

COMMUNIQUÉ

CBC PENSION PLAN QUARTERLY REPORT

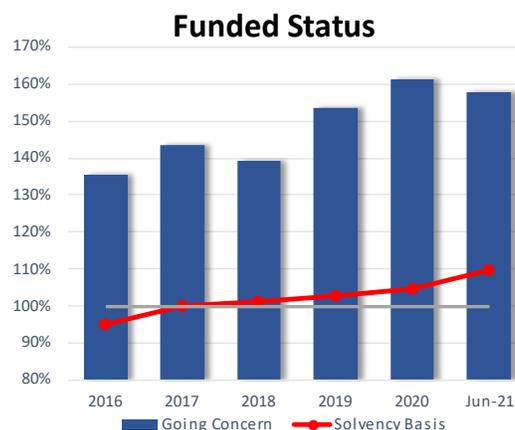
Financial Health (unaudited)

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 \$3.1 billion on June 30, 2021, a decrease of \$0.2 billion from the start of the year. The Plan’s estimated going-concern funding ratio was 157.7% at quarter end, a decrease of 3.7% from the start of the year.

The Plan’s estimated solvency (or windup basis) funded status was in a surplus of \$760 million on June 30, 2021, an increase of \$379 million since the start of the year. The Plan’s estimated solvency funding ratio was 109.8% at quarter end, an increase of 5.2% for the year. This represents the highest estimated funded status in 20 years.

Please note that the current period results are based on estimates and do not include changes in membership assumptions or the impact of any regulatory changes that may result in further adjustments to the Plan’s funded status.



The CBC Pension Board of Trustees celebrates its 60th anniversary



The first meeting of the CBC Pension Board of Trustees was held August 3rd, 1961. Initially, the investments and pension payments were managed by the Montreal Trust and Royal Trust companies. In 1979, the Trustees introduced internal professional investment management. In 2004, the call center and pension administration services were outsourced. Even though there have been many changes in Board members over time, the CBC Pension Board of Trustees’ goals have always remained the same; to provide high quality service to all Plan members and to secure member benefits through the diligent management of the CBC Pension Fund.

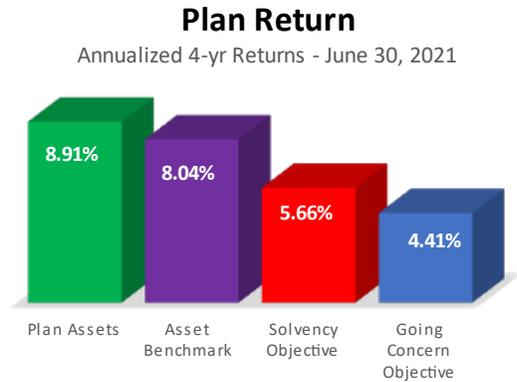
	June 30, 2021	December 31, 2020
NET ASSETS AVAILABLE FOR BENEFITS	\$8,561 million	\$8,706 million
Going Concern Funding Surplus	\$3,132 million	\$3,313 million
Solvency Funding Surplus	\$760 million	\$381 million
Number of Pensions Being Paid	10,124	10,092
Number of Plan Contributors	7,377	7,377

Financial Performance (unaudited)

The Plan had net assets of \$8.6 billion on June 30, 2021, a decrease of \$145 million for the year. The decrease in assets was due to a rise in interest rates in the first half of the year that had a negative impact on the Plan's fixed income returns.

Illustrating the mature nature of the Plan, the Plan made pension payments of \$163 million to pensioners and received contributions of \$54 million from CBC/Radio-Canada and employees in the first half of 2021.

The Plan focuses on longer-term measures of performance in assessing our success in achieving our mission. The Plan's annualized 4-year return of 8.91% outperformed its asset benchmark return and its solvency and going-concern objectives for the period.



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 93% during the second 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

One of the Pension Board's essential practices under its governance framework is to hold regular Trustee education sessions. A full day of education was held at the September Board meeting. Key presentations from external guest speakers included a review of the fiduciary duties of Trustees, an update on regulatory developments and a global economic update.

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 infograph 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 SIXTY YEARS... AND BEYOND



STRATEGIC GOALS	KEY PERFORMANCE INDICATOR (KPI) as at June 30, 2021	STATUS	2021 ACTIVITIES as at June 30, 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. 	<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 remains 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 and 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. 