Risk Management

The Plan's purpose is to provide lifetime pension benefits to its members. To deliver on this objective, the Plan focuses on maintaining stable funding ratios while also earning a robust rate of return on its assets. In line with our fiduciary duties and complying with regulations, the Plan incorporates risk management in the oversight of all investment activities and in pension administration. This includes managing the Plan's strategic and investment risks, compliance, and regulatory risks, as well as managing operational processes, including information technology to protect the Plan from operational risks and ensure business resiliency.

Strategic Asset Allocation

The Plan conducts asset/liability studies on a periodic basis to review the risk/reward profile associated with the existing, and potential alternative, strategic asset allocations. They also consider the impact of various economic environments on both the assets and liabilities (pension obligations). The asset/liability management process is used to set the risk-efficient strategic asset allocation, designed to improve the sustainability and soundness of the Plan.

The most recent asset/liability study, which was completed in 2022, reconfirmed the Plan's overall Liability-Driven Investment (LDI) strategy, while also identifying areas for enhancement. It showed that an LDI strategy continues to provide the Plan with an optimal balance between funded status stability and expected rate of return. The 2022 asset/liability study decreased the target interest rate hedge ratio within the glide path. The glide path adjusts the Plan's interest rate hedge ratio based on the level of interest rates. Amidst rising interest rates in 2022, the Plan's reduced target interest hedge ratio helped to lower short-term **hedging** losses incurred and lessen demands on liquidity.

The Plan's objective is to select eligible investments that produce acceptable rates of return to meet its obligations. If the Plan's investment portfolio were risk free, the rates of return would be stable but low and would require significantly higher contributions. If the Plan's investment portfolio were aggressive—for instance, if its investments were primarily equities—the rates of return would be potentially higher but far more volatile due to the increased investment risk. While contributions may be lower if high returns are earned, contributions could be much higher if there was a major long-term contraction in equity markets.

The SIP&P defines the investment policies, principles, and eligible investments that are appropriate to meet the needs and objectives of the Plan, including the strategic asset allocation, which identifies the Plan's target exposure to each asset class. Each asset class has different levels of risk associated with it (e.g., equities are higher risk than government bonds). The Plan's strategic asset allocation is considered by the Board of Trustees to present a moderate risk; however, the Board of Trustees has deemed it to be the most appropriate asset mix for addressing the Plan's future pension obligations.

Risk Appetite

The Plan's risk appetite statements, in both qualitative and quantitative terms, are based on the organization's risk philosophy and attitude towards risk taking. To this end, the investment risk appetite has been quantified via a risk budget at a total fund level. The Plan primarily measures its funding risk against the risk appetite level.

Funding risk, or the likelihood that the market value of the Plan's assets is insufficient to cover liabilities, is the key risk measure of a pension fund. For Plan members, reduced funding risk enhances benefit security; for the CBC/Radio-Canada, it provides contribution stability. The Plan manages its funded status risk and pension costs through its strategic asset allocation.

Risk Governance and Oversight Structure

Strong governance and risk management are critical components of a high-performing pension plan. Risk governance defines the accountability, authorities, information flow, and roles and responsibilities among various constituent groups involved in the Plan's risk-management efforts. The Board of Trustees is responsible for the oversight of the risk-management framework, management is responsible for implementing this framework, and personnel at all levels of the organization are responsible for managing the risks within their areas of responsibility. As shown in the next table, the Plan uses the three lines of defence model to fulfill a strong governance structure to adequately manage the Plan's risks.

First Line of Defence Risk Owners	Second Line of Defence Risk Oversight	Third Line of Defence Independent Assurance
Investment and operational functions within the Plan.	***Risk management and compliance.***	**Independent assurance and advisory to the Board as well as management on the effectiveness of risk-management practices.**
Accountable for: identification; assessment; mitigation; monitoring; reporting of risk against approved policies and risk appetite.	**Establishes risk-management practices and provides risk guidance.** **Provides oversight of the effectiveness of first-line risk-management practices.** **Monitors and independently reports on the level of risk against established Plan-level risk appetite.**	

Risk Categories and Risk Management Strategies

The Plan has a risk management policy and a comprehensive risk management program in place to help manage key Plan risks. A risk register of key Plan risks is maintained and updated on a biennial basis. **Risks are assessed based on their potential impact and likelihood of occurrence.** They are also organized into five broad categories that reflect organizational objectives: strategic, investment, operational, compliance and regulatory, and reporting risks. Key risks within these categories are assessed via a **control self-assessment** process on a rotational basis and the results are reported to the Board of Trustees.

Strategic Risk

Strategic risk is the risk associated with decision making for the Plan's long-term strategic direction. The Plan manages its strategic risk through several processes including the development of a 5-year strategic plan; annual review and Board of Trustees' approval process of the SIP&P; external asset-liability modelling studies that establish and validate the strategic asset allocation; a liability-focused investment strategy; and management of funding volatility within the Plan's level of risk appetite. Management and the Board of Trustees meet quarterly to review and discuss Plan progress and the risks related to achieving the approved strategic goals.

Investment Risk

Investment risk is the risk associated with a decline in the value of Plan assets and includes market, credit, and liquidity risks.

Market Risk

This is the risk of a significant decline in the value of investments (equity, fixed income, and private investments) arising from movements in market prices.

The Plan manages market risk through a strategic asset mix that enables investment across a wide spectrum of asset classes and investment strategies to earn a diversified set of risk premiums over the long term at the total Plan level. This is based on risk limits as prescribed in the SIP&P. The types of market risk facing the Plan are as follows:

(a) Interest Rate Risk: This relates to the risk that fluctuations in interest rates will directly affect the value of Plan assets and liabilities. The value of the Plan's fixed income investments is affected by changes in nominal and real interest rates. The Plan's pension obligations are sensitive to changes in the assumptions on the long-term rates of asset return, salary escalation, mortality, and inflation. Note 3e(ii)(b) to the Financial Statements describes the impact of changes in the assumed long-term rate of return, which is used in going-concern-basis actuarial valuations. Low assumed rates of return cause current service costs to increase and therefore raise the cost to both active Plan members and CBC/Radio-Canada.

By regulation, the Plan's funding position is determined using the lower of the going-concern and solvency-basis actuarial valuations. The valuation of liabilities on a solvency basis is highly sensitive to changes in interest rates. The Plan mitigates the impact of changes in interest rates as well as the inflation risk created by the partial indexation of Plan benefits through its LDI investment strategy. Thus, a decrease in interest rates that would increase the Plan's pension obligations would also be expected to increase the value of the Plan's fixed income investments.

(b) Volatility Risk: The Plan's total assets at December 31, 2022, were $7.7 billion at fair value. Of this total, $2.6 billion was in publicly traded equity investments. This substantial investment in public equities exposes the Plan to domestic and foreign equity market volatility. This volatility is managed by diversifying across industry sectors, market capitalizations, and international equity markets. The long-term performance expectation for publicly listed equities outweighs the risks of short-term cyclical volatility. The Plan further mitigates this risk by investing in alternative assets, such as real assets and private equity, which have longer-term investment horizons. Diversification across various asset classes, investment strategies, and investment managers is an important management tool to reduce volatility and risk. Note 3e(ii)(c) to the Financial Statements provides more information on the management of the Plan's volatility risk.

(c) Currency Risk: The Plan invests in non-Canadian securities for which the fair value may fluctuate due to variations in the market price of the security as well as the relative value of the Canadian dollar. Currency risk is the risk that the value of the Plan's foreign holdings could decline due to a change (i.e., rise) in the value of the Canadian dollar relative to other currencies. Occasionally, the Plan invests in forward currency contracts to reduce its foreign currency risk. Note 3e(ii)(a) to the Financial Statements provides more information on the management of the Plan's foreign currency exposure risk.

Credit Risk

This is the risk that one party to a financial instrument may fail to discharge its obligation and cause the other party to incur a financial loss. The Plan's main exposure to credit risk comes from its investment in bonds, private debt and over-the counter derivatives. Every time the Plan makes an investment in a fixed income security, it is exposed to the risk that the security issuer—be it a government or a corporation—may default on payments or become insolvent. We mitigate credit risk exposure related to the Plan's investments through limits on the amount of low-quality issuers that can be held, deep credit analysis, diversification, and collateral management. The Plan's SIP&P provides guidelines and restrictions for eligible investments that consider credit ratings, maximum investment exposure, and other controls to limit the impact of this risk. Note 3e(iii) to the Financial Statements provides more detail on the Plan's credit risk.

Liquidity Risk

Liquidity relates to the Plan's ability to sell investments to meet its pension payments, operating costs, mark-to-market losses on derivative positions, and other long-term capital commitments. Liquidity risk refers to the risk that the Plan will be unable to meet its financial obligations as they fall due. In 2022, benefit payments from the Plan and administration costs totaled $382.0 million. These payments were partially offset by active member contributions to the Plan of $59.7 million, and employer contributions of $12.6 million. The cash flow requirement for the balance of benefit payments was generated through investment income and proceeds from the sale of assets. To mitigate its liquidity risk, the Plan maintains a portfolio of highly liquid short-term notes and bank deposits that allows the Plan to meet it's short-term liquidity requirements. Liquidity risk is managed and monitored according to the Plan's Liquidity Management Guideline. The management of liquidity risk is further described in Note 3e(iv) to the Financial Statements.

Operational Risk

This is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people, or systems, or from external events. Operational risk comprises a broad range of risks, including those associated with loss of key management capabilities and experience; inadequate internal controls that result in fraud or financial loss; personnel misconduct causing illegal or unethical practices; information technology and cybersecurity; business interruptions; and service disruptions due to natural or other disasters. The Plan manages its operational risks through controls that are subject to internal reviews and external assurance and follows our three lines of defence risk-management structure. The Plan also has established continuity plans for potential business interruptions and processes to manage information security risks.

Compliance and Regulatory Risk

This is the risk of loss due to non-compliance with applicable laws, regulations, rules, and mandatory industry practices. Failure to comply could result in financial penalties or portfolio losses as well as damage to our reputation. To mitigate compliance and regulatory risk, the Plan has well-developed compliance processes. The Plan also monitors emerging legal and regulatory issues and proposed regulatory changes, and actively participates in discussions with and seeks input from external consultants and regulatory bodies.

Reporting Risk

This is the risk that the financial statements and regulatory reports may be incomplete, inaccurate, or untimely. It is also the risk that internal **performance attribution** and risk information is not sufficient to support decision making. We manage reporting risk through our access to and verification of our internal models as well as reporting against independent results produced by expert external service providers. Reporting risk is also managed through external assurance reviews and annual external audits.

Investment Perfomance

Market Overview

Global capital markets faced an exceptionally challenging year in 2022 as financial markets had to contend with a range of geopolitical and economic conditions. During the year central banks around the world lifted interest rates aggressively to combat rapidly rising inflation levels. The 2021 withdrawal of government stimulus, the war in Ukraine, supply-chain disruptions, the shift of consumer spending from goods to services, and robust employment and wage gains pushed inflation to levels not seen in nearly 40 years. As a result of these factors, global equity, and bond markets both suffered sharp declines in the year. However, despite the financial market turmoil, global economic growth was remarkably resilient.

In Canada, unemployment in 2022 was at it's lowest in over 50 years. Headline inflation increased by its fastest pace since 1983 with all eight of the major **Consumer Price Index (CPI)** components increasing. With inflation running well above its 2.0% inflation target, the Bank of Canada (BoC) increased its overnight lending rate seven times, increasing the overnight rate from 0.25% to 4.25%, the largest annual increase in over 40 years.

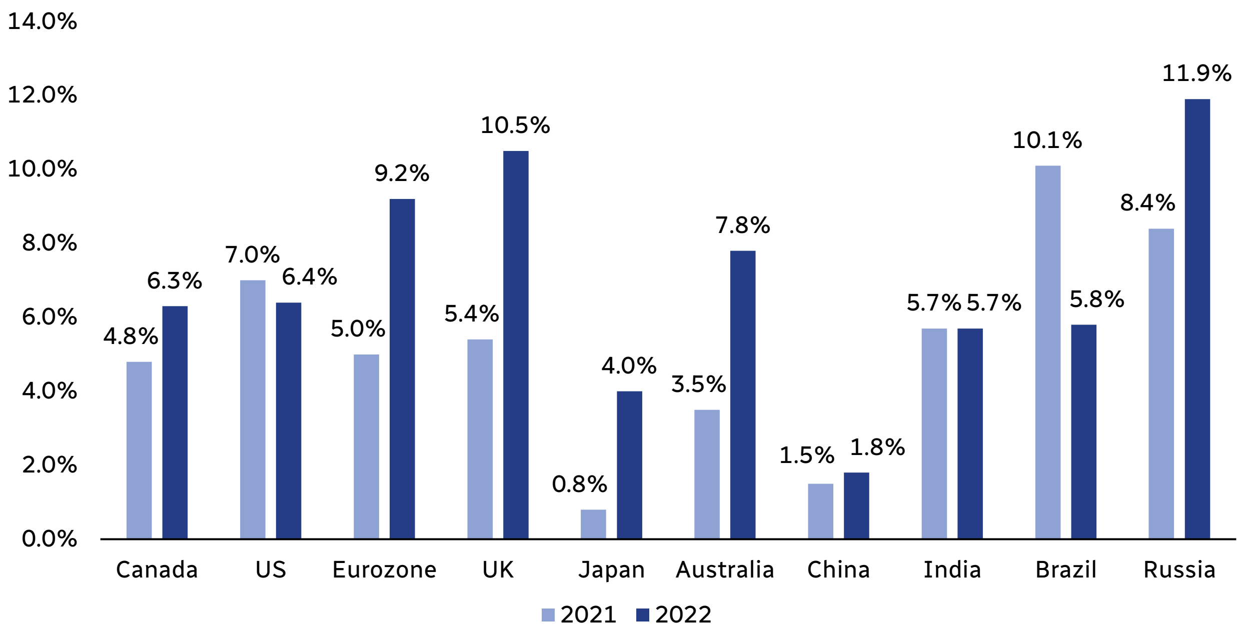
Rising interest rates across 2022 led to the rare occasion where both Canadian bond and equity markets posted negative returns. Energy stocks performed the strongest with Information Technology, and Health Care stocks losing over half of their value. Income seeking investors in Canada have more options going forward with government yields averaging close to 4% and Canadian corporate bond yields in excess of 5% as of the end of 2022.

High inflation and rising interest rates also impacted global economies outside of Canada. Monetary policy in the US remained very accommodative in the first quarter of 2022, then reversed dramatically as the Federal Reserve's (Fed) "transitory inflation" thesis quickly proved to be incorrect. Like the BoC, the Fed raised its target interest rate agressively in 2022 to combat the persistent inflationary pressures. At the end of 2022, The Fed had increased its target rate by 4.25% to 4.50%.

The largest economy in the eurozone, Germany, lagged the overall eurozone economy, while France and the UK posted solid economic growth. Inflationary pressures were not a major issue for the Japanese economy, however the Bank of Japan's defence of its yield curve control policy led to a significant drop in the Yen, which required a change in policy to allow interest rates to rise. In China, economic activity in 2022 was weak due to the Chinese government's ongoing lockdowns to fight the Covid-19 virus, however in December the government reversed its zero Covid-19 policy, ending lockdowns and opening the economy.

Global equities outside of Canada sold off materially during the year as rising interest rates put downward pressure on valuations. Energy stocks were the biggest winners due to rising crude oil prices and investors looking for investments that provided a hedge against inflation. Defensive sectors such as Utilities and Consumer Staples were stable providing much needed downside protection. Interest rate sensitive sectors with lofty valuations such as Information Technology, Communication Services, and Consumer Discretionary were the weakest performing and down over 25% for the year. After over a decade of outperforming other developed equity markets, US equities were the weakest performing region in 2022, however developed market equities were still able to outperform emerging market equities due to very weak Chinese equity returns.

Annual Change in Consumer Prices as at December 31st



Plan Performance

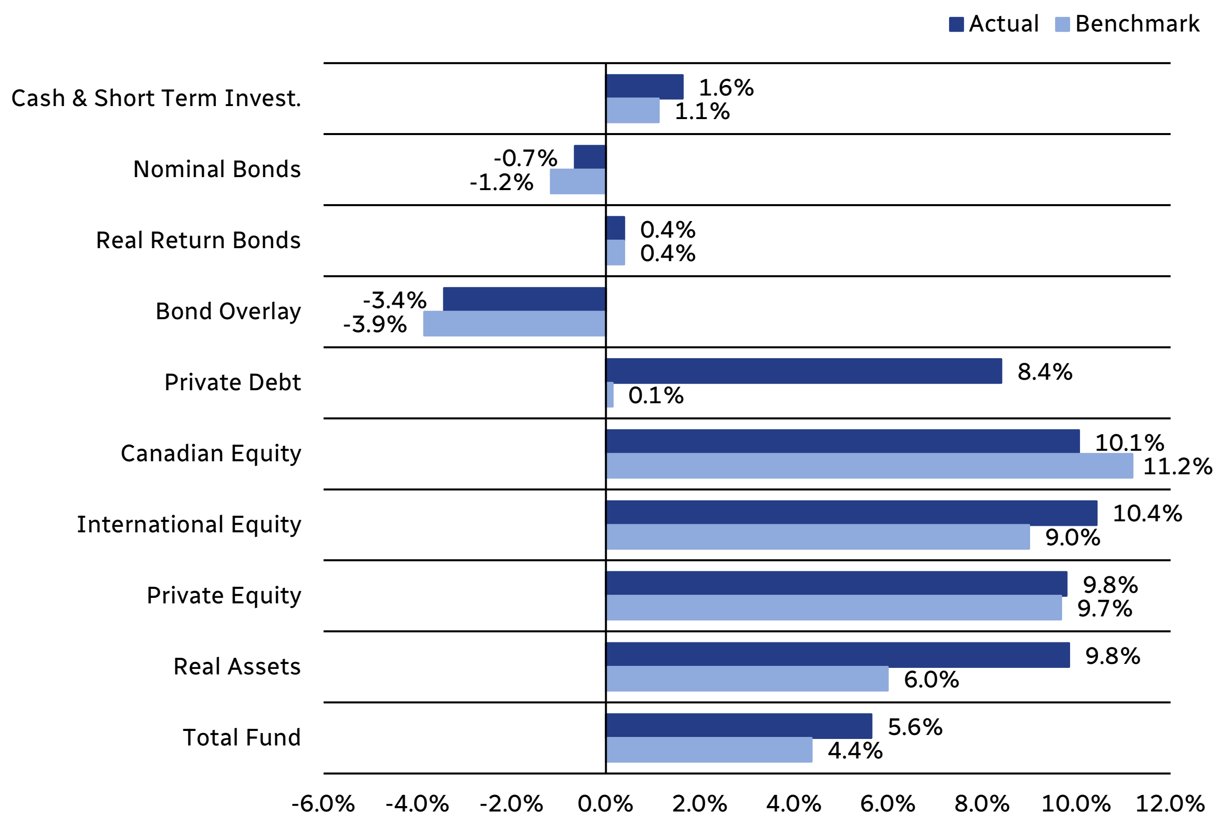
With global inflation on the rise and threats of recession, fixed income and equity markets all experienced negative returns. The Plan's total rate of return in 2022 was -12.6%, which was 2.5% higher than the Plan's asset benchmark return of -15.1%.

The table below shows the Plan's investment performance for 2022 and 2021, as well as our longer-term measures of 4-year, 10-year and 20-year investment performance.

	2022	2021	4-year	10-year	20-year
Plan return	-12.6%	8.2%	5.6%	7.4%	8.0%
Benchmark	-15.1%	3.6%	4.4%	5.6%	6.9%
Value-added	2.5%	4.6%	1.2%	1.8%	1.1%

In 2022, the Plan's overall 2.5% excess return over the benchmark was achieved by outperforming in all asset classes, except for private equity, which underperformed its benchmark. On a 4-year basis, the total Plan return of +5.6% was higher than the overall reference asset benchmark return of +4.4%.

Investment Performance by Asset Category v. Benchmark 2022 (4-year returns*)



** If asset categories are less than 4 years old, then the 4-Year returns are inception-to-date returns.*

Plan Asset Returns

Fixed income investments comprise of cash holdings, short-term investments, Canadian bonds and private debt.

Most of the fixed income assets held by the Plan are invested in Canadian dollars. Fixed income assets typically provide returns in the form of periodic interest payments and the repayment of principal at maturity.

Cash and Short-Term Investments

Market Value $292.6 million at December 31, 2022

Annualized Compound Rates of Return

	Plan Assets	Asset Benchmark
1-yr	2.4%	1.8%
4-yr	1.6%	1.1%

The Plan's short-term investment portfolio is predominantly invested in high quality and very liquid short-term money market securities as well as bank savings accounts. The majority of the portfolio is invested in **corporate paper** that earns a higher yield than the benchmark. The objective of the Plan's short-term investment portfolio is to optimize returns while remaining flexible to manage the cash demands related to the Plan's investments, the Plan's pension benefit payments and total administration expenses. In 2022, the Plan had on average approximately $306 million or 3.8% of assets in cash and short-term investments compared to $359.2 million or 4.2% of assets in 2021. At December 31, 2022, cash and short-term investments represented 3.8% of the Plan's investments.

The Bank of Canada (BoC) significantly increased its key interest rate in 2022, from 0.25% to 4.25%, to curb demand as higher commodity prices, tight labor markets and ongoing supply constraints led to a jump in inflation. While the rise in consumer prices has declined notably from its mid-year peaks, the annual inflation rate remains well above the Bank's 1%- 3% target range. As such, the BoC is likely to keep policy rates elevated while it assesses the impact of previous rate hikes on the economy.

Canadian Bonds

Market Value $2.5 billion at December 31, 2022

Annualized Compound Rates of Return

Nominal Bonds

	Plan Assets	Asset Benchmark
1-yr	-21.0%	-21.2%
4-yr	-0.7%	-1.2%

Real Return Bonds*

1-Yr	-15.1%	-15.1%
4-Yr	0.4%	0.4%

**The real return bond benchmark is equal to the actual return of the Plan's passive real return bond portfolio.*

Global bond yields surged in 2022 as major central banks aggressively tightened monetary conditions at the fastest pace in decades to combat soaring inflation. Policy rates rose to levels not seen since 2007. Short-term yields rose materially more than longer-term bonds, as yield curves inverted to historic lows and warned of recession. Volatility persisted and **credit spreads** widened. Long-term bonds suffered double-digit losses, one of the worst annual performances on record.

Canada's headline Consumer Price Index (CPI) peaked at over 8% year-over-year, the highest in forty years. To restore price stability, the Bank of Canada increased policy rates by 4% in nine months, including an unprecedented 1% hike in July, and began quantitative tightening. The yields on the benchmark 5 and 30-year government bonds rose by 2.1% and 1.6%, respectively.

The US Federal Reserve increased its key interest rate from 0% to 4.25% and began selling the bonds it had purchased during the Covid pandemic. The Federal Reserve is currently reducing selling its bond holdings by $95 billion per month, which puts upward pressure on interest rates. The US 10-year Treasury yield reached a high of roughly 4.3%, after falling as low as 0.3% in 2020.

Inflation in Europe reached double digits in the face of higher energy prices, supply constraints, and ongoing geopolitical headwinds. The European Central Bank (ECB) exited its negative interest rate policy in July when it hiked its policy rates for the first time in over ten years. The ECB increased rates by 2.5%, from -0.5% to 2.0%, and introduced plans for quantitative tightening. The amount of negative-yielding debt in Europe collapsed in response to a more hawkish ECB. The German 2-year yield rose from -0.6% to 2.7%.

Despite economic growth slowing and early signs that inflation pressures have peaked, global central banks are committed to keeping rates elevated for some time as inflation continues to trend above target. Some central banks are expected to continue raising rates in 2023, although at a slower pace. Economic developments, including the path of inflation, will dictate how bond yields perform. Credit spreads could widen as economic growth slows.

2022 FTSE Long-Term Bond Index Yields (10+ Years)

Bond Overlay (Derivatives)

Market Value -$2.0 million at December 31, 2022

Annualized Compound Rates of Return

	Plan Assets	Asset Benchmark
1-yr	-25.5%	-26.2%
4-yr	-3.4%	-3.9%

As part of its liability-driven investment (LDI) strategy, the Plan uses a bond overlay that consists of fixed income derivative instruments. The Plan's use of fixed income derivatives allows the Plan to increase its exposure to fixed income securities without extending additional capital. As part of the Plan's solvency liability-hedging assets, the bond overlay helps reduce volatility in the Plan's solvency funded status by ensuring that the Plan's assets and solvency liabilities have a similar interest rate sensitivity. It is more effective to invest in an asset mix structure that consists of return-seeking assets, fixed income assets, and a bond overlay than to invest entirely in fixed income assets.

Although fixed income instruments provide a better **duration** match to the Plan's solvency liabilities, their long-term expected returns are lower than many other asset classes, which makes a 100% bond portfolio less than optimal. The bond overlay strategy allows for return-seeking assets with higher return potentials—such as equities, private investments, infrastructure, and real estate—to form part of the Plan's asset mix while also ensuring that the Plan's assets have the required interest rate and inflation sensitivity. The **bond overlay portfolio** was negatively impacted from rising interest rates during the year and incurred negative returns for 2022. However, the size of the portfolio was reduced significantly over 2020 and 2021, which reduced the return impact of these hedging losses on the Plan's overall returns.

Private Debt

Market Value $263.6 million at December 31, 2022

Annualized Compound Rates of Return

	Plan Assets	Asset Benchmark
1-yr	9.1%	-9.0%
4-yr*	8.4%	0.1%

**The portfolio launched January 1st, 2020. 4-yr returns represent inception to date.*

The Private Debt portfolio holds private fixed income products, which provide a higher expected return than public fixed income products. The portfolio also diversifies the Plan's fixed income holdings between private and public markets. Examples of assets for this portfolio include infrastructure and real estate debt, senior direct lending, subordinated debt, and commercial mortgages. Investments in the Private Debt portfolio are illiquid, so a typical investment in the Private Debt portfolio is held for several years.

During 2022, the Private Debt portfolio added a sized allocation to a senior US real estate debt strategy, allowing it to keep a strong capital preservation profile and maintain its strong credit quality. Other commitments during the year included a middle market senior US direct lending investment and an investment in infrastructure debt. Infrastructure debt provides diversification benefits to the portfolio's corporate exposure and offers compelling risk-adjusted returns typically supported by long-term stable cash flows.

In 2022, the Private Debt portfolio outperformed its benchmark in large part due to the floating-rate interest structure of the private debt portfolio benefiting from the rise in reference interest rates by almost 450 basis points during the year. By contrast, the rising interest rate environment led to negative returns for the benchmark due to the higher exposure to interest rate risk, resulting in strong outperformance for the private debt portfolio.

Equity investments represent ownership interests in publicly traded and privately owned companies.

In addition to providing diversity to the Plan, equities are expected to provide higher returns than fixed income investments over the long term.

Canadian Equity

Market Value $398.2 million at December 31, 2022

Annualized Compound Rates of Return

	Plan Assets	Asset Benchmark
1-yr	-2.8%	-5.8%
4-yr	10.1%	11.2%

After a strong 2021, the S&P TSX Capped Composite total return was -5.8% in 2022, as equity markets across the world grappled with inflationary pressures not experienced in a generation. Oil prices reached a decade high earlier in the year due to geopolitical tensions with Russia but trended lower due to recessionary risks. Gold ended the year flat, after hitting an all-time high in March.

The most significant impact on Canadian equities in 2022 was the performance of the Information Technology (IT) sector. After years of strong performance, the IT sector was down approximately 52% in 2022, primarily due to higher interest rates leading to a re-rating in IT stock valuation multiples. Shopify, which has the largest weight in the IT sector, was down 73% for the year. Only four out of eleven sectors contributed positively to the total return of the S&P TSX Composite in 2022 with the Energy sector being the strongest performing with a total return of 31%, while the healthcare sector was the worst at -61%, followed by the IT sector at the above forementioned -52%.

2022 S&P/TSX Capped Composite Index

International Equity

Market Value $2.2 billion at December 31, 2022

Annualized Compound Rates of Return

	Plan Assets	Asset Benchmark
1-yr	**-10.0%**	**-12.6%**
4-yr	**10.4%**	**9.0%**

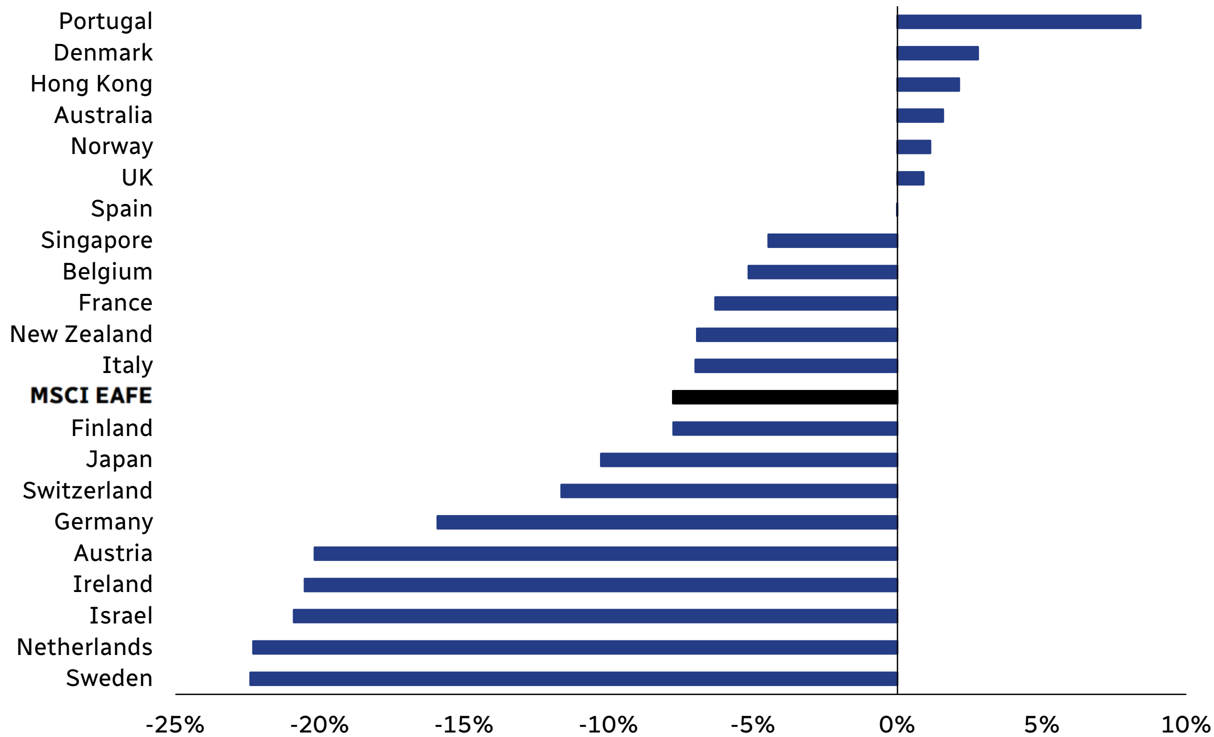
International equities endured a challenging year in 2022, with the MSCI All-Country World ex-Canada Index falling 12.6% in Canadian dollar terms (including dividends). The headwinds in the year were numerous, including runaway inflation, rising interest rates, a regional war in Europe, harsh Covid-19 lockdowns in China and slowing corporate profit growth. While equity markets saw a bit of stabilization in the fourth quarter amid expectations that the interest rate cycle was close to peaking, overall market volatility remained high.

After leading regional performance in recent years, US equity markets were hit hard in 2022, with the S&P 500 plunging 18.1% in USD terms, the worst return since 2008. However, the strong appreciation of the US dollar helped to moderate the decline to -12.4% on a Canadian dollar basis. Attention throughout the year was on the path of inflation and the aggressive interest rate hiking cycle by the US Federal Reserve. The US central bank raised interest rates by 4.25% over the course of the year, which dampened consumer confidence and heightened recessionary fears. Growth stocks were hit particularly hard, with the S&P Growth Index falling 24% in Canadian dollar terms against a positive return of 1.4% from the S&P Value Index.

2022 MSCI All Country World ex-Canada Index (CAD)

Outside of the US, inflationary pressures were similarly widespread, exacerbated by the Russian invasion of Ukraine in February, which heightened concerns about gas and agricultural commodity shortages. Within developed markets, the strongest markets were Portugal, Denmark, Hong Kong, and Australia while Sweden, the Netherlands, Israel and Ireland underperformed.

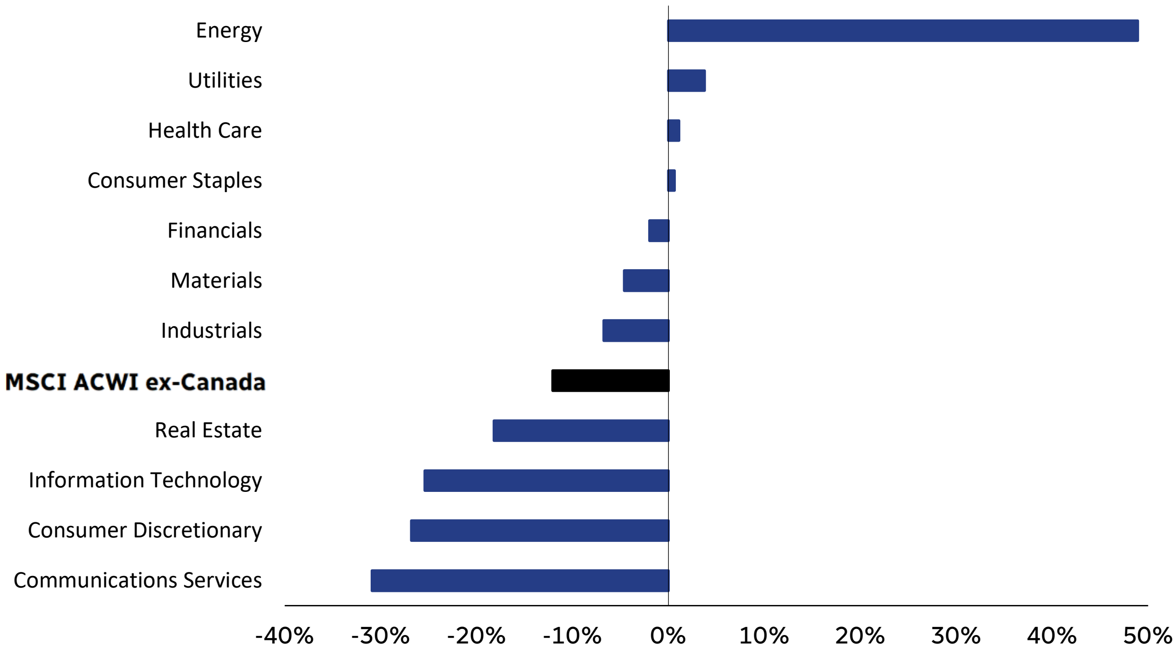
MSCI EAFE Index
2022 Returns by Country (CAD)



Performance within the emerging markets lagged that of the developed markets but featured a wide divergence among the regions, with Latin America, Africa and the Middle East significantly outperforming Emerging Europe and Asia. Beset by sweeping sanctions following its invasion, Russia stood out as the worst performer, plunging sharply before it was ultimately removed from the MSCI Emerging Market index in March 2022. Covid-related lockdowns and signs of distress in the property sector also significantly impacted equity returns in China. On the positive side, Turkey was the standout performer as it recovered from a sharp decline in 2021, while Chile and Brazil benefited from rising commodity prices.

From a sector perspective, returns varied widely in 2022. Spurred by a global spike in oil and gas prices following Russia's invasion of Ukraine, energy stocks enjoyed a second straight year of significant outperformance, rising 49% for the year in Canadian dollar terms. The less cyclical utilities, health care and consumer staples sectors also eked out modestly positive returns as investor sentiment turned more defensive. On the other end of the spectrum, growth-oriented technology stocks were pummeled, driving negative double digit returns for the communications services, consumer discretionary and information technology sectors.

MSCI All Country World ex-Canada 2022 Returns by Sector (CAD)



Private Equity

Market Value $657.4 million at December 31, 2022

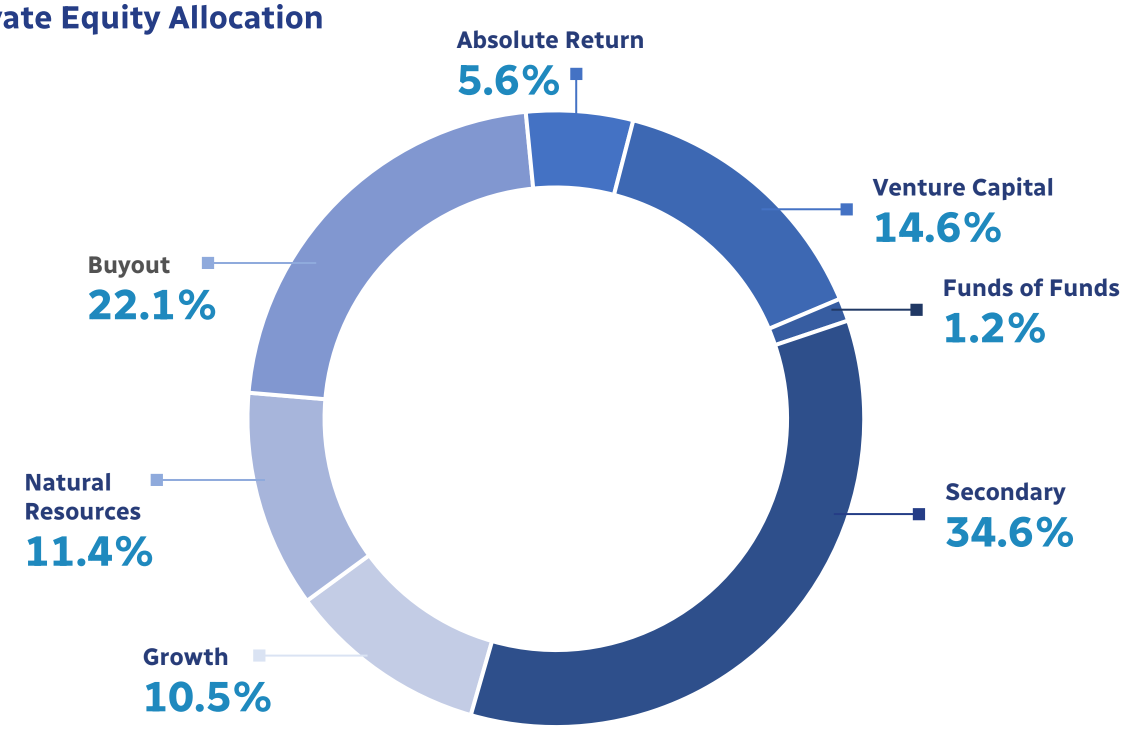
Annualized Compound Rates of Return

	Plan Assets	Asset Benchmark
1-yr	7.5%	9.6%
4-yr	9.8%	9.7%

The Private Equity portfolio consists mostly of private investments in small to medium-sized enterprises. These investments are held primarily in long-term limited partnership structures. On a portfolio basis, these investments offer the potential for high returns over the long term. These investments are, however, illiquid. A typical investment in the Private Equity portfolio is held for several years.

The Private Equity portfolio is a globally diversified portfolio. More than 90% of the portfolio is invested outside of Canada, with approximately 30% of the portfolio invested in developing countries. The portfolio's positive return in 2022 reflected a delayed uplift in private equity valuations related to the upswing in public markets through the second half of 2021 which outweighed the negative impact of the subsequent downturn in public markets through the first half of 2022. The declines in valuations in the second half of 2022 were also partially offset by positive currency movements.

Private Equity Allocation



Real Assets comprise three separate components: real estate, infrastructure, timberland and farmland

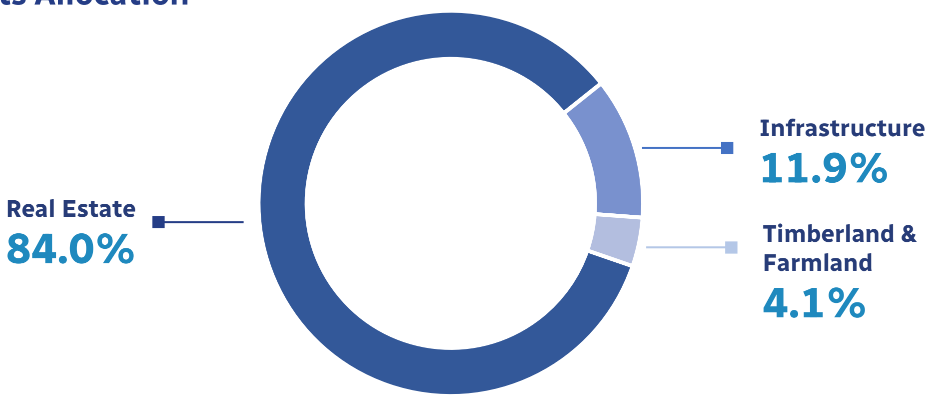
Real Assets

Market Value $1.4 billion at December 31, 2022

Annualized Compound Rates of Return

	Plan Assets	Asset Benchmark
1-yr	13.4%	5.9%
4-yr	9.8%	6.0%

Real Assets Allocation



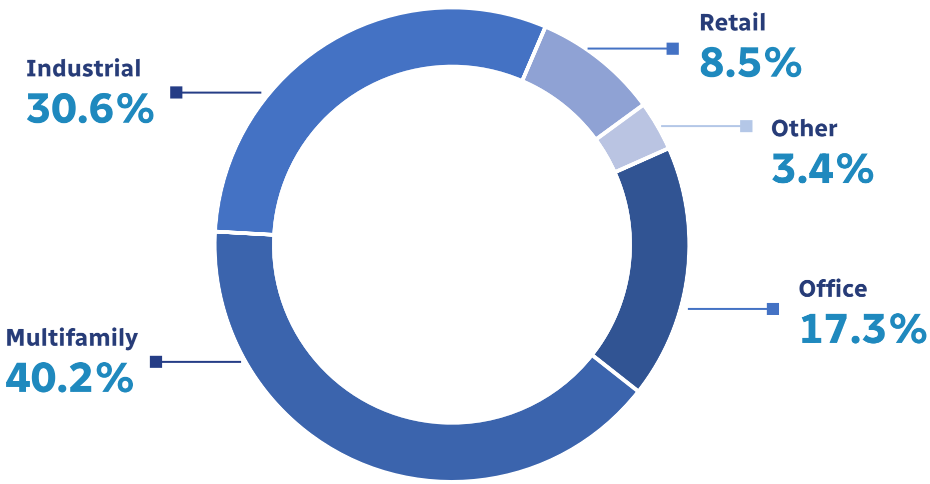
Real Estate

The real estate sector continues to undergo significant structural changes. Negative demand drivers for sectors such as office and retail serve as vivid contrast against robust appetite for industrial and multifamily assets by investors and tenants alike. Institutional portfolio shifts towards these two sectors have strengthened in recent years.

More immediately, the rapid increases in central bank rates have filtered into the private real estate market. Since April 2022, private real estate transactions are taking longer to conclude, given wide bid/ask spreads and the reluctance of would-be sellers to materially adjust their price expectations. This stance extends into the more resilient industrial and multifamily sectors, where pricing has decreased by 15%-30% from earlier in the year. In addition, much smaller buyer pools, and less generous bank financial terms has created less competitive tension resulting in a growing number of sales processes simply being abandoned without resolution.

Our objectives and the focus of our efforts for the last several years has been to increase our value for money, enhance asset resilience, increase diversification, and improve portfolio downside protection across various market conditions. We believe that this strategic focus on building an “all weather” portfolio continues to be pertinent under current market conditions.

2022 Real Estate Exposure by Sector



In 2022, the Plan's exposure to multifamily and industrial assets were increased on account of the factors just mentioned. These two sectors now comprise over 70% of our portfolio from around 35% in 2018. Regarding geographic diversification, 50% of our assets are outside of Canada versus less than 15% in 2018.

Infrastructure, Timberland and Farmland

The Plan's infrastructure portfolio is in a build-out stage. Our strategy calls for increased exposure to infrastructure as part of the real asset portfolio. For the year, investments in renewable energy, transportation, telecommunications, data, and social assets, with revenues on a contracted and regulated basis, were added to the portfolio. We remain positive on structural factors and supportive thematic drivers for the infrastructure asset class.

The Plan’s timberland and farmland investments continue to progress from a life-cycle perspective. As the investments have matured, the investment return is slowly moving up towards our target. This segment of the portfolio acts both as a diversifier and dampener for the larger real asset portfolio as these holdings are uncorrelated with investment markets in the longer term.

Financial Report
CBC PENSION PLAN
December 31, 2022

Management Responsibility for Financial Reporting

The financial statements of the CBC Pension Plan for the year ended December 31, 2022 and all other information presented in this annual report have been prepared by management, which is responsible for the integrity and fairness of the data presented, including amounts which by necessity are based on management's best estimates as determined through experience and judgement. The financial statements have been properly prepared within reasonable limits of materiality. The accounting policies followed in the preparation of these financial statements conform with Canadian accounting standards for pension plans.

Management of the CBC Pension Plan maintains books of accounts, records, financial and management control, and information systems, which are designed for the provision of reliable and accurate financial information on a timely basis. Systems of internal control are maintained to provide assurance that transactions are authorized, that assets are safeguarded, and that legislative and regulatory requirements are adhered to. These controls include a code of conduct and an organizational structure that provide a well-defined division of responsibilities and accountability.

The CBC Pension Board of Trustees (the "Board") is responsible for overseeing management and has overall responsibility for approving the financial information included in the annual report. The Board meets with management and the external auditors to review the scope of the audit, to review their findings and to satisfy themselves that their responsibilities have been properly discharged. In addition, the firm LifeWorks, consulting actuaries, conducts a formal actuarial valuation of the obligations for pension benefits as is required under the Pension Benefits Standards Act.

Deloitte LLP, the Plan's external auditor appointed by the Board, has conducted an independent audit of the financial statements in accordance with Canadian generally accepted auditing standards, performing such tests and procedures as it considers necessary to express the opinion in its report to the Board. The external auditor has full and unrestricted access to the Board to discuss its audit and related findings as to the integrity of the CBC Pension Plan's financial reporting and the adequacy of internal control systems.

Duncan Burrill
Managing Director/CEO
CBC Pension Plan

Julie Murphy
Secretary/Treasurer
CBC Pension Board of Trustees

March 30, 2023

Actuary's Opinion

LifeWorks was retained by the CBC Pension Board of Trustees to calculate the going concern and solvency obligations of the CBC Pension Plan (the "Plan") as at December 31, 2022, for inclusion in the Plan's financial statements.

The Plan's obligations under the going concern basis as at December 31, 2022 are based on the results of the actuarial valuation as at December 31, 2022, and take into account:

- The membership data provided by CBC/Radio-Canada as at December 31, 2022;
- The methods prescribed under Section 4600 of the Chartered Professional Accountants of Canada Accounting Handbook for pension plan financial statements; and
- The assumptions about future events, such as future rate of inflation and future rates of return on the Plan, which have been communicated to us as the Board's best estimate of these events.

The assumptions that form the going concern basis were reasonable at the time the valuation was prepared. Further information on the data, methods and assumptions used under both the going concern and solvency bases are described in our actuarial valuation report as at December 31, 2022.

Actuarial valuation results are only estimates. Emerging experience may differ, perhaps significantly, from the assumptions used to perform the valuation. These differences will result in gains or losses to be revealed in future valuations, and will affect the future financial position of the Plan and contribution levels.

In our opinion, with respect to the actuarial valuation of the Plan as at December 31, 2022:

- The membership data on which the valuation is based are sufficient and reliable for the purposes of the valuation;
- The assumptions are appropriate for the purposes of the valuation; and
- The methods employed in the valuation are appropriate for the purposes of the valuation.

This valuation has been prepared, and our opinion given, in accordance with accepted actuarial practice in Canada.

Richard Paré
Associate of the Canadian Institute of Actuaries

Yves Plourde
Fellow of the Canadian Institute of Actuaries

LifeWorks

March 30, 2023
Ottawa, Ontario

Independent Auditor's Report

Deloitte LLP
1600 - 100 Queen Street
Ottawa ON K1P 5T8
Canada

Tel: 613-236-2442
Fax: 613-236-2195
www.deloitte.ca

To the Members of the CBC Pension Board of Trustees

Opinion

We have audited the financial statements of CBC Pension Plan, which comprise the statement of financial position as at December 31, 2022, and the statements of changes in net assets available for benefits, changes in pension obligations and changes in funding surplus for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CBC Pension Plan as at December 31, 2022, and the changes in its net assets available for benefits, changes in its pension obligations and changes in its funding surplus for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of CBC Pension Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing CBC Pension Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate CBC Pension Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing CBC Pension Plan's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CBC Pension Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CBC Pension Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CBC Pension Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte, LLP
Chartered Professional Accountants
Licensed Public Accountants
Ottawa, Ontario

March 30, 2023

Statement of Financial Position

(Canadian $ thousands) As at December 31	**2022**	2021
ASSETS		
Investment assets *(Note 3)*	**$ 7,735,088**	$ 9,145,711
Accrued investment income	**17,498**	33,512
Contributions receivable		
- Employee	**6,379**	6,245
- Employer	**-**	6,294
FlexPen investments *(Note 6)*	**2,919**	3,594
Due from brokers	**-**	9,462
Other assets	**290**	252
	7,762,174	9,205,070
LIABILITIES		
Investment liabilities *(Note 3)*	**25,244**	4,097
Accounts payable and accrued liabilities *(Note 7)*	**7,110**	9,198
Due to brokers	**1,455**	35
	33,809	13,330
NET ASSETS AVAILABLE FOR BENEFITS	**7,728,365**	9,191,740
PENSION OBLIGATIONS *(Note 8)*	**5,369,020**	5,474,114
FUNDING SURPLUS *(Note 10)*	**$ 2,359,345**	$ 3,717,626

The accompanying notes are an integral part of the financial statements

Approved by the Board of Trustees

Sandra Mason, Chair
Trustee

Carol Najm, Vice-Chair
Trustee

Approved by Management

Duncan Burrill
Managing Director/CEO

Julie Murphy
Secretary/Treasurer

Statement of Changes in Net Assets Available for Benefits

(Canadian $ thousands) Year ended December 31	**2022**	2021
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	**$ 9,191,740**	$ 8,705,953
Investment Activities		
Investment income *(Note 3)*	**305,085**	299,399
Change in fair value of:		
- Investments *(Note 3)*	**(1,458,411)**	472,831
- FlexPen investments *(Note 6)*	**(277)**	404
Net investment activities	**(1,153,603)**	772,634
Member Service Activities		
Contributions *(Note 5)*		
Employee	**58,131**	60,510
Employer	**12,609**	54,819
Transfers	**1,526**	1,199
	72,266	116,528
Benefits *(Note 9)*		
Pensions	**(308,431)**	(298,412)
Refunds and transfers	**(17,998)**	(23,875)
	(326,429)	(322,287)
Net member service activities	**(254,163)**	(205,759)
Administrative Expenses *(Note 11)*	**(55,609)**	(81,088)
(Decrease)/Increase in Net Assets Available For Benefits	**(1,463,375)**	485,787
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	**$ 7,728,365**	$ 9,191,740

The accompanying notes are an integral part of the financial statements

Statement of Changes in Pension Obligations

(Canadian $ thousands) Year ended December 31	**2022**	2021
PENSION OBLIGATIONS, BEGINNING OF YEAR	**$ 5,474,114**	$ 5,392,517
Increase in Pension Obligations		
Interest on pension obligations	**309,287**	296,588
Benefits earned	**112,396**	116,528
Net experience losses	**4,095**	16,982
FlexPen investments *(Note 6)*	**(277)**	404
	425,501	430,502
Decrease in Pension Obligations		
Benefits *(Note 9)*	**326,429**	322,287
Changes in actuarial assumptions	**204,166**	26,618
	530,595	348,905
Net (Decrease)/Increase in Pension Obligations	**(105,094)**	81,597
PENSION OBLIGATIONS, END OF YEAR	**$ 5,369,020**	$ 5,474,114

Statement of Changes in Funding Surplus

(Canadian $ thousands) Year ended December 31	**2022**	2021
FUNDING SURPLUS, BEGINNING OF YEAR	**$ 3,717,626**	$ 3,313,436
(Decrease)/Increase in Net Assets Available for Benefits	**(1,463,375)**	485,787
Net Increase/(Decrease) in Pension Obligations	**105,094**	(81,597)
FUNDING SURPLUS, END OF YEAR *(Note 10)*	**$ 2,359,345**	$ 3,717,626

The accompanying notes are an integral part of the financial statements

1. DESCRIPTION OF PLAN

The following description of the Canadian Broadcasting Corporation Pension Plan (the Plan) is a summary only. For more complete information, reference should be made to the text of the Plan as amended from time to time.

a) General

The Canadian Broadcasting Corporation (the Corporation) established the Plan effective September 1, 1961, pursuant to the Broadcasting Act. The Plan is primarily a contributory defined benefit pension plan covering substantially all employees of the Corporation. The Plan is subject to the provisions of the Pension Benefits Standards Act, 1985 (PBSA) and Regulations. The Plan's registration number with the Office of the Superintendent of Financial Institutions (OSFI) is 0055144.

b) Benefits

The Corporation guarantees the payment of the pensions (other than the flexible pension provision (see Note 6)), and other benefits payable under the terms of this Plan. Active members receive benefits based on the length of pensionable service and on the average of the best five consecutive years of pensionable salary in the last ten years of service. The benefits are indexed at the lesser of 2.7% or the increase in the Consumer Price Index (CPI) effective January 1st of each year. The Plan provides survivor benefits for a member's eligible spouse upon the death of the member, or for the beneficiary, on the death of an active or **deferred member**, if there is no eligible spouse. Upon termination of employment, a Plan member who is not eligible for an immediate pension has the option of taking a deferred pension for service rendered or of transferring the value of the benefit to a locked-in retirement vehicle.

c) Funding

The Plan is funded on the basis of actuarial valuations, which are made on an annual basis. Employees are required to contribute to the Plan a percentage of their pensionable salary. The contribution rate for full-time employees from January 1, 2022 to June 30, 2022 was 8.44% of earnings up to the maximum public pension plan earnings of $64,600 and 11.10% of earnings in excess of such maximum. The employee contribution rate was changed to 8.19% of earnings up to the maximum public pension plan earnings and 10.77% in excess of such maximum from July 1, 2022 to December 31, 2022. From January 1, 2021 to June 30, 2021 the rate was 8.27% of earnings up to the maximum public pension plan earnings of $61,600 and 10.87% of earnings in excess of such maximum. The employee contribution rate was changed to 8.44% of earnings up to the maximum public pension plan earnings and 11.10% in excess of such maximum from July 1, 2021 to December 31, 2021. The Corporation provides the balance of the funding, as required, based on actuarial valuations. Effective April 21, 2022, upon the filing of the December 31, 2021 actuarial valuation the Corporation was not permitted to contribute further to the Plan as the surplus on a going concern basis exceeded the threshold prescribed under subsection 147.2(2) of the Income Tax Act (Canada) and in conformity with the Federal Pension Benefits Standards Act, 1985. The most recent actuarial valuation of the Plan was performed as of December 31, 2022.

d) Income tax status

The Plan is a Registered Pension Trust as defined in the Federal Income Tax Act (ITA), and consequently, is not subject to income taxes. The Plan's registration number for income tax purposes is 202895.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Presentation

These financial statements are prepared in accordance with Canadian Accounting Standards for Pension Plans (ASPP) in Part IV of the Chartered Professional Accountants of Canada (CPA Canada) Handbook - Accounting (the "Handbook"), on a going concern basis and present the financial position of the Plan as a separate financial reporting entity independent of the Corporation and Plan members. The objective of these financial statements is to assist Plan members and other users in reviewing the financial position and results of operations of the Plan for the year. However, these statements do not portray the funding requirements of the Plan or the security of an individual Plan member's benefits.

In accordance with CPA Canada Section 4600, *Pension Plans*, which provide specific accounting guidance on investments and pension obligations, the Plan adopted Canadian Accounting Standards for Private Enterprises (ASPE) in Part II of the Handbook for accounting policies that are not covered in Part IV of the Handbook.

b) Investments

Investments are recorded as of the trade date and are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) Accrual of income

Investment income has been accrued to the year-end date.

d) Fair Value Measurement

The Plan is following International Financial Reporting Standards (IFRS) 13, Fair Value Measurement to determine the fair value of its investment portfolio. The Plan's financial statement disclosures with regards to its investment portfolio are based on the provisions of CPA Canada Section 4600 which includes compliance with the disclosure requirements of IFRS 7, Financial Instruments: Disclosures.

e) Current year change in fair value of investments

The current year change in fair value of investments is the difference between the fair value and the cost of investments at the beginning and end of each year adjusted for realized gains and losses in the year.

f) Pension obligations

Pension obligations related to the defined benefit portion of the Plan are based on a going concern basis actuarial valuation prepared by a firm of independent actuaries. The value of the pension obligations is based on the results of the formal valuation completed for December 31, 2022 (see Note 8). Accrued pension benefits related to the flexible pension provisions are reported at the fair value of the investments associated with the contributions.

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

g) Contributions

Contributions for current service are recorded in the year in which the related payroll costs are incurred. Contributions for past service are recorded in the year received. Cash contributions related to the flexible pension provisions are recorded in the year received.

h) Foreign currency translation and forward currency agreements

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates in effect at year-end. Income and expenses are translated at the rate of exchange prevailing at the time of the transactions. Forward currency agreements are fair valued at the reporting date. Gains and losses from translation and forward currency agreements are included in the current year change in fair value of investments.

i) Measurement uncertainty

The preparation of financial statements in conformity with ASPP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. The major estimates used by management in preparing the financial statements relate to the valuation and classification of investments particularly those classified as Level 3 in Note 3 f) as well as assumptions used in the calculation of the pension obligations. Actual results could differ from those estimates.

j) Securities lending

The Plan may enter into securities lending transactions. These securities lending activities are fully collateralized by securities, and the securities loaned continue to be accounted for as investments on the Statement of Financial Position. Lending fees earned by the Plan on these transactions are included in investment income.

3. INVESTMENTS

a) Schedule of investments

The tables below show the fair value and the cost of the investments at year-end as well as the current year change in fair value of investments and related income. Investment income includes interest and dividends earned during the year as well as income from real estate properties which is net of operating and interest expense.

2022 INVESTMENTS

(Canadian $ thousands)	Fair Value	Cost	Change in Fair Value of Investments[1]	Investment Income	Total Return
INVESTMENT ASSETS					
Fixed Income					
Public Debt					
Cash and short-term investments	$ 292,580	$ 292,585	$ 1,307	$ 5,049	$ 6,356
Canadian bonds	2,498,494	2,308,071	(742,142)	62,159	(679,983)
Derivatives					
Bond forwards	14,513	-	(218,054)	-	(218,054)
Total return swaps	5,484	-	(218,866)	-	(218,866)
Private Debt	263,554	255,617	122	16,151	16,273
	3,074,625	2,856,273	(1,177,633)	83,359	(1,094,274)
Equities					
Public Equity					
Canadian	398,239	401,716	(20,414)	11,495	(8,919)
International	2,228,739	1,568,467	(295,034)	37,075	(257,959)
Private Equity	657,345	486,254	(18,430)	70,696	52,266
	3,284,323	2,456,437	(333,878)	119,266	(214,612)
Real Assets	1,370,090	1,025,969	46,024	102,460	148,484
Options - equity	-	-	159	-	159
Currency forwards	6,050	-	6,917	-	6,917
TOTAL INVESTMENT ASSETS	7,735,088	6,338,679	(1,458,411)	305,085	(1,153,326)
INVESTMENT LIABILITIES					
Fixed Income					
Derivatives					
Bond forwards	(8,350)	-	-	-	-
Total return swaps	(13,664)	-	-	-	-
Currency forwards	(3,230)	-	-	-	-
TOTAL INVESTMENT LIABILITIES	(25,244)	-	-	-	-
TOTAL NET INVESTMENTS	**$ 7,709,844**	**$ 6,338,679**	**$ (1,458,411)**	**$ 305,085**	**$ (1,153,326)**

[1] *Includes $1,103.3 million of change in unrealized market losses and $355.1 million of realized losses.*

3. INVESTMENTS *(cont'd)*

a) Schedule of investments *(cont'd)*

2021 INVESTMENTS

(Canadian $ thousands)	Fair Value	Cost	Change in Fair Value of Investments[1]	Investment Income	Total Return
INVESTMENT ASSETS					
Fixed Income					
Public Debt					
Cash and short-term investments	$ 356,894	$ 356,894	$ (455)	$ 2,071	$ 1,616
Canadian bonds	3,611,866	2,776,615	(173,471)	72,972	(100,499)
Derivatives					
Bond forwards	32,835	-	(104,024)	-	(104,024)
Total return swaps	37,197	-	(60,216)	-	(60,216)
Private Debt	123,548	123,797	34	10,541	10,575
	4,162,340	3,257,306	(338,132)	85,584	(252,548)
Equities					
Public Equity					
Canadian	535,973	498,784	111,722	3,722	115,444
International	2,536,087	1,486,429	438,156	44,643	482,799
Private Equity	668,568	479,039	126,413	79,908	206,321
	3,740,628	2,464,252	676,291	128,273	804,564
Real Assets	1,242,743	945,576	144,679	85,542	230,221
Options - equity	-	-	650	-	650
TOTAL INVESTMENT ASSETS	9,145,711	6,667,134	483,488	299,399	782,887
INVESTMENT LIABILITIES					
Currency forwards	(4,097)	-	(10,657)	-	(10,657)
TOTAL NET INVESTMENTS	**$ 9,141,614**	**$ 6,667,134**	**$ 472,831**	**$ 299,399**	**$ 772,230**

[1] *Includes $235.7 million of change in unrealized market gains and $237.1 million of realized gains.*

3. INVESTMENTS *(cont'd)*

b) Determination of Fair Values

Fair values of investments are determined as follows:

i) Cash and short-term investments, which include bank deposits, treasury bills, bankers' acceptances, commercial paper and short-term bonds, are valued at cost, including accrued interest, which due to their short term-to-maturity approximates fair value. Cash and short-term investments also include bonds with maturity dates due within 12 months of the year-end and are recorded at closing mid-market quotes.

ii) Bonds consisting of both nominal and real return are valued based on quoted mid-market prices or if not available, estimated using discounted cash flow techniques.

iii) Private debt includes investments through ownership in limited partnership funds and are valued based on the most recent financial information provided by the fund's General Partners under limited partnership agreements adjusted for cash flows and foreign currency, as applicable which approximates fair value.

iv) Securities sold under agreements to repurchase are accounted for as collateralized borrowing transactions and are recorded at cost, including accrued interest, which due to their short term-to-maturity approximates fair value.

v) Public equity consisting primarily of listed securities are recorded at prices based on quoted market closing prices or if not available, estimated using valuation techniques as described below under Private Equity.

vi) Real assets include investments held directly and through ownership in limited partnership funds. Direct investments in real estate projects when in development are valued at the lower of cost and estimated realizable value, as a proxy for fair value. Investments in income producing properties are recorded at estimated fair values determined by using appropriate industry valuation techniques and best estimates by property managers and/or independent appraisers who hold professional appraiser designations. In periods between appraisals, valuations are reviewed and updated for changes in market and property specific parameters. Real estate investments through ownership in limited partnership funds and are valued based on the most recent financial information provided by the fund's General Partners under limited partnership agreements adjusted for cash flows and foreign currency, as applicable which approximates fair value. The limited partnership funds' investments are valued using similar valuation methods described above as applicable.

3. INVESTMENTS *(cont'd)*

b) Determination of Fair Values *(cont'd)*

vii) Private equity includes investments through ownership in limited partnership funds and are valued based on the most recent financial information provided by the fund's General Partners under limited partnership agreements adjusted for cash flows and foreign currency, as applicable which approximates fair value. The limited partnership funds' investments consist primarily of unlisted securities and the fair values are estimated using one of the following methods: earnings multiple, discounted cash flows or earnings, available market prices and price of recent investments. These values are reviewed by management and are methods that reflect generally accepted industry valuation practices.

viii) Hedge Funds and similar alternative investment funds are recorded at fair value based on net asset values obtained from each of the fund's administrators.

ix) Derivative financial instruments:

a) Exchange-traded derivatives are valued based on quoted closing market prices.
b) Over-the-counter derivatives are valued based on market valuation techniques, primarily pricing models using observable market prices and other financial inputs to estimate fair value.

c) Derivative Financial Instruments

Derivative financial instruments are financial contracts whose values are derived from the value of underlying assets, indexes, interest rates or currency exchange rates. The Plan uses fixed income derivative instruments (bond forwards and total return swaps) as part of its liability driven investment strategy which hedges the interest rate and inflation risk mismatch in the Plan's assets and liabilities. The Plan uses a covered call writing strategy for its equity portfolio to obtain additional investment income from the premiums received. The Plan may also, from time to time, manage some of its foreign currency exposure based on economic fundamentals by entering into currency forwards.

Notional values represent the face amount of the contract to which a rate or price is applied in order to calculate the exchange of cash flows. Notional values do not represent the potential gain or loss associated with the market or credit risk of such transactions. Rather, these values serve as the basis upon which the returns and the fair value of the contracts are determined. Accordingly, notional values are not recorded as assets and liabilities in the financial statements.

The Plan has master netting arrangements in place for its fixed income derivative instruments. In the normal course of business, the Plan settles its derivative contracts on a net basis. The Plan's recognized financial instruments are presented in Note 3 a) and summarized further on the following page.

3. INVESTMENTS *(cont'd)*

c) Derivative Financial Instruments *(cont'd)*

Forwards

The Plan's forward contracts are negotiated agreements between two counterparties where one counterparty agrees to buy a financial instrument, and the other agrees to sell a financial instrument at an agreed future date, but at a price established at the start of the contract. The Plan uses fixed income and currency forward contracts.

Swaps

The Plan's total return swap contracts are negotiated agreements between two counterparties where one agrees to pay the total return (interest payments and any capital gains or losses) from a specified reference asset or group of assets and the other counterparty agrees to pay a specified fixed or floating cash flow. The reference assets for the Plan's total return swaps are various fixed income indexes or a group of four to six government bonds.

Options

The Plan's call options are standardized equity contracts listed on regulated exchanges. The Plan has sold (written) contracts to counterparties under which they have the right, but not an obligation, to buy an underlying equity instrument at a fixed price prior to a future specified date. The Plan receives a premium from the purchasing counterparty for this right.

3. INVESTMENTS *(cont'd)*

c) Derivative Financial Instruments *(cont'd)*

The following table summarizes the notional amounts and fair value of the Plan's derivatives contracts:

(Canadian $ thousands) As at December 31	**2022**		2021	
	Notional Value	**Net Fair Value**	Notional Value	Net Fair Value
INVESTMENT ASSETS				
Fixed Income				
Bond forwards	**$ 284,412**	**$ 14,513**	$ 821,075	$ 32,835
Total return swaps	**155,607**	**5,484**	1,258,803	37,197
	440,019	**19,997**	2,079,878	70,032
Currency forwards	**632,013**	**6,050**	-	-
TOTAL	**$ 1,072,032**	**$ 26,047**	$ 2,079,878	$ 70,032

(Canadian $ thousands) As at December 31	**2022**		2021	
	Notional Value	**Net Fair Value**	Notional Value	Net Fair Value
INVESTMENT LIABILITIES				
Fixed Income				
Bond forwards	**$ 124,241**	**$ (8,350)**	$ -	$ -
Total return swaps	**294,406**	**(13,664)**	-	-
	418,647	**(22,014)**	-	-
Currency forwards	**36,891**	**(3,230)**	248,535	(4,097)
TOTAL	**$ 455,538**	**$ (25,244)**	$ 248,535	$ (4,097)

All derivative contracts held at December 31, 2022 and 2021 have a term to maturity less than one year.

d) Securities Lending

The Plan participates in securities lending programs whereby it lends securities in order to enhance portfolio returns. Any such securities lending requires cash or high-quality non-cash collateral with a fair value equal to no less than 102% of the value of the securities lent. As of December 31, 2022, securities with an estimated fair value of $1.9 million (2021: $9.9 million) were loaned out, while cash and securities contractually receivable as collateral had an estimated fair value of $2.0 million (2021: $10.7 million).

3. INVESTMENTS *(cont'd)*

e) Financial Risk Management

i) Overview

The Plan invests in assets that expose the Plan to a range of investment risks. The Plan invests in riskier assets to earn a higher rate of return than would be achieved through the investment in a minimum risk portfolio (MRP). The MRP is the portfolio that would minimize the Plan's overall risk. The Plan has strategies, policies and processes in place to manage these risks and to ensure it is being properly compensated for the risks it is taking. The Plan's objective is not to minimize risk, but to optimize risk relative to the Plan's risk tolerance. The Plan follows a Liability Driven Investment (LDI) strategy that focuses on reducing the interest rate and inflation risk mismatch between the Plan's assets and liabilities. The Plan's Statement of Investment Policies and Procedures (SIP&P) sets out the Plan's investment framework and risk limits. The SIP&P, which is prepared in accordance with applicable legislation, is updated and approved annually by the Board. It defines eligible investments, asset mix ranges and diversification requirements. Compliance with the SIP&P is evaluated and reported to the Board on a monthly basis. The Plan's processes for selecting and evaluating portfolio managers, as well as the Plan's investment security selection processes are key components of the Plan's financial risk management system. Derivatives are also used to manage certain risk exposures.

ii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Plan is exposed to market risk through its investments in various types of assets. While the vast majority of the Plan's investments expose the Plan to some form of market risk, the degree of risk varies considerably by investment. One of the key ways that the Plan manages market risk is by diversifying its investments across asset classes, industry sectors, countries, currencies, investment strategies and individual companies

a) <u>Currency Risk</u> — Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Plan is exposed to currency risk through its investment in financial instruments denominated in currencies other than the Canadian dollar. Changes in the value of foreign currencies relative to the Canadian dollar can increase or decrease the fair value and future cash flows of these investments. Currency risk is managed through SIP&P defined limits on maximum currency exposures, diversification among currencies and through the active hedging of foreign currency exposures. The SIP&P defined minimum and maximum exposure limits on foreign currencies are 15% and 50%, respectively, of the market value of the Plan's assets.

3. INVESTMENTS *(cont'd)*

e) Financial Risk Management *(cont'd)*

ii) Market Risk *(cont'd)*

The Plan had investment exposure to foreign currencies as set out below:

(Canadian $ thousands) As at December 31	Foreign Currency Exposure **2022**	 2021
United States dollar	**$2,381,477**	$2,724,846
Euro	**247,419**	171,083
Japanese yen	**88,436**	81,158
Hong Kong SAR dollar	**49,507**	48,400
British pound sterling	**46,898**	27,325
Swiss franc	**33,196**	23,521
Swedish krona	**22,015**	30,828
Mexican peso	**16,468**	15,061
Singapore dollar	**15,007**	9,900
Danish krone	**14,551**	3,033
Indonesian rupiah	**11,102**	10,792
South Korean won	**8,732**	13,319
India rupee	**7,092**	6,841
New Taiwan dollar	**6,882**	7,696
Israeli shekel	**5,727**	3
Australian dollar	**3,597**	4,856
Philippine peso	**1,171**	1,353
Brazilian real	**-**	1,792
Chinese renminbi	**-**	8,562
Other	**2,046**	2,968
TOTAL	**$2,961,323**	$3,193,337

As at December 31, 2022, a 1% increase in the Canadian dollar against all other currencies would decrease the value of the Plan's net investments by $29.6 million or 0.4% (2021: $31.9 million or 0.4%). A 1% decrease in the Canadian dollar against all other currencies would increase the value of the Plan's net investments by $29.6 million or 0.4% (2021: $31.9 million or 0.4%). This calculation is based on the Plan's direct foreign currency holdings and does not include secondary impacts of exchange rate changes.

3. INVESTMENTS *(cont'd)*

e) Financial Risk Management *(cont'd)*

ii) Market Risk *(cont'd)*

b) Interest Rate Risk — Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Pension obligations also contain a significant component of interest rate risk. The Plan's interest rate risk exposure arises due to any mismatches between the interest rate sensitivity of the assets and the liabilities. The Plan's LDI strategy is designed to manage the Plan's interest rate risk as it relates to both the Plan's assets and liabilities. The Plan's overall asset mix, fixed income duration and interest rate derivatives are all used to hedge the Plan's interest rate risk. As interest rate risk is one of the key risks facing the Plan, the Plan conducts a significant amount of interest rate sensitivity and scenario analysis. The Plan closely monitors its overall interest rate risk exposure and interest rate risk hedging effectiveness through a detailed set of performance report cards and dashboards.

Changes in interest rates directly affect the value of the Plan's fixed income investments, including fixed income derivative instruments and also have a significant influence on the value of equity investments and foreign exchange rates. As at December 31, 2022, and after giving effect to derivative contracts, an increase of 1% in nominal interest rates would result in a decline in the value of the fixed income investments and derivatives of approximately $493.7 million or 6.4% (2021: $922.7 million or 10.1%) of the Plan's assets. A 1% reduction in nominal interest rates would increase the value of the fixed income investments and derivatives by $493.7 million or 6.4% (2021: $922.7 million or 10.1%) of the Plan's assets. This is based on the duration of the holdings and does not include other variables such as **convexity**.

With respect to pension obligations, as at December 31, 2022 and holding inflation and salary escalation assumptions constant, a 1% reduction in the assumed long-term rate of return would result in an increase in the pension obligations, which are measured on a going concern basis, of approximately 13.2% (2021: 13.5%). A 1% increase in the assumed long-term rate of return would result in a decrease in the pension obligations, which are measured on a going concern basis, of approximately 10.7% (2021: 10.9%).

c) Other Price Risk — Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. The Plan's exposure to other price risk results primarily from its holdings of domestic and foreign equities, as well as through its investments in real estate and other strategic investments. Other price risk is managed through SIP&P defined maximum and minimum exposure limits on regions, countries, economic sectors and single securities.

3. INVESTMENTS *(cont'd)*

e) Financial Risk Management *(cont'd)*

ii) Market Risk *(cont'd)*

The overall equity market exposure limits as a percentage of Plan assets as at December 31, 2022 and 2021 were as follows:

(% of category)	Minimum	Long-term Target	Maximum
Canadian Equities	3	5	9
International Equities	21	29	35
TOTAL	24	34	44

Concentration of price risk exists when a significant portion of the portfolio is invested in securities with similar characteristics or subject to similar economic, market, political or other conditions. The following tables provide information on the Plan's price risk:

(% of category)	**2022**		2021	
EQUITIES	**Canadian**	**International**	Canadian	International
Communication Services	**7.3**	**7.0**	3.4	7.6
Consumer Discretionary	**5.3**	**10.7**	6.1	11.2
Consumer Staples	**3.6**	**7.5**	3.3	7.3
Energy	**16.4**	**4.2**	12.5	3.0
Financials	**29.8**	**15.4**	35.1	15.3
Health Care	**0.0**	**14.4**	0.1	13.3
Industrials	**15.6**	**12.8**	11.2	12.5
Information Technology	**6.5**	**20.8**	11.6	22.3
Materials	**12.0**	**4.1**	11.7	4.2
Real Estate	**2.1**	**1.5**	3.2	2.1
Utilities	**1.4**	**1.6**	1.8	1.2
TOTAL	**100.0**	**100.0**	100.0	100.0

3. INVESTMENTS *(cont'd)*

e) Financial Risk Management *(cont'd)*

ii) Market Risk *(cont'd)*

Price risk related to equity indices (i.e. S&P/TSX, S&P 500, MSCI EAFE, MSCI World ex-Canada) is calculated based on the Capital Asset Pricing Model (CAPM) and with the assumption of a constant risk-free interest rate. Portfolio **betas** are obtained through a third-party provider.

(Canadian $ thousands)	**2022**	2021
Canadian Equity		
Market Value	**$ 398,239**	$ 535,973
+ / - 1% change in S&P/TSX	**3,675**	5,102
U.S. Equity		
Market Value	**899,124**	933,156
+ / - 1% change in S&P 500	**8,440**	8,418
Global Equity		
Market Value	**1,329,615**	1,602,931
+ / - 1% change in MSCI ACWI ex-Canada	**$ 13,271**	$ 15,526

3. INVESTMENTS *(cont'd)*

e) Financial Risk Management *(cont'd)*

iii) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Plan's main exposure to credit risk comes from its receivables and its investment in debt instruments and over-the-counter derivatives, as described in Note 3 c).

The Plan's receivables are comprised of pension contributions due from employees (as deductions from payroll) and from the employer (the Corporation). The credit risk to the Plan arises from the possibility that the Corporation fails to pay the employee salaries from which the employee contributions are deducted and fails to pay its own portion of the contributions due. The risk of non-payment is considered low, and all amounts due at December 31, 2022 and December 31, 2021 have subsequently been remitted to the Plan.

Debt instruments include both short-term investments and longer-term fixed income investments. The credit risk in over-the-counter derivatives arises when the Plan has mark-to-market gains and is therefore owed funds by the counterparty to the derivatives transaction. The Plan's SIP&P defines permitted investments, in accordance with the PBSA and provides guidelines and restrictions on acceptable investments which mitigate credit risk. The SIP&P limits include minimum credit rating requirements, limits on types of investments, limits on exposure to single sectors and limits on exposure to single securities. No more than 3% of the bond portfolio can be invested in securities with a bond credit rating lower than "BBB-". In order to minimize derivative contract credit risk, the Plan deals only with major financial institutions with a minimum credit rating of "A-".

The Plan also has International Swaps and Derivatives Association (ISDA) agreements, netting provisions and/or collateral posting requirements with the majority of its derivative counterparties. The Plan leverages the resources of a major Canadian bank to provide it with independent credit assessments of its derivative counterparties. At December 31, 2022 the Plan received $9.6 million (2021: $44.8 million) of collateral in the form of Government of Canada bonds and provincial bonds from its various derivative counterparties and provided $14.4 million (2021: $5.4 million) of collateral to its derivative counterparties.

3. INVESTMENTS *(cont'd)*

e) Financial Risk Management *(cont'd)*

iii) Credit Risk *(cont'd)*

The maximum credit exposure of the Plan is represented by the fair value of the investments as presented in the Statement of Financial Position.

Concentration of credit risk exists when a significant proportion of the portfolio is invested in securities with similar characteristics or subject to similar economic, political or other conditions. The primary credit portfolio concentrations are as follows:

(Canadian $ thousands)	**2022**		2021	
CASH AND SHORT-TERM INVESTMENTS	**Fair Value**	**%**	Fair Value	%
Cash	**$ 197,060**	**67.4**	$ 351,948	98.6
Short-term investments				
Corporate	**95,520**	**32.6**	4,946	1.4
TOTAL	**$ 292,580**	**100.0**	$ 356,894	100.0
Cash	**$ 197,060**	**67.4**	$ 351,948	98.6
Short-term investments				
R-1 (high)	**70,890**	**24.2**	2,147	0.6
R-1 (middle)	**1,473**	**0.5**	-	-
R-1 (low)	**23,157**	**7.9**	2,799	0.8
	95,520	**32.6**	4,946	1.4
TOTAL	**$ 292,580**	**100.0**	$ 356,894	100.0

(Canadian $ thousands)	**2022**		2021	
CANADIAN BONDS	**Fair Value**	**%**	Fair Value	%
Government of Canada	**$ 622,680**	**24.9**	$ 1,278,706	35.4
Provincial	**1,031,684**	**41.3**	1,322,675	36.6
Corporate	**844,130**	**33.8**	1,010,485	28.0
TOTAL	**$ 2,498,494**	**100.0**	$ 3,611,866	100.0
AAA to AA-	**$ 1,313,222**	**52.5**	$ 2,157,746	59.7
A+ to A-	**786,236**	**31.5**	969,836	26.9
BBB+ to BBB-	**399,036**	**16.0**	484,284	13.4
TOTAL	**$ 2,498,494**	**100.0**	$ 3,611,866	100.0

The above table does not include derivative or derivative counterparty exposure. The Plan's fixed income derivative exposure of $0.9 billion (2021: $2.1 billion) as at December 31, 2022 is 100.0% (2021: 100.0%) Provincial bonds; all the underlying bonds have a minimum credit rating of "A".

3. INVESTMENTS *(cont'd)*

e) Financial Risk Management *(cont'd)*

iv) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Plan is exposed to liquidity risk through its pension obligations (as described in Note 8), investment commitments (as described in Note 12) and the liabilities that might arise from mark-to-market of derivative positions. The Plan manages its short-term liquidity requirements through forecasting its cash flow requirements on a quarterly basis, monitoring of its cash flows on a daily basis and through its holdings of highly liquid short-term notes. These short-term notes, which generally mature over periods ranging from 1 day to 3 months, are managed so that their maturities cover the Plan's short-term outgoing cash flow requirements. The Plan aims to maintain minimum short-term note holdings equivalent to 3% of the Plan's value, which provides sufficient liquidity to meet contractual obligations as they come due. Over the medium to longer term, the Plan is also able to meet its liquidity requirements through its holdings of liquid investments such as publicly traded equities and fixed income instruments issued by the federal and provincial Canadian governments. The majority of the Plan's long-term fixed income instruments are held for trading purposes and are therefore not typically held to contractual maturity, and are thus considered to mature in less than one year.

The Plan has the following financial liabilities as at December 31:

(Canadian $ thousands) As at December 31	**Due 2023**	Due 2022
Derivatives *(Note 3 c)*	**$ 25,244**	$ 4,097
Accounts payable and accrued liabilities *(Note 7)*	**7,110**	9,198
Due to brokers	**1,455**	35
TOTAL	**$ 33,809**	$ 13,330

f) Fair Value Measurement Disclosure

Financial instruments recorded at fair value on the Statement of Financial Position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3. INVESTMENTS *(cont'd)*

f) Fair Value Measurement Disclosure *(cont'd)*

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The following tables present the financial instruments recorded at fair value in the Statement of Financial Position, classified using the fair value hierarchy described above as at December 31, 2022 and 2021:

2022 INVESTMENTS

(Canadian $ thousands)	Level 1	Level 2	Level 3	Total
INVESTMENT ASSETS				
Fixed Income				
Public Debt				
Cash and short-term investments	$ 292,580	$ -	$ -	$ 292,580
Canadian bonds	-	2,473,234	25,260	2,498,494
Derivatives				
Bond forwards	-	14,513	-	14,513
Total return swaps	-	5,484	-	5,484
Private Debt	-	-	263,554	263,554
	292,580	2,493,231	288,814	3,074,625
Equities				
Public Equity				
Canadian	398,239	-	-	398,239
International	2,080,148	148,591	-	2,228,739
Private Equity	-	-	657,345	657,345
	2,478,387	148,591	657,345	3,284,323
Real Assets	-	-	1,370,090	1,370,090
Currency forwards	-	6,050	-	6,050
TOTAL INVESTMENT ASSETS	2,770,967	2,647,872	2,316,249	7,735,088
INVESTMENT LIABILITIES				
Fixed Income				
Derivatives				
Bond forwards	-	(8,350)	-	(8,350)
Total return swaps	-	(13,664)	-	(13,664)
Currency forwards	-	(3,230)	-	(3,230)
TOTAL INVESTMENT LIABILITIES	-	(25,244)	-	(25,244)
TOTAL NET INVESTMENTS	**$ 2,770,967**	**$ 2,622,628**	**$ 2,316,249**	**$ 7,709,844**

During the year, there have been no transfers of amounts between Level 1, Level 2 and Level 3.

3. INVESTMENTS *(cont'd)*

f) Fair Value Measurement Disclosure *(cont'd)*

2021 INVESTMENTS

(Canadian $ thousands)	Level 1	Level 2	Level 3 (Note 14)	Total
INVESTMENT ASSETS				
Fixed Income				
Public Debt				
Cash and short-term investments	$ 356,894	$ -	$ -	$ 356,894
Canadian bonds	-	3,581,563	30,303	3,611,866
Derivatives				
Bond forwards	-	32,835	-	32,835
Total return swaps	-	37,197	-	37,197
Private Debt	-	-	123,548	123,548
	356,894	3,651,595	153,851	4,162,340
Equities				
Public Equity				
Canadian	432,564	103,409	-	535,973
International	2,129,808	406,279	-	2,536,087
Private Equity	-	-	668,568	668,568
	2,562,372	509,688	668,568	3,740,628
Real Assets	25,465	-	1,217,278	1,242,743
TOTAL INVESTMENT ASSETS	2,944,731	4,161,283	2,039,697	9,145,711
INVESTMENT LIABILITIES				
Currency forwards	-	(4,097)	-	(4,097)
TOTAL NET INVESTMENTS	**$ 2,944,731**	**$ 4,157,186**	**$ 2,039,697**	**$ 9,141,614**

During the year, there have been no transfers of amounts between Level 1, Level 2 and Level 3.

3. INVESTMENTS *(cont'd)*

f) Fair Value Measurement Disclosure *(cont'd)*

The following tables reconcile the fair value of financial instruments classified in Level 3 from the beginning balance to the ending balance:

2022 INVESTMENTS

(Canadian $ thousands)	Balance at Dec 31, 2021 (Note 14)	Purchases	Sales	Realized gain/(loss)	Change in unrealized gain/(loss)	Amortization	Balance at Dec 31, 2022
Fixed Income							
Canadian bonds	$ 30,303	$ -	$ (212)	$ (20)	$ (4,795)	$ (16)	$ 25,260
Private debt	123,548	152,585	(20,766)	-	8,187	-	263,554
	153,851	152,585	(20,978)	(20)	3,392	(16)	288,814
Private equity	668,568	45,936	(38,815)	93	(18,437)	-	657,345
Real Assets	1,217,278	170,176	(107,335)	36,767	53,204	-	1,370,090
TOTAL	**$ 2,039,697**	**$ 368,697**	**$ (167,128)**	**$ 36,840**	**$ 38,159**	**$ (16)**	**$ 2,316,249**

2021 INVESTMENTS

(Canadian $ thousands)	Balance at Dec 31, 2020 (Note 14)	Purchases	Sales	Realized gain/(loss)	Change in unrealized gain/(loss)	Amortization	Balance at Dec 31, 2021 (Note 14)
Fixed Income							
Canadian bonds	$ 32,876	$ -	$ (219)	$ (21)	$ (2,317)	$ (16)	$ 30,303
Private debt	59,597	83,427	(18,867)	-	(609)	-	123,548
	92,473	83,427	(19,086)	(21)	(2,926)	(16)	153,851
Private equity	518,123	91,930	(67,419)	1,504	124,430	-	668,568
Real Assets	935,749	291,836	(139,431)	4,886	124,238	-	1,217,278
TOTAL	**$ 1,546,345**	**$ 467,193**	**$ (225,936)**	**$ 6,369**	**$ 245,742**	**$ (16)**	**$ 2,039,697**

Total net unrealized gains for Level 3 instruments held at the end of 2022 amounts to $524.0 million (2021: $485.8 million).

4. CAPITAL

The Plan's capital consists of the funding surpluses determined regularly in the funding valuations prepared by an independent actuary. The actuary's funding valuation is used to measure the financial well-being of the Plan. The objective of managing the Plan's capital is to ensure the Plan is fully funded to pay the plan benefits over the long term. The Board oversees the preparation of funding valuations and monitors the Plan's funded status. The Corporation determines actions which may be taken to manage the funded position of the Plan. The actuary tests the Plan's ability to meet its obligations to all current Plan members and their survivors, using a set of economic and non-economic assumptions, the actuary projects the Plan's benefits on a going concern basis to estimate the current value of the liability, which it compares to the sum of the Plan assets. The result of the comparison is either a surplus or a deficit. As part of the funding valuation, the actuary also performs a measurement of the Plan's assets and liabilities on a solvency basis, which simulates the wind-up of the Plan. A funding valuation is required to be filed with the pension regulator annually. In addition, the Board obtains quarterly reports from the actuary and monthly reports from management which estimate the Plan's going concern and solvency financial positions, which assist the Board in monitoring the Plan's capital. The most recent projection of the actuarial valuation and funding position are disclosed in Notes 8 and 10. There have been no major changes to the Plan's capital requirements and its overall strategy with respect to capital remains unchanged from 2021.

5. CONTRIBUTIONS

The following are the contributions for the year:

(Canadian $ thousands)	**2022**	2021
Employee		
- Current Service	**$ 54,310**	$ 52,836
- Past Service	**3,821**	7,674
	58,131	60,510
Employer	**12,609**	54,819
Transfers	**1,526**	1,199
TOTAL	**$ 72,266**	$ 116,528

6. FLEXIBLE PENSION (FLEXPEN)

The Plan includes a flexible component, FlexPen, under which members were able to make additional contributions to the Plan, up to limits within the ITA. The FlexPen closed to new contributions on January 1, 2019. Existing FlexPen members may choose from various pooled fund investments which are administered by external managers. Contributions and accrued investment income thereon are converted into additional benefits based upon market rates at the earliest of retirement, death or termination of employment. The liabilities of the Plan with respect to FlexPen are equal to the additional member contributions, plus investment income, plus or minus capital appreciation or depreciation thereon less purchases of additional pension benefits and transfers. This portion of the Plan benefits is funded entirely by members.

6. FLEXIBLE PENSION (FLEXPEN) *(cont'd)*

(Canadian $ thousands)	**2022**	2021
Investment, Beginning of Year	**$ 3,594**	$ 3,833
Change in fair value	**(277)**	404
Purchase of additional pension benefits and transfers out	**(398)**	(643)
Investment, End of Year	**$ 2,919**	$ 3,594

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The following are the accounts payable and accrued liabilities at year-end:

(Canadian $ thousands)	**2022**	2021
Benefits	**$ 3,953**	$ 3,783
Administrative expenses	**3,157**	5,415
TOTAL	**$ 7,110**	$ 9,198

8. PENSION OBLIGATIONS

Under the PBSA actuarial valuations are required at least annually. The latest actuarial valuation was performed at December 31, 2022 by LifeWorks. Amounts reported in these financial statements are based on going concern results of this valuation. The actuarial assumptions used in determining the obligations for pension obligations reflect the Board's best estimates of expected economic trends and involve both economic and non-economic assumptions. The non-economic assumptions include considerations such as mortality, withdrawal and retirement rates. The primary economic assumptions include the asset rate of return, salary escalation rate, indexation and inflation rate, which were as follows:

	Long-term assumptions	
	2022	2021
Asset rate of return	**5.95%**	5.65%
Salary escalation rate [(1)]	**2.50%**	2.50%
Indexation	**1.86%**	1.86%
Inflation rate	**2.00%**	2.00%
Mortality table	**CBC 2019 Pensioner Mortality (CPM-B projection scale)**	CBC 2019 Pensioner Mortality (CPM-B projection scale)

[(1)] Excluding merit and promotional salary increases

Select assumptions reflecting the short-term economic environment were also used.

8. PENSION OBLIGATIONS *(cont'd)*

In 2022, there were net experience losses of $4.095 million (2021: net experience losses of $16.982 million) with respect to plan membership, retirement and termination settlements compared to the assumptions used in the actuarial valuation conducted as at December 31, 2022.

The PBSA requires that the Plan also be valued on a solvency basis, which simulates a plan wind-up. As of December 31, 2022, the date of the last actuarial valuation, the Plan's solvency liabilities were estimated at $6.464 billion (2021: $8.119 billion) with estimated wind-up costs of $7.3 million (2021: $7.0 million).

9. BENEFITS

Benefits for the year-ended December 31 were as follows:

(Canadian $ thousands)	**2022**	2021
Pensions		
Retirement benefits	**$ 270,056**	$ 262,510
Death benefits	**38,375**	35,902
	308,431	298,412
Refunds and transfers		
Refunds and transfers to other plans	**17,600**	23,232
FlexPen – purchase of additional pension benefits and transfers out *(Note 6)*	**398**	643
	17,998	23,875
TOTAL	**$ 326,429**	$ 322,287

10. FUNDING POSITION

The last actuarial valuation of the Plan was performed as at December 31, 2022 and determined that the Plan had a funding excess of $2.359 billion (2021: $3.718 billion) on a going concern basis.

The PBSA also requires the actuarial valuation to determine the Plan's estimated liabilities on a solvency basis, which considers the value of the benefits earned if the Plan were to be wound up on the valuation date. The assumptions used in a solvency valuation are largely dictated by the Canadian Institute of Actuaries which requires using discount rates that are typically less than the rate of return earned by the Plan. The use of more conservative discount rates results in larger liabilities and creates a smaller funding surplus for the Plan as at December 31, 2022 of $1.257 billion (2021: $1.065 billion) on a solvency basis. For solvency funding requirements, the Plan is required to determine its solvency funding position on the average of the current year balance and the two preceding year-end balances. This results in the Plan having a 3-year average funding surplus of 112.4% (2021: 3-year average surplus of 106.9%).

The actuarial report will be submitted to the Corporation, as required under the Trust Deed, and to OSFI.

11. ADMINISTRATIVE EXPENSES

In accordance with the Trust Deed, all fees, charges and other costs incurred by the Trustees in the setting up and administration of the Plan and in the setting up and management of the Fund are to be paid by the Fund. Expenses for the years ended December 31, were as follows:

(Canadian $ thousands)	2022	2021
Fund Administration		
Internal Management		
Salaries and employment costs	**$ 6,159**	$ 5,785
Professional fees	**412**	363
Data processing / technology	**1,202**	996
Custodial fees and transaction costs	**279**	340
Office rent	**421**	361
Other	**54**	15
Total Internal Management	**8,527**	7,860
External Management		
Management fees and performance fees	**41,182**	67,401
Custodial fees and transactions costs	**928**	744
Total External Management	**42,110**	68,145
Total Fund Administration	**50,637**	76,005
Pension Benefit Administration		
External administration	**1,601**	1,535
Salaries and employment costs	**554**	476
Professional fees	**27**	173
Data processing / technology	**82**	4
Other	**220**	223
Total Pension Benefit Administration	**2,484**	2,411
Board of Trustees' Expenses		
Professional fees	**492**	522
Other	**114**	122
Total Board of Trustees Expenses	**606**	644
Harmonized sales tax	**1,882**	2,028
TOTAL	**$ 55,609**	$ 81,088

12. COMMITMENTS AND CONTINGENCIES

The Plan has committed to enter into investment transactions, which may be funded over the next several years in accordance with the terms and conditions agreed to. As at December 31, 2022, these potential unfunded commitments totaled $679.8 million (2021: $646.1 million). The Plan has sufficient liquidity to meet these commitments as they come due. The Plan is contingently liable to fund cash flow deficiencies and the obligations of its co-investors, including other pension funds, on certain real estate related investments. In addition, the Plan may have to provide financing on certain real estate related investments in the event of the non-availability of financing from other sources. The Plan has not been required to fund the obligations of its co-investors in the past and considers this contingent risk to be low.

13. GUARANTEES AND INDEMNIFICATIONS

The Plan provides that the Board, employees and certain others are to be indemnified against the expenses related to proceedings against them. In addition, in the normal course of operations, the Plan may be required to compensate counter parties for costs incurred as a result of various contingencies such as legal claims or changes in laws and regulations. The number of such agreements, the variety of indemnifications and their contingent character prevents the Plan from making a reasonable estimate of the maximum amount that it would be required to pay all such counterparties. To date, no payments have been made under such indemnifications. As at December 31, 2022 and 2021, the amount recorded as a liability for claims under these indemnifications is $nil.

14. COMPARATIVE AMOUNTS

The 2020 and 2021 comparative amounts in Note 3 f) Fair Value Measurement Disclosure have been re-classified to conform to the current year financial statement presentation.

Supplementary Financial Information

Investments greater than $30 million

at December 31, 2022
(unaudited)

Fixed Income

Issuer	Coupon	Maturity Date	Fair Value ($ millions)
Public Debt			
Blackrock Canada CorePlus Long Bond Fund	n/a	n/a	$ 905
Government of Canada	4.00%	01-Dec-2031	$ 181
Government of Canada	2.00%	01-Dec-2041	$ 79
Government of Canada	3.00%	01-Dec-2036	$ 70
Province of Ontario	2.80%	02-Jun-2048	$ 49
Government of Canada	1.50%	01-Dec-2044	$ 40
Government of Canada	1.75%	01-Jun-2053	$ 38
Private Debt			
Ares Real Estate Secured Income Fund			$ 107
Pemberton Mid-Market Debt Fund III			$ 45
Bentall Kennedy High Yield Canadian Property Fund			$ 43

Equity

Issuer	Fair Value ($ millions)
Public Equity	
Canadian Equity	
Royal Bank of Canada	$ 33
International Equity	
SPDR S&P 500 ETF Trust	$ 348
Wellington Emerging Markets Research Equity Fund	$ 149
Berkshire Hathaway Inc. - B	$ 65
Apple Inc.	$ 56
Alphabet Inc. - A	$ 54
Microsoft Corp.	$ 54
Mastercard Inc. - A	$ 50
Johnson & Johnson	$ 43
UnitedHealth Group	$ 36
Danaher Corp.	$ 31

Equity

Issuer		Fair Value ($ millions)
Private Equity		
GS Vintage VIII Offshore LP	$	50
Brookfield Capital Partners V	$	49
JP Morgan Global Maritime	$	49
Brookfield Capital Partners IV	$	45
Lexington Capital Partners LCP VIII (Offshore), LP	$	44
GS Vintage VII Offshore LP	$	38
North Haven Tactical Value Feeder Fund	$	37
Ashbridge Transformational Secondaries Fund II	$	36
Brookfield Technology Partners II Partners V	$	33
Sinovation Fund III	$	31
Coller International Partners VII	$	30

Real Assets

Issuer		Fair Value ($ millions)
Real Estate		
Bentall Kennedy Prime Canadian Property Fund	$	105
Brookfield Premier Real Estate Partners	$	101
Manulife US Real Estate Fund	$	93
Bridge Multifamily IV International Fund	$	85
AEW Core Property Trust	$	84
TD Greystone Real Estate Fund	$	60
Minto Properties Multi-Residential Income	$	50
Sankofa Industrial Limited Partnership	$	48
Airdrie Flex Canadian Urban Industrial	$	46
Strathallen Retail Property Fund 4	$	45
Morguard Investment Ltd. Residential Property (1) Pooled Fund	$	43
Realstar Apartment Partnership II	$	42
Brookfield Strategic Real Estate Partners II	$	38
Morguard Investment Ltd. Laval Industrial	$	36
Realstar Apartment Partnership 4	$	34
Redbourne Realty Fund IV	$	33
Infrastructure		
Brookfield Infrastructure Fund II	$	41
John Hancock Infrastructure Fund	$	30
Timberland & Farmland		
Hancock Timberland and Farmland LP	$	55

Top 10 Public Equity Holdings

at December 31, 2022
(unaudited)

As a percentage of net assets available for benefits

	Company	Sector	%
1	SPDR S&P 500 ETF Trust	Broad Index	4.50%
2	Berkshire Hathaway Inc. - B	Financials	0.84%
3	Apple Inc.	Information Technology	0.72%
4	Alphabet Inc. - A	Communication Services	0.70%
5	Microsoft Corp.	Information Technology	0.69%
6	MasterCard Inc. - A	Financials	0.64%
7	Johnson & Johnson	Healthcare	0.55%
8	United Health Group	Healthcare	0.46%
9	Royal Bank of Canada	Financials	0.43%
10	Danaher Corp.	Healthcare	0.40%
		Top 10 Public Equity Holdings Total	**9.93%**

Glossary

ACTIVE MANAGEMENT
An investment management style that aims to achieve returns above a chosen benchmark or market index. It is the opposite of passive management.

ACTIVE MEMBER
A person who is employed by CBC/Radio-Canada and is making (or deemed to be making) contributions to the Plan.

ACTUARIAL VALUATION
An analysis of the financial condition of a pension plan that calculates the plan's liabilities and the costs of providing plan benefits. An actuary prepares the valuation, and the pension plan must file the valuation with its pension regulator annually.

ACTUARY
A business professional who is a fellow of the Canadian Institute of Actuaries (CIA) and is responsible for preparing and signing actuarial valuations.

ASSETS
"Plan assets" refers to the property of the pension fund, primarily comprising the fair value of its investments.

ASSET ALLOCATION (ASSET MIX)
The percentage of a portfolio or fund that is invested in each of the main asset types (i.e., short-term investments, fixed income, Canadian equity, international equity, and alternatives).

BASIS POINT
One one-hundredth of a percentage point (0.01 percentage point). For example, if the target for the overnight interest rate is raised from 2.75% to 3%, it has been increased by 25 basis points.

BENCHMARK
A standard against which the performance or characteristics of a portfolio or investment is evaluated. The S&P/TSX Equity Index and the FTSE TMX Universe Bond Index are widely used Canadian equity and Canadian fixed income benchmarks, respectively.

BETA
A quantitative measure of the sensitivity of an equity security or an equity portfolio to changes in its related benchmark index.

BOND FORWARDS
Contracts between two counterparties where one counterparty agrees to buy a bond and the other agrees to sell a bond at an agreed future date but at a price established at the start of the contract.

BOND OVERLAY PORTFOLIO
A portfolio of fixed income derivative instruments that are designed to hedge the Plan's interest rate and inflation risks without changing the Plan's physical asset mix. It is a key part of the Plan's liability-driven investment strategy.

BUYOUT INVESTMENTS
Investments in controlling interests of a company.

CANADIAN ASSOCIATION OF PENSION SUPERVISORY AUTHORITIES (CAPSA)
CAPSA is a national interjurisdictional association of pension supervisory authorities whose mission is to facilitate an efficient and effective pension regulatory system in Canada. It discusses pension regulatory issues of common interest and develops policies to further the simplification and harmonization of pension law across Canada.

CONSUMER PRICE INDEX (CPI)
An inflation measure computed by Statistics Canada that calculates the change in prices of a fixed basket of goods and services purchased by a typical Canadian consumer each month. The CPI is used to calculate annual cost-of-living increases for pension benefits, also referred to as "indexing."

CONTRIBUTION HOLIDAY
A period when the contributions to a pension plan are put on hold. The most common reason for a holiday is when a plan has a surplus above a regulatory prescribed amount.

CONTRIBUTORY DEFINED BENEFIT PENSION PLAN
A type of pension plan in which an employer promises a specified monthly benefit on retirement that is predetermined by a formula based on the employee's earnings, history, and years of service under the plan, rather than depending on investment returns. With a defined benefit plan, investment risk is borne by the employer. In a contributory plan, members must make contributions, usually by payroll deduction, to accrue benefits.

CONTROL SELF-ASSESSMENT (CSA)
A methodology used to review key business objectives, risks involved in achieving the objectives, and internal controls designed to manage those risks. A CSA allows managers and work teams directly involved in business units, functions, or processes to participate in assessing the organization's risk-management and control processes.

CONVEXITY
A measure of the sensitivity of the duration of a bond to changes in interest rates. It is used to measure a portfolio's exposure to interest rate risk.

CORPORATE PAPER
Short-term unsecured debt issued by a corporation.

CREDIT SPREAD
The difference in the yields between two different bonds due to different credit quality. The credit spread reflects the additional net yield an investor can earn from taking incremental credit risk. It is often quoted in relation to the yield on (federal) government bonds.

DEFERRED MEMBER
A person who is entitled to receive a pension from the Plan for a previous period of active Plan membership which is payable at a future date.

DEFICIT
A deficit exists in a pension plan when the actuarial valuation determines that the total value of the plan's assets is less than its total liabilities.

DERIVATIVES
Financial contracts, or financial instruments, whose values are derived from the value of something else (known as the underlying). The underlying on which a derivative is based can be an asset, (e.g., equities, bonds), an index (e.g., exchange rates, stock market indices), or other items. The main types of derivatives are forwards (which if traded on an exchange are known as futures); options; and swaps. Derivatives can be used to hedge the risk of economic loss arising from changes in the value of the underlying.

DURATION
The weighted average term to payment of the cash flows on a bond. It measures a bond's price sensitivity to interest rate changes.

FAIR VALUE
An estimate of the amount of the consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act.

FIDUCIARY
An individual or institution occupying a position of trust. An executor, administrator, or trustee responsible for the assets belonging to another person.

FUNDED RATIO
The ratio of pension plan assets to pension plan liabilities as determined by the latest actuarial valuation. The funded ratio equals 100% when the value of the pension plan's assets and liabilities are equal. Can be measured on either a solvency or going-concern basis.

GOING-CONCERN VALUATION
A pension plan valuation that looks at the plan's funded status on the basis that the plan will continue to operate indefinitely.

GOVERNANCE
Pension plan governance refers to the structure, processes, and safeguards for overseeing, managing, and administering the plan to ensure the plan's fiduciary and other obligations are met.

HEDGING
Using one kind of security to protect against unfavourable movements in the price of another kind of security. Hedging is usually accomplished using derivatives such as options, forwards, swaps, or futures.

LIABILITIES
The amount required by the plan to cover the cost of paying current and future pension benefits.

LIABILITY-DRIVEN INVESTMENT (LDI)
LDI, which is also known as asset/liability matching, is an investment strategy that manages a pension plan's assets relative to its liabilities with the intent to minimize pension surplus volatility. This is done primarily through hedging interest rate and inflation risk. Under LDI, pension plan assets are grouped into matched and unmatched assets. Matched assets (fixed income) have interest rate and inflation sensitivities that are like those of the pension plan's liabilities. Unmatched assets (equities and alternative investments) do not have the same interest rate and inflation sensitivities as the pension plan's liabilities.

MANAGEMENT FEE
A charge levied by an investment manager for managing an investment fund. The management fee is intended to compensate the managers for their costs and expertise.

MATURE PENSION PLAN
A pension plan where the number of retired members and active members near retirement is significantly greater than the number of younger plan members. Mature plans usually pay out more to retired members than they receive from active members.

OFFICE OF THE SUPERINTENDENT OF FINANCIAL INSTITUTIONS (OSFI)
A federal agency established in 1987 under the *Office of the Superintendent of Financial Institutions Act* whose mandate is to supervise all federally regulated financial institutions and pension plans.

PENSION BENEFITS STANDARDS ACT (1985)
Legislation outlining the rules regarding the registration, administration, and benefits of pension plans in Canada. The Office of the Superintendent of Financial Institutions ensures that pension plans are administered in accordance with the Act.

PENSION FUND
A pension fund is a pool of assets that are bought with the contributions made to a pension plan for the exclusive purpose of financing pension plan benefits.

PENSION INDEXATION
The periodic cost-of-living adjustment of pension benefits usually based on a percentage or capped value of the Consumer Price Index.

PENSION OBLIGATIONS
The present value of the benefits payable to the members over their lifetime to which they are or will be entitled under the Plan.

PERFORMANCE ATTRIBUTION
The identification of the sources of portfolio returns relative to its benchmark. Used to explain why a portfolio outperformed or underperformed its benchmark.

PLAN SPONSOR
The organization or individual that establishes a pension plan.

PRIVATE EQUITY
The sale of equity or fixed income securities directly to institutional investors such as banks, insurance companies, hedge funds, and pension funds. As these sales are made to institutional investors only, the securities registration and information disclosure requirements are reduced relative to publicly traded securities.

REAL ESTATE INVESTMENT TRUST (REIT)
A security listed on a stock exchange that invests in real estate assets.

RISK METRICS
Statistical measures that quantify the degree of uncertainty as to the realization of expected returns. They are used to help organizations understand the amount of risk they are currently taking or are planning to take.

RETIRED MEMBER
A person who is receiving a monthly pension paid by the CBC Pension Board of Trustees. This includes retired active and deferred members, surviving spouses and children, as well as ex-spouses receiving a pension upon the breakdown of a spousal relationship with a Plan member.

STATEMENT OF INVESTMENT POLICY AND PROCEDURES (SIP&P)
The SIP&P defines the investment policies, principles, and eligible investments that are appropriate to the Plan's needs and objectives in a manner conforming to the requirements of the *Pension Benefits Standards Act* and the regulations thereof.

SOLVENCY BASIS VALUATION
A pension plan valuation that assumes that the plan stops operating as of the valuation date. It is intended to test whether the plan has sufficient assets to provide an immediate payout of all benefits that have been earned to that date.