



**Your  
Pension Plan  
Our Focus**

**2018  
HIGHLIGHTS**  
**CBC Pension Plan Annual Report**



# Your Pension Plan Our Focus

**The CBC Pension Board of Trustees understands the trust that is placed on them to **focus** and deliver a secure and reliable long-term benefit to our members.**

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We are committed to ensuring you receive the pension benefits you've worked hard for and earned. In the report that follows, you will find details about the Pension Plan's 2018 activities and performance. We hope it provides reassurance that the plan is secure and stable. We want you to understand and feel confident that your pension will be there when you need it.

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# 2018 HIGHLIGHTS

Excerpts from the 2018 Annual Report



## GOING CONCERN

Funding Surplus

**+\$1.98**

**BILLION**

Funding Ratio

**139.4%**



## SOLVENCY

Funding Surplus

**+\$79.4**

**MILLION**

Funding Ratio

**101.1%**



**\$7.01**

**BILLION**

Net Assets



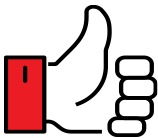
**2.2%**

2018 Rate of Return



**7.1%**

4-year Annualized  
Rate of Return



**96%**

Member Service  
Satisfaction Level



**19,188**

Total Membership

# TRUSTEES REPORT



**The CBC Pension Board of Trustees understands the importance of long-term benefit security.**

Your Pension is Our Focus.

We have a responsibility to administer the CBC Pension Plan to pay pension benefits today and in the many years to come.

We are pleased with the progress that has been made over the years to deliver a secure plan to our members. Sound fund-management practices and a commitment to continuous improvement have delivered positive long-term results. This year, we are especially pleased to report that the Plan reached fully funded status on both a going concern basis and a solvency basis, two key measures that are used to gauge the Plan's health.

The Plan's funding ratios, i.e. the size of the Plan's assets relative to its liabilities are calculated on a going concern basis and a solvency basis, (both are explained further on page 15). At the end of 2018, the Plan's going concern funding ratio was 139.4% which represents a surplus of \$1.98 billion. On a solvency basis, the ratio was 101.1% which equates to a surplus of \$79.4 million. This is the first time since before the 2008 financial crisis that both funding scenarios are above 100%. This is a significant achievement. However, we must continue our focus to maintain a strong, secure Plan for the future.

## **Strategic Execution & Governance**

Maintaining a strong, secure pension plan also requires a robust strategic plan. The Plan has implemented five strategic goals which help drive its short and long-term directions. These goals are outlined on page 2 of the Annual Report.

Some of the key activities completed in 2018 were the transition of the Plan's investments to the new asset mix policy as set out in the 2017 study; a carbon footprint analysis for its key portfolios to ensure it is managing its environmental risk exposure appropriately; an RFP (request for proposal) for the Plan's pension administration and actuarial services for contract renewal in 2020.

# TRUSTEES REPORT

## Thank You

In 2018 the Board of Trustees bid farewell to two members: Ms. Maureen McCaw and Mr. Jonathan Soper. On behalf of the Plan, I would like to personally thank them for their service and dedication to the members. Joining the Board of Trustees during the year were Mr. Calum McLeod and Mr. François R. Roy. We welcome them and look forward to their vision, knowledge and contribution.

The Board of Trustees would also like to sincerely thank Ms. Debra Alves for her service and devotion to the Plan as the Managing Director / CEO for the past 11 years not to mention a total of over 21 years with the Plan. Ms. Alves retired from the Plan in September 2018 and we would like to wish her the best as she moves into this new chapter of her life.

On behalf of the entire Board of Trustees, I would like to thank all pension plan members for the trust that they have placed in us.

Sincerely,



Rob Jeffery  
Chair  
CBC Pension Board of Trustees  
February 16, 2019

## MANAGING DIRECTOR / CEO REPORT



Our core purpose is to ensure that you, our plan members, receive the pension benefits that you have earned. Increasing life expectancies mean that the Plan needs to be ready to make pension payments over the next 80 years. So, as you can see, managing a pension is a very long-term endeavour. As stewards of the Plan, we need to take this in to account and manage the Plan with a long-term focus. We need to provide current retired members with their pensions and we also need to get ready to pay our members who will retire in the future. No matter whether you are retired or will retire far in the future, we want to ensure that the Plan will be able to pay you the pension benefits you have earned.

Our investment strategy, which we have refined over the years, is designed to meet the needs of all members. It is also designed to accommodate the various ups and downs in the equity markets, like we experienced in late 2018. These fluctuations are a normal part of investing in equity markets and do not have any significant impact on our ability to meet our obligations to members. In fact, the Plan frequently takes advantage of short-term fluctuations in equity markets to increase its investment exposures at discounted prices. Members can rest assured that their pension is secure.

The Plan's solvency and going concern funded statuses are the primary way that we assess the Plan's overall financial health. Funding ratios greater than 100% indicate that the Plan holds more than enough assets to meet the long-term obligations of the Plan. I am pleased to report that the Plan ended 2018 with a going concern funded status of 139.4% and a solvency funded status of 101.1%. This is the first year since 2007 that the Plan has had both of its funded statuses above 100%. Getting the solvency funded ratio above 100% has been an extremely difficult challenge for pension plans due to the ultra-low interest rate environment that we have been in.

## MANAGING DIRECTOR / CEO REPORT

Another key measure of the Plan's strength is its ability to earn strong rates of return over the longer term. While the Plan's 2018 return of 2.2% was lower than our longer-term average due to weak equity market returns, the Plan's 4-year return of 7.1% continues to be very strong and exceeds its key return objectives. Total assets in the Plan dropped slightly in 2018 to \$7.01 billion from \$7.11 billion the prior year. The Plan paid out \$300 million to members. More information on the Plan's funded status and rates of return can be found on page 15 and 21 respectively.

2018 was also a productive year allowing us to accomplish strategic goals and annual activities. Our infographic on page 2 provides a snapshot of these achievements. These results were accomplished through the hard work and dedication of the entire pension plan team who are dedicated to the careful management and oversight of the investments and pension benefits administration. I look forward to reporting to you again next year on our continual progress on providing a secure pension benefit to members.

Sincerely,

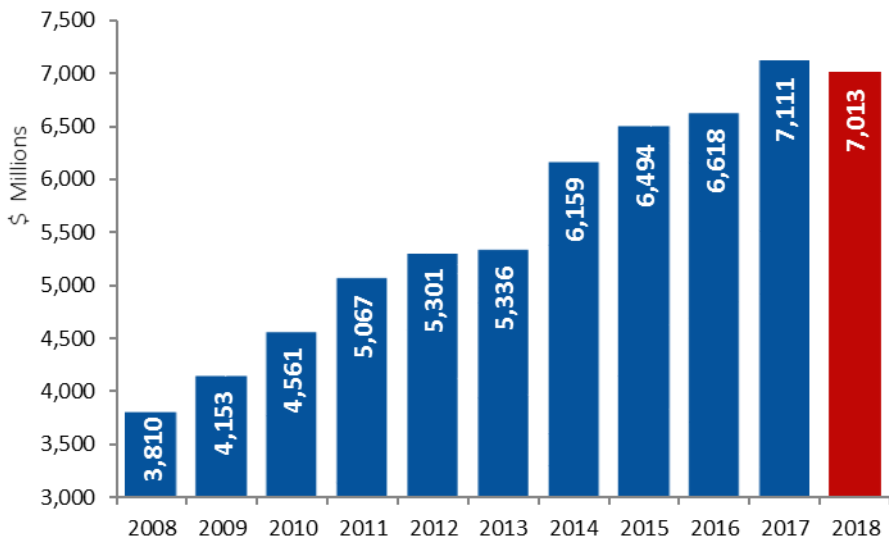


Duncan Burrill  
Managing Director / CEO

# FINANCIAL OVERVIEW

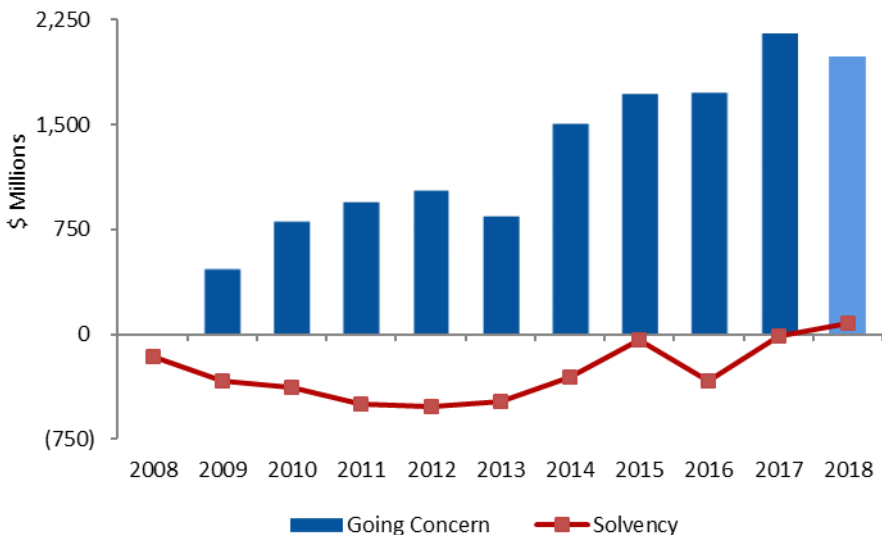
## NET ASSET HISTORY

as at December 31



## FUNDING SURPLUS / (DEFICIT)

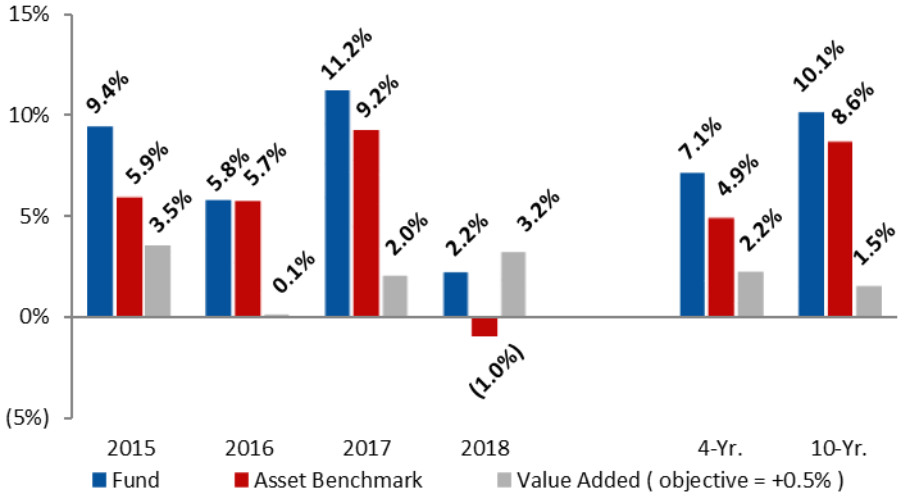
as at December 31





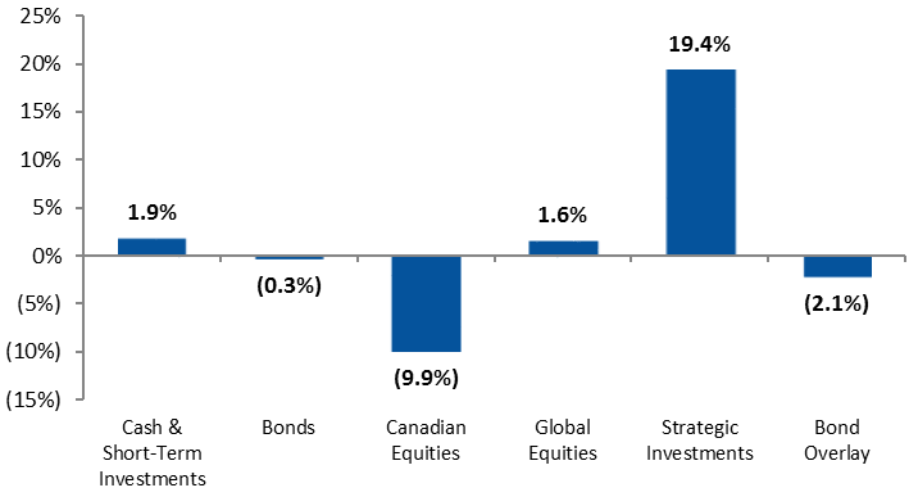
# INVESTMENT OVERVIEW

## ACTUAL FUND RATES OF RETURN vs. ASSET BENCHMARK



## RETURNS BY ASSET CATEGORY

2018



# INVESTMENT OVERVIEW

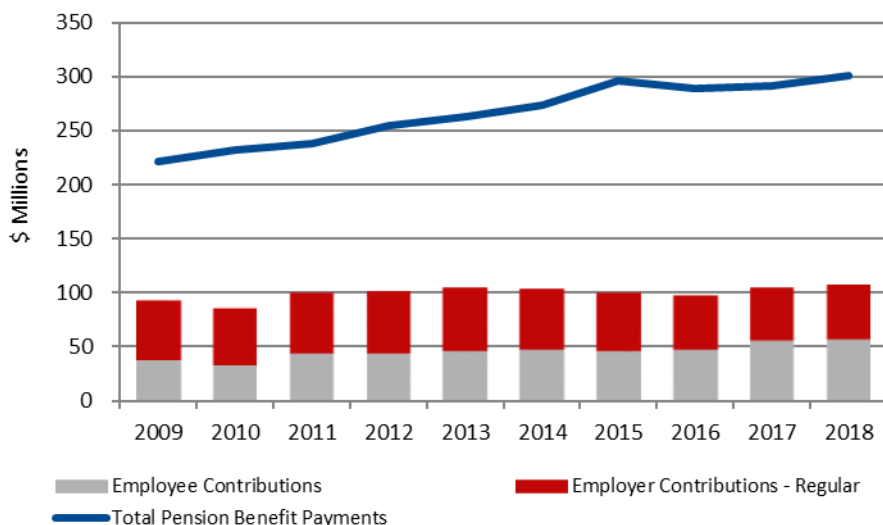
## INVESTMENT PERFORMANCE BY ASSET CATEGORY VS BENCHMARK

Asset Categories	Annualized Compounded Rates Category as a % of Total Investments	1-Year Returns		4-Year Returns*	
		Asset Returns	Benchmark Returns	Asset Returns	Benchmark Returns
<b>Fixed Income:</b>					
Cash & Short-Term Investments	6.6%	1.9%	1.4%	1.3%	0.8%
Nominal Bonds	30.6	(0.4)	0.2	3.7	3.6
Real Return Bonds	10.0	(0.1)	(0.1)	1.8	1.8
Alternatives	0.2	5.1	3.7	5.1	3.7
<b>Publicly Traded Securities:</b>					
Canadian Equities	9.6	(9.9)	(8.9)	1.7	2.5
Global Equities	21.2	1.6	(1.0)	10.9	8.9
<b>Strategic Investments:</b>					
Real Estate	9.9	14.3	4.8	9.7	4.2
Private Equity	10.7	26.7	4.8	20.0	4.2
Hedge Funds	0.6	(15.1)	4.8	(2.1)	4.2
Bond Overlay**	0.6	(2.1)	(2.9)	1.9	1.5
<b>Total / Weighted Average</b>	<b>100.0%</b>	<b>2.2%</b>	<b>(1.0)%</b>	<b>7.1%</b>	<b>4.9%</b>

\* If Asset Categories are less than 4 years old then the 4-Year Returns are inception-to-date returns.

\*\* Bond Overlay total exposure is 41.6%

## CONTRIBUTIONS vs. PENSION BENEFIT PAYMENTS



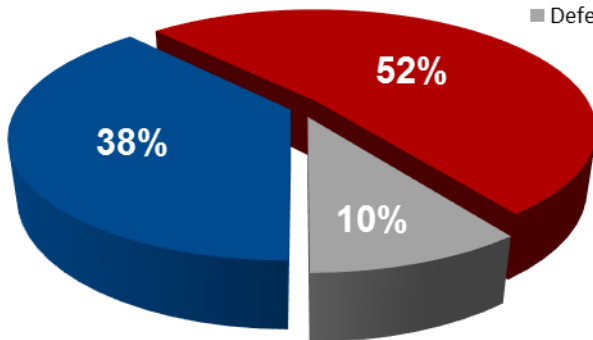
# MEMBERS SERVICES

## PENSION ADMINISTRATION SERVICES

	2018	2017
Member Services satisfaction level (rated as satisfied or very satisfied)	96%	96%
Pension Administration Centre		
Transactions processed	10,596	10,174
Online interactions	20,310	19,181

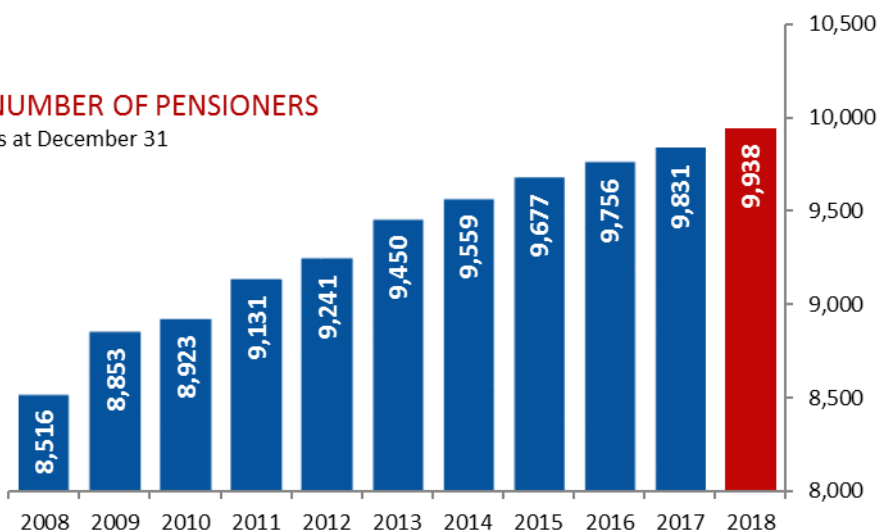
## 2018 MEMBERSHIP DISTRIBUTION

- Active Members
- Pensioners & Survivors
- Deferreds

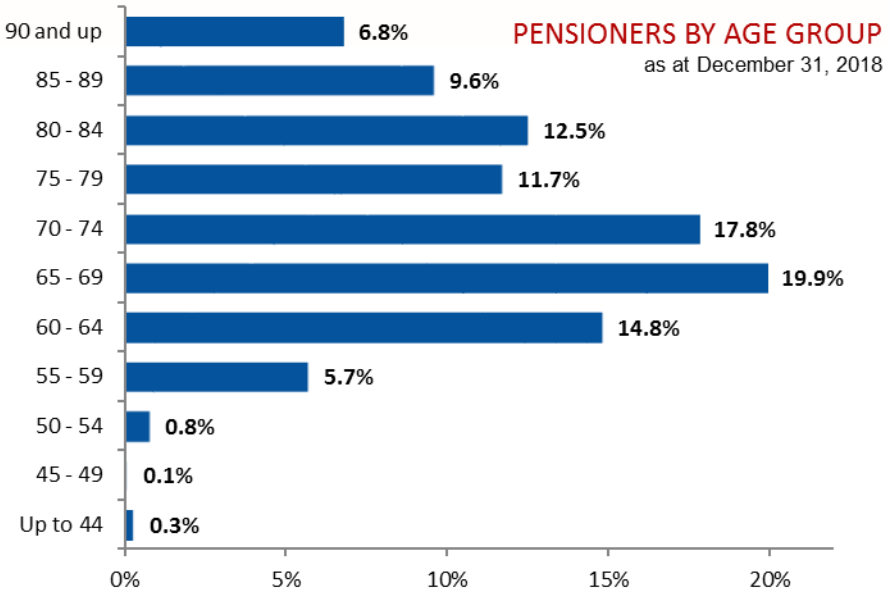
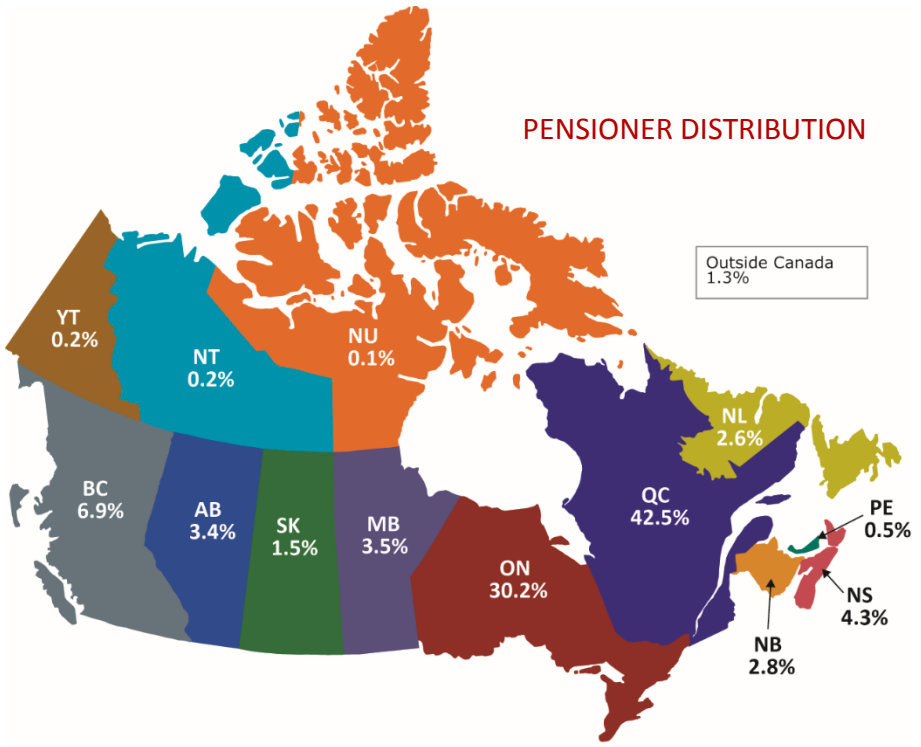


## NUMBER OF PENSIONERS

as at December 31



# MEMBERS SERVICES



# BOARD OF TRUSTEES

(as of December 31, 2018)



**Rob Jeffery**  
(Chair)  
Director  
CBC/Radio-Canada



**Judith Purves**  
Executive Vice-  
President & CFO  
CBC/Radio-Canada



**Monique Marcotte**  
Vice-President,  
People & Culture  
CBC/Radio-Canada



**François Roy**  
Director  
CBC/Radio-Canada



**Alain Pineau**  
Retiree  
Representative



**Calum McLeod**  
Employee  
Representative



**Marie-Andrée Charron**  
Employee  
Representative

## MANAGEMENT

**Duncan Burrill, CPA, CMA**  
Managing Director / CEO

**Julie Murphy, CPA, CGA**  
Secretary / Treasurer

## ADMINISTRATION

**Francesca Adibe, CPA, CGA**  
Senior Manager,  
Risk Management  
& Administration

**Carole Bélanger, ASA**  
Senior Director,  
Pension Administration

**Sheldon Sullivan, CPA, CA**  
Senior Manager,  
Accounting Operations

## INVESTMENT MANAGEMENT TEAM

**Patrizia Cappelli, CFA**  
Portfolio Manager,  
Domestic Bonds

**Laura Hurst, CFA**  
Portfolio Manager,  
Global Equity

**Robert VandenBygaart, CFA**  
Portfolio Manager,  
U.S. Equity

**Miles Whittingham, CFA**  
Portfolio Manager,  
Strategic Investments

**Paul Gasperetti, CFA**  
Portfolio Manager,  
Canadian Equity

**Nadi Tadros, CFA**  
Portfolio Manager,  
Global Equity

# COMMUNICATION

You are invited to review the Annual Report on our internet site or request a hard copy at the addresses below. The main report contains:

- The Financial Report which includes the audited financial statements, auditor's report, actuary's opinion and management's letter of responsibility for financial reporting;
- Details on Pension Plan Governance practices of your Plan;
- Management Discussion and Analysis which assists in giving an appreciation of the Plan's financial position and performance over the past year.

We welcome your comments and suggestions for this annual report as well as other aspects of your communications program.

Please address your comments to:

**CBC Pension Board of Trustees**  
**99 Bank Street, Suite 919**  
**Ottawa, Ontario K1P 6B9**

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Internet – active members: [io.cbrc.ca/#/pac](http://io.cbrc.ca/#/pac)  
pensioners: [www.pensionadmin-cbc-src.ca](http://www.pensionadmin-cbc-src.ca)

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