

# Communiqué

## Financial Health

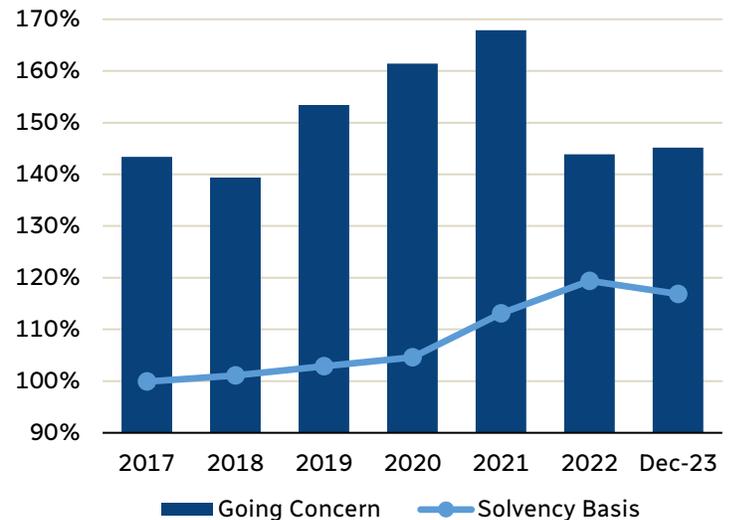
The CBC Pension Plan continues to be in a sound financial position as its key measures of overall pension plan financial health remained strong at year end. The Plan ended the year fully funded on both a going concern and solvency basis.

We remain committed to careful management and oversight of the Plan’s investments to ensure your pension remains secure.

The Plan had a going concern funding surplus of \$2.46 billion on December 31, 2023, an increase of \$103 million from the start of the year. The Plan’s going concern funding ratio was 145.1% at the end of the year, an increase of 1.2% from the start of the year.

The Plan’s solvency (or windup basis) funded status was in a surplus of \$1.14 billion on December 31, 2023, a decrease of \$117 million since the start of the year. The Plan’s solvency funding ratio at year end was 116.8%, a decrease of 2.6% from the start of the year. The decrease was mainly due to year-end adjustments to account for the surplus distribution expected in 2024.

## Funded Status



## A Year in Review from CEO Duncan Burrill

The Plan’s “all weather” investment approach provided positive returns in 2023, benefiting from more stable equity and fixed income markets. Our investment teams were able to successfully navigate the Plan’s investments through significant market volatility as well as considerable market, economic and geopolitical risks over the past several years. While the Plan was not immune to the impact of some of these recent shorter-term market events, our Liability-Driven Investment strategy continues to perform well ensuring stable funded positions, member benefit security and low current service costs. The Plan maintains healthy funded ratios on both a going concern and a solvency basis. We are confident the Plan has the right leadership, team, structures and investment strategies to be successful in the long-term. Our focus remains on ensuring that we manage our investments to ensure we can pay pensions now and into the future.

	December 31, 2023	December 31, 2022
Net Assets Available for Benefits	\$ 7,916 million	\$ 7,728 million
Going Concern Funding Surplus	\$ 2,462 million	\$ 2,359 million
Solvency Funding Surplus	\$ 1,140 million	\$ 1,257 million
Number of Pensions Being Paid	10,283	10,252
Number of Plan Contributors	7,641	7,556

## Asset Performance

The Plan had net assets of \$7.92 billion on December 31, 2023, an increase of \$187 million for the year. The increase in the Plan's assets is primarily a result of strong fixed income and public equity market returns during the year.

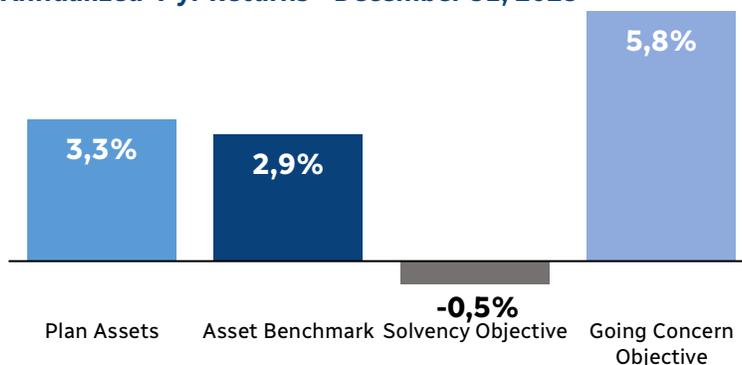
The Plan made pension payments of \$328 million to pensioners and received contributions of \$59 million from employees year to date. Due to the Plan's high funded status, CBC/Radio-Canada is currently required to suspend employer contributions.

The Plan focuses on long-term measures of performance when assessing our success in achieving our mission. The Plan's annualized 4-year return of 3.3% outperformed its asset benchmark return of 2.9% and its solvency objective but underperformed the going concern objective. This was primarily the result of the 2022 market sell off which caused negative equity and fixed income returns for the year. While markets can be volatile over short periods over the longer term, we remain confident in our ability to earn strong returns in all asset classes in which we invest.

A key performance indicator and objective of the Plan is to achieve a 4-year return that exceeds the asset benchmark by 0.50%. The Plan's 4-year return of 3.3% fell slightly short of meeting the asset objective of 3.4%. The Plan's public equity investments are defensively positioned for downside protection. While these investments tend to outperform during market declines, they can underperform in periods of rapid recovery as experienced in 2023. The sustainability of the Plan is not dependant on performance in any given year. Our focus remains on the long-term and ensuring member benefit security remains strong.

## Plan Return

Annualized 4-yr Returns - December 31, 2023



## Member Services

**In Q4 2023, the Plan welcomed 139 new active and 78 newly retired members.**

The Plan's members rated pension administration services with an overall satisfaction of 93% during the fourth quarter. This was based on a survey of members who called the pension administration center. The Plan strives to deliver a high-quality pension administration service to Plan members in a cost-effective manner.



We are continually looking for ways to improve the timeliness of member communications and reduce the costs of administering the Plan. If you are a retired member and you would prefer to receive your future communications such as the Pension News by e-mail, please send an e-mail to [pension@cbc.ca](mailto:pension@cbc.ca).

## Governance Matters

At the March 2024 Pension Board meeting, Sandra Mason was re-elected as the Chair of the CBC Pension Board of Trustees. The Board accepted and approved the Plan's 2023 actuarial and audit reports, as well as approved the Plan's 2023 Audited Financial Statements.

The **2023 CBC Pension Plan Annual Report – Investing for YOUR Future**, will be released this coming April on our website: <https://cbc-radio-canada-pension.ca/annual-reports/>

A summary of the Pension Board's 2021 - 2025 Strategic Plan and the status of key objectives is included in the infographic on the next page.

A glossary of common pension terms can be found at <https://cbc-radio-canada-pension.ca/help/glossary-of-terms/>

The Communiqué is the CBC Pension Board's quarterly report to Plan members. For more information on the Plan and operations of the CBC Pension Plan please visit the [Pension Board website](#)

# Activity 2023 HIGHLIGHTS

✔ Achieved 
 ⋯ Underway/Planned 
 ✘ Incomplete/Not Met

STRATEGIC GOALS	KEY PERFORMANCE INDICATOR (KPI) As at December 31, 2023	STATUS	2023 OBJECTIVES As at December 31, 2023	STATUS	DESIRED OUTCOME BY 2025
<p><b>1</b> Deliver risk-adjusted net returns to support the financial viability and liquidity needs of the pension plan</p>	<ul style="list-style-type: none"> <li>4-year Fund return to exceed benchmark portfolio by 0.50%. *</li> <li>4-year Fund return to equal or exceed actuarial required return. *</li> <li>Surplus-at-Risk (SAR) volatility trades within Risk tolerance expectations.</li> </ul>	<ul style="list-style-type: none"> <li>✘</li> <li>✘</li> <li>✔</li> </ul>	<ul style="list-style-type: none"> <li>Invest in a way to exceed the benchmark portfolio by 50 bps net of costs over a 4-year period. *</li> <li>Implement 2023 strategic asset allocation changes.</li> <li>Increase private debt exposure towards strategic target allocation.</li> <li>Continue to refine our responsible investment processes.</li> </ul>	<ul style="list-style-type: none"> <li>✘</li> <li>✔</li> <li>✔</li> <li>✔</li> </ul>	<ul style="list-style-type: none"> <li>Plan maintains fully funded status.</li> <li>Our strategic asset allocation processes remain best in class.</li> <li>Internal investment processes are enhanced.</li> </ul> 
<p><b>2</b> Provide quality and efficient member pension services while continuously improving our communications with both members and stakeholders</p>	<ul style="list-style-type: none"> <li>Make pension payments on time.</li> <li>Achieve member experience survey results of 80% or higher.</li> <li>Provide member services consistent with targets.</li> <li>Perform annual assessment of relationship with Sponsor.</li> <li>Provide timely, comprehensive, and clear communications to members.</li> </ul>	<ul style="list-style-type: none"> <li>✔</li> <li>✔</li> <li>✔</li> <li>✔</li> <li>✔</li> </ul>	<ul style="list-style-type: none"> <li>Manage the provision of member services to meet agreed service levels.</li> <li>Explore opportunities for expanding digital services to members.</li> <li>Coordinate with CBC/Radio-Canada on the upgrade of their human resource management system.</li> <li>Provide updates to members and conduct annual presentations to stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>✔</li> <li>✔</li> <li>✔</li> <li>✔</li> <li>✔</li> </ul>	<ul style="list-style-type: none"> <li>Deliver cost effective services that meet member expectations.</li> <li>Members receive timely, comprehensive, and clear communications through their preferred channel (e.g., opt in for digital only delivery).</li> <li>Improve communication with stakeholders.</li> </ul> 
<p><b>3</b> Maintain effective governance and organizational structures to meet fiduciary obligations and business requirements</p>	<ul style="list-style-type: none"> <li>Meet all regulatory requirements.</li> <li>Obtain an unqualified audit opinion free of any material adjustments.</li> <li>Achieve Trustee meetings and education evaluation grades of good or higher.</li> <li>Cost effective management measured by the benchmark.</li> <li>Achieve Trustee Self-Assessment rating of satisfactory.</li> </ul>	<ul style="list-style-type: none"> <li>✔</li> <li>✔</li> <li>✔</li> <li>✔</li> <li>✔</li> </ul>	<ul style="list-style-type: none"> <li>Implement any new regulatory requirements and conduct 2022 actuarial valuation and audit.</li> <li>Transition the Plan's custody and accounting services to a new financial institution.</li> <li>Assess upgrading the Plan's cloud information technology infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>✔</li> <li>✔</li> <li>✔</li> <li>✔</li> </ul>	<ul style="list-style-type: none"> <li>Ensure organization is well resourced with competent Trustees and management team capable of managing the organization into the future.</li> <li>Achieve best practices in plan governance and oversight.</li> </ul> 
<p><b>4</b> Support a culture of diversity, innovation, continuous learning, and accountability</p>	<ul style="list-style-type: none"> <li>Ensure continuing education items are regularly offered.</li> </ul>	<ul style="list-style-type: none"> <li>✔</li> </ul>	<ul style="list-style-type: none"> <li>Provide continuing education for existing trustees as well as orientation for incoming Trustee(s).</li> <li>Support and grow a diverse and inclusive workforce.</li> <li>Provide training and development opportunities for staff to support our goal of being a learning organization.</li> </ul>	<ul style="list-style-type: none"> <li>✔</li> <li>✔</li> <li>✔</li> </ul>	<ul style="list-style-type: none"> <li>Attract and retain a highly motivated and diverse team that seeks innovative strategies that add value over the long-term.</li> </ul> 

\*Further information on the status of these KPIs and objective can be found in the Asset Performance section of the Communiqué.