

Building a Foundation For Your Future



2019

HIGHLIGHTS

CBC Pension Plan Annual Report



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

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 2019 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.

Would you like to receive information about the CBC Pension Plan **sooner** and **directly** to your email inbox?

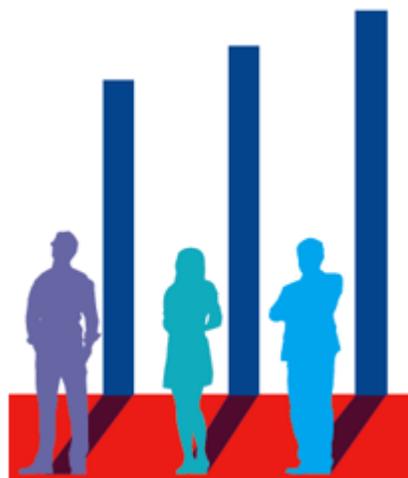
Help **YOUR** Pension Plan **save** administration costs by providing us with your email address.



To consent to receive Pension Plan updates by email, please send an email to CBC Pension at:

pension@cbc.ca

Include your full name and CBC ID in the email.



2019 HIGHLIGHTS

Excerpts from the 2019 Annual Report



GOING CONCERN

Funding Surplus

+\$2.79

BILLION

Funding Ratio

153.4%



SOLVENCY

Funding Surplus

+\$229.3

MILLION

Funding Ratio

102.9%



\$8.02

BILLION

Net Assets



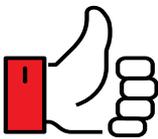
18.1%

2019 Rate of Return



9.2%

4-year Annualized
Rate of Return



95%

Member Service
Satisfaction Level



19,449

Total Membership

TRUSTEES REPORT



As a Board, we have a responsibility to administer the CBC Pension Plan to pay pension benefits today and in the many years to come. Our focus continues to be on ensuring that the Plan remains a high-performing organization able to maintain its success over the long-term.

We understand the importance of long-term benefit security.

We are pleased with the progress 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. We are pleased to report that the Plan remains financially healthy and continues to be fully funded on both a going concern basis and a solvency basis, two key measures 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 16 of the Annual Report). At the end of 2019, the Plan's going concern funding ratio was 153.4% which represents a surplus of \$2.8 billion. On a solvency basis, the ratio was 102.9% which equates to a surplus of \$229 million. While both funding scenarios continue to be above 100%, our focus remains on the long-term sustainability of the Plan.

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 2019 were to conduct a Strategic Asset Mix review to ensure that the Plan's portfolio of assets is able to meet its long-term objectives, to update the Plan's investment beliefs, and to negotiate a new contract for the Plan's pension administration and actuarial services.

As a Board, we continue to look for ways to enhance our oversight and in 2019, we completed a Canadian Association of Pension Supervisory Authorities (CAPSA) governance review which confirmed that the Plan has sound and effective governance practices in place.

TRUSTEES REPORT

Thank You

In 2019, the Board of Trustees bid farewell to Ms. Monique Marcotte who left the Board at the end of June after 3 years of service. I would like to personally thank Ms. Marcotte for her service and dedication to the members.

Joining the Board of Trustees during the year was Mr. Marco Dubé, Vice-President, People and Culture at CBC/Radio-Canada, and Mr. Michael Mooney, Interim Vice-President and Chief Financial Officer at CBC/Radio-Canada. We welcome them and look forward to their vision, knowledge and contribution.

On behalf of the entire Board of Trustees, I would like to thank the whole team for their hard work and success this past year. I would also like to take this opportunity to thank all pension plan members for the trust that they continue to place in us.

Sincerely,



Rob Jeffery

Chair

CBC Pension Board of Trustees

MANAGING DIRECTOR / CEO REPORT



The year 2019 was an incredibly strong year for financial markets with both equities and fixed income posting double digit returns. As a result, your Plan posted a return of 18.1% and assets increased by \$1 billion. This was truly an exceptional year that we do not expect to repeat anytime soon. Our purpose to provide safe and secure pension benefits to you, our members, does not rely on strong returns in any single year. This is true in years when markets are up strongly, like in 2019, or when they decline, like has happened at the start of 2020.

The bedrock of our ability to provide members with pension benefit security has been our strong, independent governance processes. In 2019, we put considerable effort into refining some of our governance processes to ensure that this foundation remains a source of strength.

Our focus is firmly on the long-term, and on building the foundation and processes that support our long-term success.

Innovation

Another key to our long-term success has been our culture of innovation. We have a long history of being innovative including being early movers into alternative asset classes and in having internal asset management. This has served us extremely well. Our early adoption of the innovative Liability-Driven Investment (LDI) strategy has contributed immensely to our performance. In 2019 we reviewed this strategy to make sure that it provided the optimal approach for providing stable and secure pensions to our members in the most cost-effective way. Our assessment both validated the continuing appropriateness of the investment strategy, while also identifying some enhancements to the strategy that we will be implementing in 2020. We view a culture of continuous assessment and improvement as critical to our ability to meet our mission and will continue to assess enhancements in all areas of our operations.

MANAGING DIRECTOR / CEO REPORT

Financial Health of the Plan

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 2019 with a going concern funded status of 153.4% and a solvency funded status of 102.9%. Members can rest assured that their pension is secure.

As mentioned previously, we focus on longer-term measures of performance in assessing our success in achieving our mission. The Plan's 4-year return of 9.2% was very strong and exceeded all key return objectives. Total assets in the pension fund increased significantly in 2019 to \$8.0 billion from \$7.0 billion the prior year. The pension plan paid out over \$310 million to members.

The Current Environment

While the COVID-19 pandemic has had considerable impact on financial markets and the economy, the Plan has had a strong track record of weathering market volatility and downturns. Our long-term track record of superior performance and our liability driven investment strategy have positioned the Plan well to navigate the current market turmoil. We remain committed to careful management and oversight of the investments even through market uncertainty. Members can rest assured that their pension is secure. Please visit our website <http://cbc-radio-canada-pension.ca> for additional information.

The year 2019 represented a year of strong results and the achievement of several key strategic goals and annual activities. Our infographic on page 2 of the Annual Report provides a snapshot of these achievements. These results were accomplished through the hard work and dedication of the entire pension plan team who are committed 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 you, our members.

Sincerely,



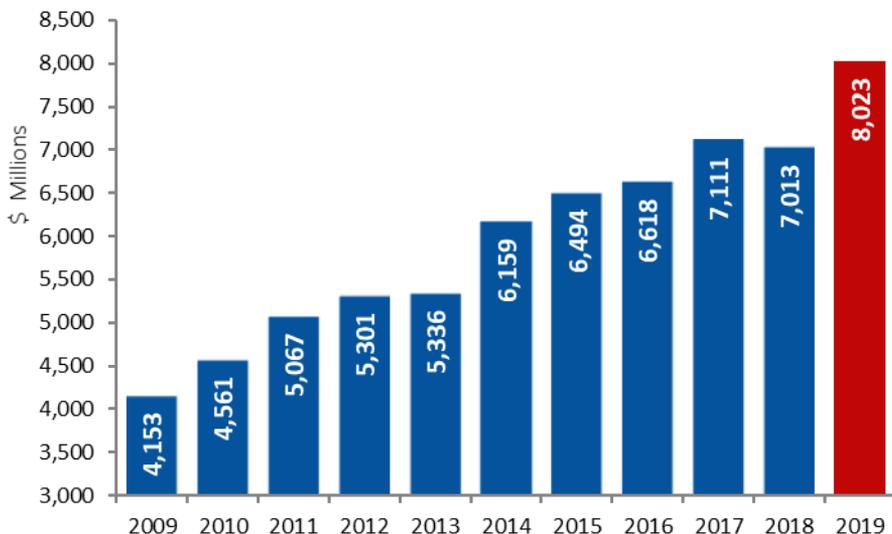
Duncan Burrill

Managing Director / CEO

FINANCIAL OVERVIEW

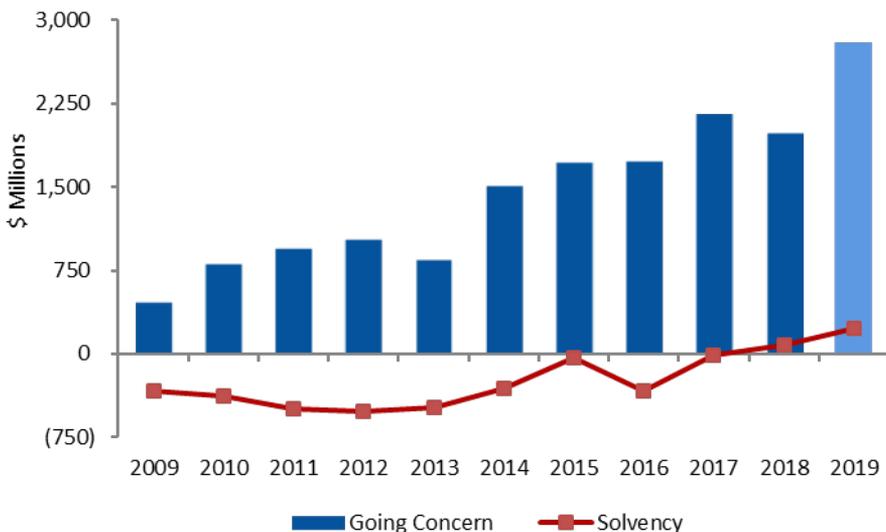
NET ASSET HISTORY

as at December 31



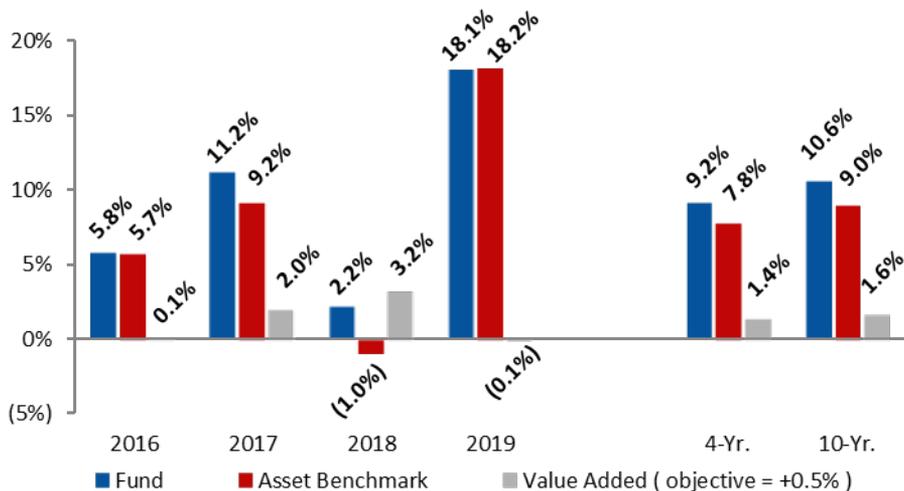
FUNDING SURPLUS / (DEFICIT)

as at December 31



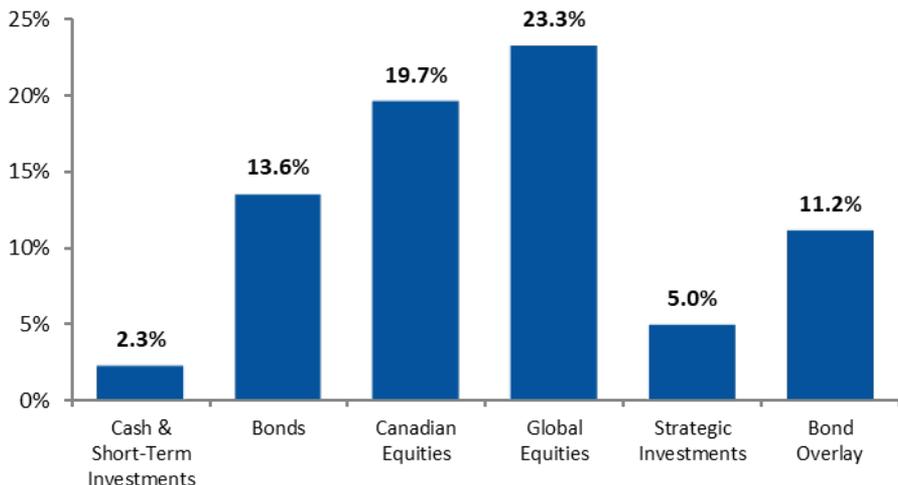
INVESTMENT OVERVIEW

ACTUAL FUND RATES OF RETURN vs. ASSET BENCHMARK



RETURNS BY ASSET CATEGORY

2019



INVESTMENT OVERVIEW

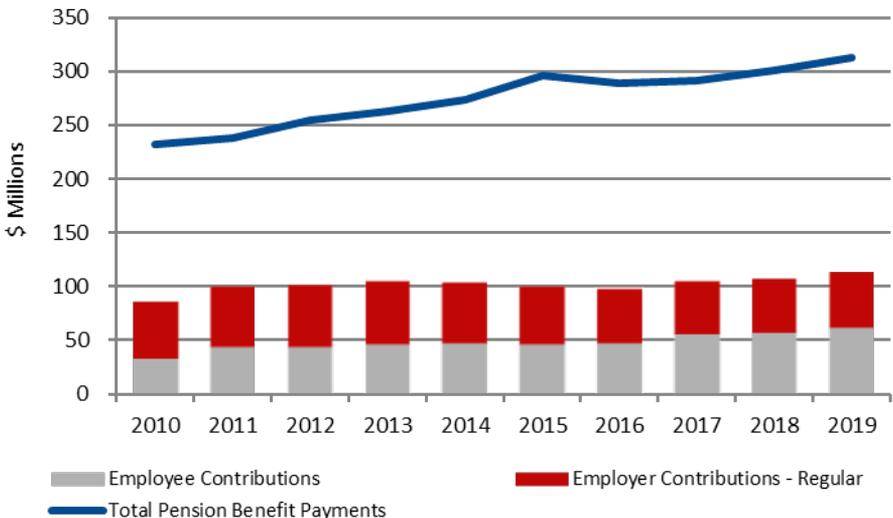
INVESTMENT PERFORMANCE BY ASSET CATEGORY VS BENCHMARK

Asset Categories	Annualized Compounded Rates	1-Year Returns		4-Year Returns*	
		Category as a % of Total Investments	Asset Returns	Benchmark Returns	Asset Returns
Fixed Income:					
Cash & Short-Term Investments	5.6%	2.3%	1.7%	1.6%	1.0%
Nominal Bonds	30.4	13.6	13.0	6.0	5.8
Real Return Bonds	9.6	8.6	8.6	3.2	3.2
Alternatives	0.5	3.0	16.9	3.6	10.1
Publicly Traded Securities:					
Canadian Equities	9.3	19.7	22.9	8.5	10.3
Global Equities	25.9	23.3	20.2	11.8	9.4
Strategic Investments:					
Real Estate	9.7	8.6	6.0	9.0	4.7
Private Equity	8.7	0.8	9.8	10.0	5.6
Hedge Funds	0.6	20.5	5.1	(1.0)	4.4
Bond Overlay**	(0.3)	11.2	10.8	3.9	3.4
Total / Weighted Average	100.0%	18.1%	18.2%	9.2%	7.8%

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

** Bond Overlay total exposure is 32.1%

CONTRIBUTIONS vs. PENSION BENEFIT PAYMENTS

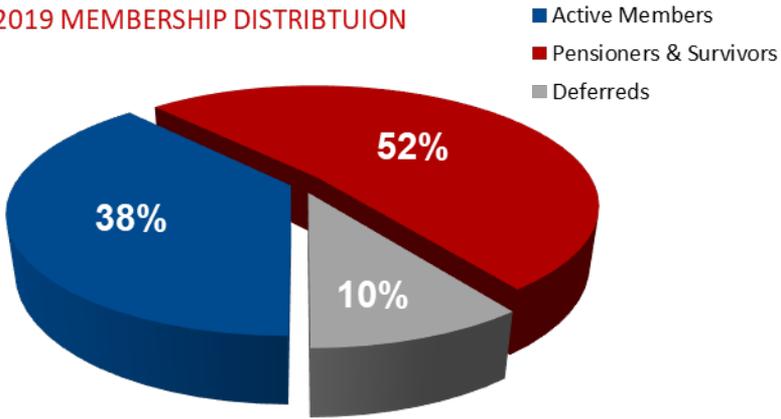


MEMBER SERVICES

PENSION ADMINISTRATION SERVICES

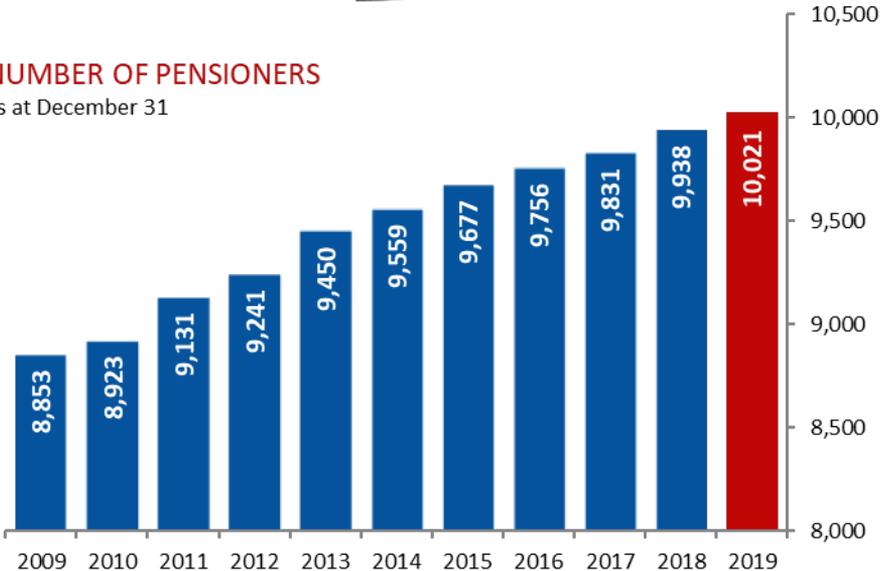
	2019	2018
Member Services satisfaction level (rated as satisfied or very satisfied)	95%	96%
Pension Administration Centre		
Transactions processed	11,608	10,596
Online interactions	25,031	20,310

2019 MEMBERSHIP DISTRIBUTUION

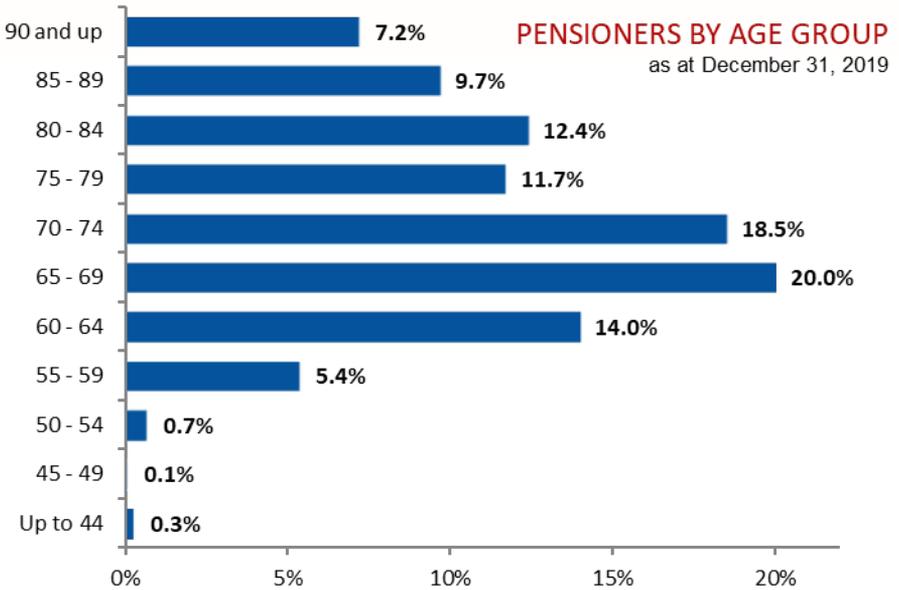
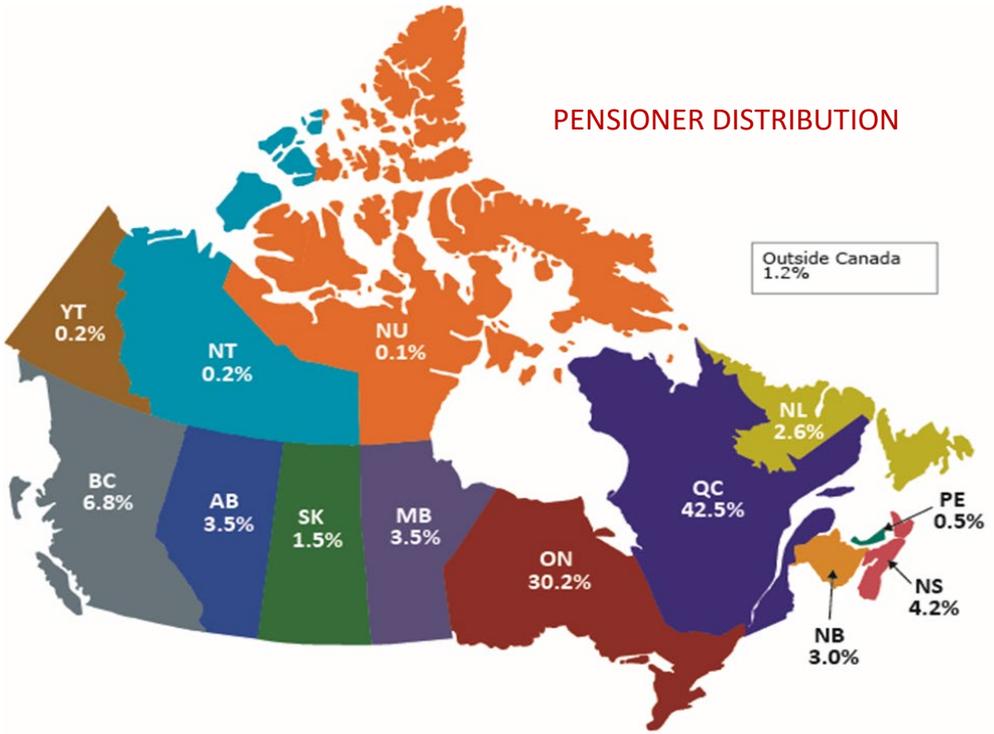


NUMBER OF PENSIONERS

as at December 31



MEMBER SERVICES



BOARD OF TRUSTEES

(as of December 31, 2019)



Rob Jeffery
(Chair)
Director
CBC/Radio-Canada



Michael Mooney
Acting Vice-President
& CFO
CBC/Radio-Canada



Marco Dubé
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 the Highlights or the 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

Telephone: (613) 688-3900
Fax: (613) 688-3901
E-mail: pension@cbcpension.ca

Internet – general: www.cbc-radio-canada-pension.ca
Internet – active members: io.cbrc.ca/#/pac
pensioners: www.pensionadmin-cbc-src.ca

This document has been delivered in your preferred language we currently have on file. If you would like to change your preferred language, please email pension@cbc.ca with your name, email address and your preferred language of communication (English or French).

Ce document vous est transmis dans la langue de votre choix que nous avons présentement en dossier. Si vous souhaitez une mise à jour de votre langue préférée, veuillez nous envoyer un courriel à pension@radio-canada.ca avec votre nom, votre adresse courriel et votre langue de communication préférée (français ou anglais).