

COMMUNIQUÉ

CBC PENSION PLAN QUARTERLY REPORT

Financial Health (unaudited)

The CBC Pension Plan continues to be in a sound financial position with the Plan’s key measures of overall pension plan financial health remaining positive in the quarter. With the COVID 19 pandemic still unresolved, financial markets could be volatile and cause fluctuations in our rate of return and funded statuses in the near-term. We remain confident in our overall long-term investment strategies.

The CBC Pension Plan had an estimated going-concern funding surplus of \$2.8 billion on March 31, 2021, a decrease of \$559 million from the start of the year. The Plan’s estimated going-concern funding ratio was 150.9% at quarter end, a decrease of 10.5% from the start of the year.

The Plan’s estimated funding status on a solvency or windup basis was in a surplus of \$569 million on March 31, 2021, an increase of \$188 million since the start of the year. The Plan’s estimated solvency funding ratio was 107.5% at quarter end, an increase of 2.9% for the year.

Please note that the current period estimates of the Plan’s funded statuses are based on the 2020 year-end membership assumptions updated for current market rates. Membership assumptions and the impact of any regulatory changes are updated only at year end and may result in further adjustments to the Plan’s funded statuses.



Get to Know Your Board Members

Carol Najm

Pension Board Member
March 2021



Ms. Najm joined CBC/Radio-Canada as Vice-President and Chief Financial Officer in March 2021. Ms. Najm brings more than 25 years of experience in leadership roles spanning both the private and public sectors. She has led and overseen major organizational transformation initiatives and had managed the development of policies and programs in a variety of complex environments. Ms. Najm is a Professional Accountant (CPA, CA) and holds both a Bachelor of Commerce and a Bachelor of Administration degree, from the University of Ottawa.

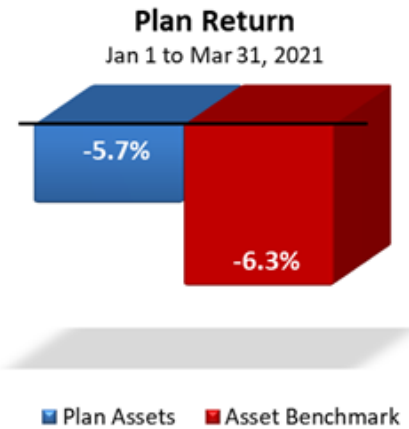
	March 31, 2021	December 31, 2020
NET ASSETS AVAILABLE FOR BENEFITS	\$8,163 million	\$8,706 million
Going Concern Funding Surplus	\$2,754 million	\$3,313 million
Solvency Funding Surplus	\$569 million	\$381 million
Number of Pensions Being Paid	10,080	10,092
Number of Plan Contributors	7,384	7,377

Financial Performance (unaudited)

The Plan had net assets of \$8.2 billion on March 31, 2021, a decrease of \$543 million for the year. The decrease in assets was due to a rise in interest rates in the quarter that had a negative impact on the Plan's fixed income returns.

For the first quarter of 2021, the Plan posted a return of -5.65%, which outperformed its asset benchmark return of -6.33%. The Plan's annualized 4-year return of 8.26% outperformed its asset benchmark return of 7.44%.

Illustrating the mature nature of the Plan, the Plan made pension payments of \$83 million to pensioners and received contributions of \$26 million from CBC/Radio-Canada and employees in the first quarter of 2021.



Investment Strategy

The Plan's Liability-Driven Investment strategy continued to perform well. The strategy targets returns that match the growth in the Plan's pension obligations over the long term. This results in more stable funded positions and enhances benefit security. While performance may fluctuate in any given year, the Plan remains committed to its Liability-Driven Investment strategy.

COVID 19 Update: A Message to Members

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

Member Services

The Plan's members rated pension administration services with an overall satisfaction of 92% during the first quarter of 2021. This was based on a survey of members who called the pension administration center. The Plan strives to deliver a high-quality pension administration service to Plan members in a cost-effective manner.



Governance Matters

At the June 2021 Pension Board meeting, as part of good governance practices, the Trustees completed the annual self-assessment process. The outcome of this assessment sets the Board's goals and objectives for the future and highlights any policies or practices that should be expanded to improve the overall pension plan governance. It also helps identify areas for training and on-going education items to assist Trustees in carrying out their fiduciary and other responsibilities.

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

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





A glossary of common pension terms can be found at cbc-radio-canada-pension.ca/help/glossary-of-terms (under the "Help" tab on the Plan's web site)

Communiqué is the CBC Pension Board's quarterly report to Plan members. For more information on the Plan and operations of the CBC Pension Plan please visit the Pension Board website – cbc-radio-canada-pension.ca

Committed to Benefit Security

FOR FIFTY YEARS... AND BEYOND



STRATEGIC GOALS	KEY PERFORMANCE INDICATOR (KPI) as at March 31, 2021	STATUS	2021 ACTIVITIES as at March 31, 2021	STATUS	DESIRED OUTCOME BY 2025
<p>1 Deliver risk-adjusted net returns to support the financial viability and liquidity needs of the pension plan</p>	<ul style="list-style-type: none"> 4-year Fund return to exceed benchmark portfolio by 0.50%. 4-year Fund return to equal or exceed actuarial required return. Surplus-at-Risk (SAR) volatility trades within Risk tolerance expectations.¹ 	<ul style="list-style-type: none"> ✓ ✓ ⋯ 	<ul style="list-style-type: none"> Invest in a way to meet core fund return objectives. Expand investment exposure as per the new strategic asset mix policy. Develop an updated investment approach to Environmental, Social and Governance (ESG) issues. Evaluate new investment opportunities and approaches. 	<ul style="list-style-type: none"> ✓ ⋯ ⋯ ⋯ 	<ul style="list-style-type: none"> Plan maintains fully funded status. Our strategic asset allocation processes remain best in class. 
<p>2 Provide quality and efficient member pension services and effective communications to members and stakeholders</p>	<ul style="list-style-type: none"> Make Pension payments on time. Member experience survey results of 80% or higher. Provide pension admin service consistent with targets. Annual assessment of relationship with Sponsor. Provide timely, comprehensive, and clear communications to members. 	<ul style="list-style-type: none"> ✓ ✓ ✓ ⋯ ✓ 	<ul style="list-style-type: none"> Manage the provision of member services to meet agreed member service levels. Evaluate opportunities to enhance pension payroll services and provide members with improved digital services. Further enhance the functionality and information available to members through the member services website. Provide updates to members and complete annual presentations to stakeholders. 	<ul style="list-style-type: none"> ✓ ⋯ ⋯ ⋯ 	<ul style="list-style-type: none"> Provide cost effective delivery of services that meet member expectations. Members receive timely, comprehensive, and clear communications through their preferred medium. Improve communication with stakeholders. 
<p>3 Maintain effective governance and organizational structures to meet fiduciary obligations and business requirements</p>	<ul style="list-style-type: none"> Meet all regulatory requirements. Obtain an unqualified audit opinion free of any material adjustments. Trustee meetings and education evaluation grades of Good or higher. Cost effective as measured by the benchmark. Trustee Self Assessment rating of satisfactory. 	<ul style="list-style-type: none"> ✓ ✓ ✓ ⋯ ⋯ 	<ul style="list-style-type: none"> Maintain service levels and effectiveness of operations during the Covid-19 pandemic. Implement any new regulatory requirements and conduct 2020 actuarial valuation. Evaluate the Plan's entity level controls and enhance cybersecurity practices. Develop data management strategy that supports organizational objectives. 	<ul style="list-style-type: none"> ✓ ✓ ⋯ ⋯ 	<ul style="list-style-type: none"> Organization is well resourced with competent Trustees and management team capable of managing the organization into the future. Achieve best practices in plan governance and oversight. 
<p>4 Support a culture of diversity, innovation, continuous learning, and accountability</p>	<ul style="list-style-type: none"> Continuing education items are regularly offered. 	<ul style="list-style-type: none"> ✓ 	<ul style="list-style-type: none"> Provide for orientation for incoming Trustee(s). Provide Trustee continuing education items. Provide training and development opportunities for staff. Reintegrate staff back into the office explore flexible work arrangements. 	<ul style="list-style-type: none"> ⋯ ✓ ✓ ⋯ 	<ul style="list-style-type: none"> Attract and retain a highly motivated and diverse team that seeks innovative strategies that add value over the long-term. 

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