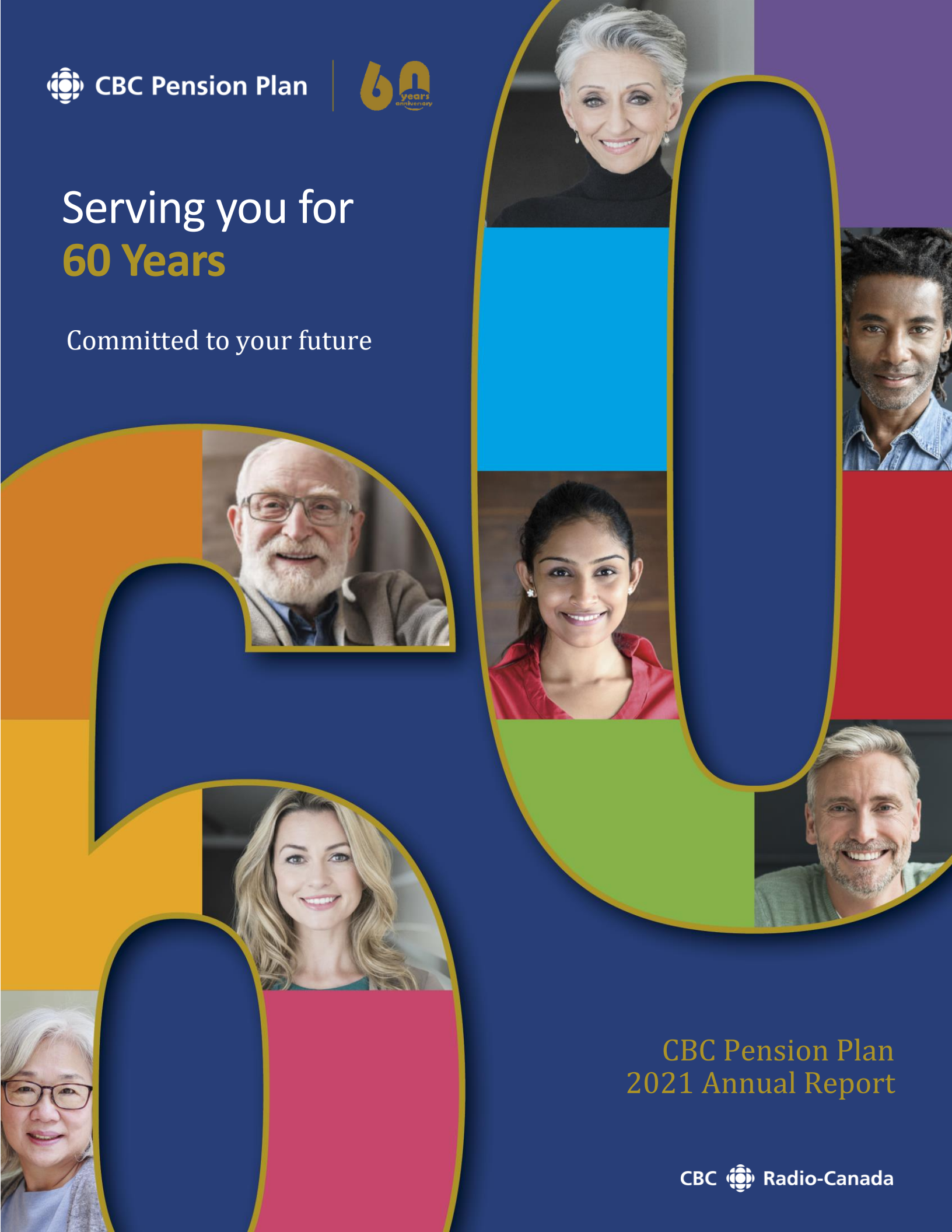
CBC Pension Plan

Serving you for 60 Years

Committed to your future



CBC Pension Plan
2021 Annual Report

CBC Radio-Canada

For over 60 years, the CBC Pension Board of Trustees has focused on building a reliable and sustainable long-term pension plan for our members.

We are committed to ensuring that you receive the pension benefits you've worked hard for. In the report that follows, you will find details about the CBC Pension Plan's activities and performance in 2021. We want you to understand how the Plan is working for you so you can feel confident that your pension will be there when you need it.

It's a promise our members can trust.

Financial Overview

2021 HIGHLIGHTS

GOING-CONCERN
Funding Ratio

167.9%

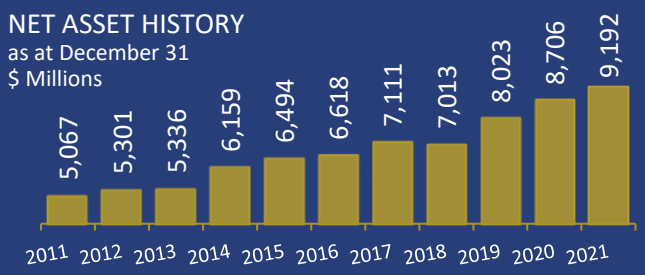
Funding Surplus **$3.72** Billion

SOLVENCY
Funding Ratio

113.1%

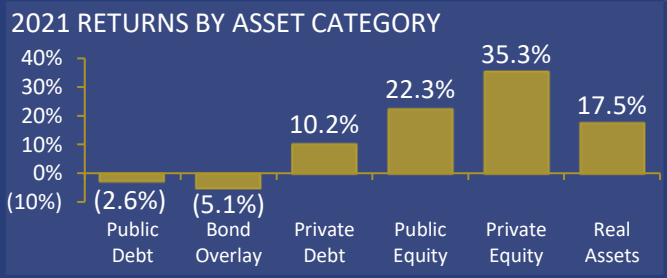
Funding Surplus **$1.07** Billion

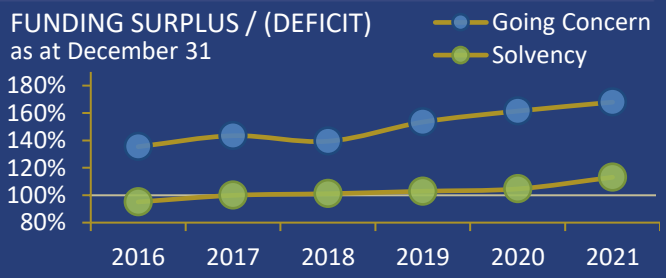
$9.2
Billion
Net Assets



8.2%
2021
Rate of Return

9.8%
4-year annualized
Rate of Return





Membership Overview

2021 HIGHLIGHTS

10,164
Retired members (52%)

7,402
Active members (38%)

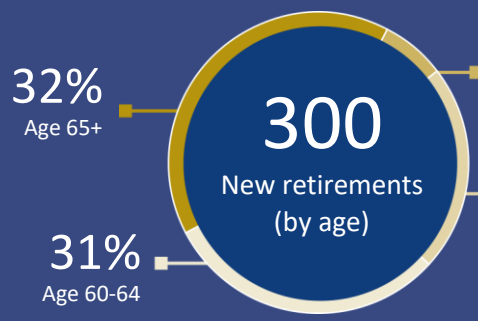
2,125
Deferred members (10%)

5%
Growth in membership from 2011

1.4 to 1
Retired to active member ratio

$322M
Total pensions paid in the year

61.7
Active members' average age at retirement



74.2
Average age of those receiving pension benefits

Retired members

12 age 100 and over

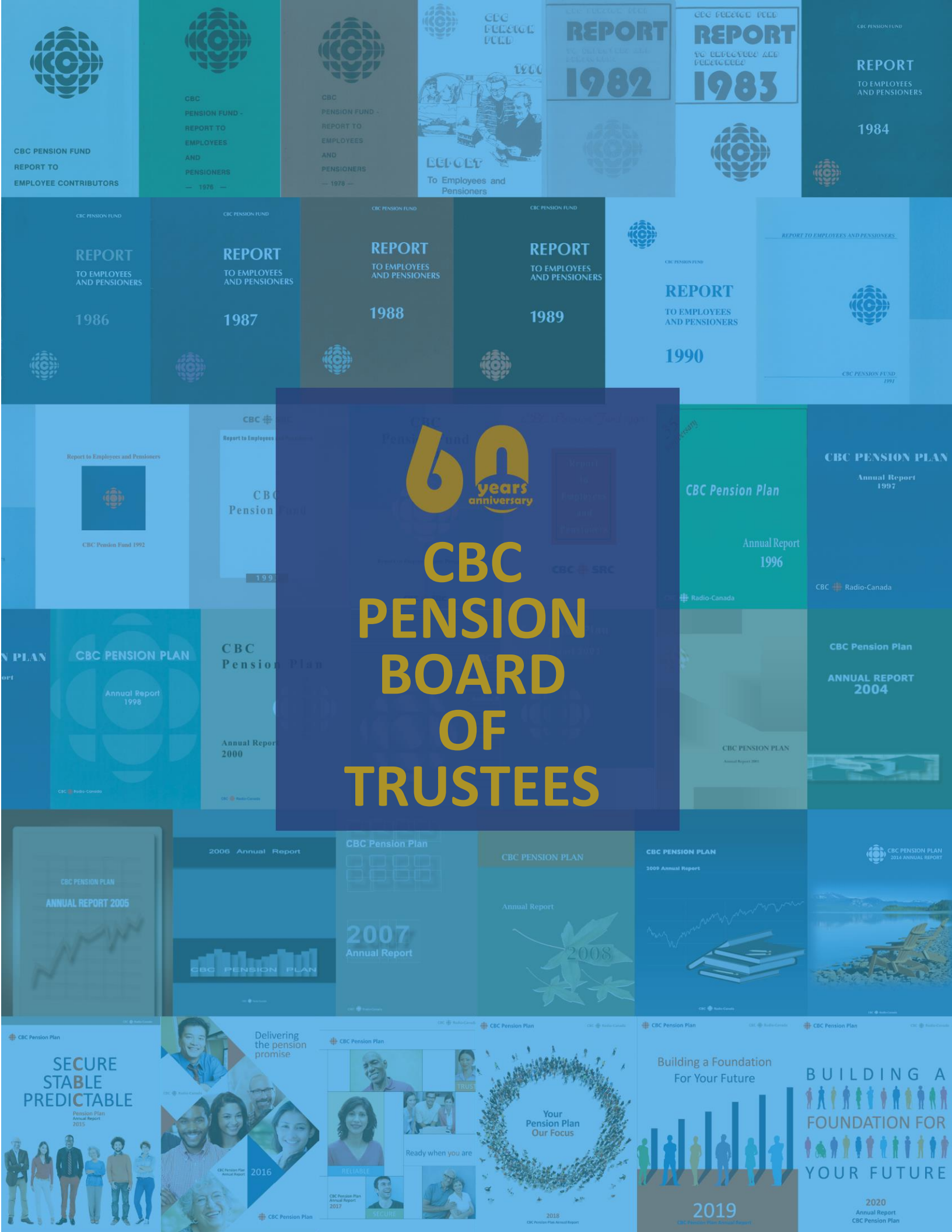
672 age 90 and over

Activity

2021 HIGHLIGHTS

Achieved | Underway/Planned | Incomplete/Not met

STRATEGIC GOALS	KEY PERFORMANCE INDICATOR (KPI) at December 31, 2021	STATUS	2021 ACTIVITIES at December 31, 2021	STATUS	DESIRED OUTCOME BY 2025
1 Deliver risk-adjusted net returns to support the financial viability and liquidity needs of the pension plan.	• 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.	✓ ✓ ✓	• Invest in a way to ensure core fund return objectives are met. • 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.	✓ ✓ ✓ ✓	• Plan maintains fully funded status. • Our strategic asset allocation processes remain best in class.
2 Provide quality and efficient member pension services and effective communications to members and stakeholders. 1 The LifeWorks Pension Administration Centre was challenged to meet all minimum service levels due to COVID-19 related staffing impacts. We are monitoring and expect service levels to improve in the coming months.	• Make pension payments on time. • Achieve member experience survey results of 80% or higher. • Provide member services consistent with targets.[1] • Perform annual assessment of relationship with Sponsor. • Provide timely, comprehensive, and clear communications to members.	✓ ✓ ✗ ✓ ✓	• 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.	✓ ✓ ✓ ✓	• Deliver cost-effective services that meet member expectations. • Ensure members receive timely, comprehensive, and clear communications through their preferred media. • Improve communication with stakeholders.
3 Maintain effective governance and organizational structures to meet fiduciary obligations and business requirements.	• Meet all regulatory requirements. • Obtain an unqualified audit opinion free of any material adjustments. • Achieve Trustee meetings and education evaluation grades of "good" or higher. • Cost-effective management as measured by the benchmark. • Achieve Trustee Self-Assessment rating of satisfactory.	✓ ✓ ✓ ✓ ✓	• 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. • Undertake first phase of data management strategy.	✓ ✓ ✓ ✓	• Ensure 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.
4 Support a culture of diversity, innovation, continuous learning, and accountability	• Ensure continuing education items are regularly offered.	✓	• Provide orientation for incoming Trustees. • Provide Trustees with continuing education items. • Provide training and development opportunities for staff. • Reintegrate staff back into the office and explore flexible work arrangements.	✓ ✓ ✓ ✓	• Attract and retain a highly motivated and diverse team that seeks innovative strategies that add value over the long term.



60 years anniversary

CBC PENSION BOARD OF TRUSTEES

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This annual report is available online at
www.cbc-radio-canada-pension.ca

PENSION PLAN PROFILE

The Canadian Broadcasting Corporation Pension Plan (Plan) is a contributory defined benefit pension plan covering substantially all CBC/Radio-Canada employees and was established on September 1, 1961. The Plan is federally regulated and is governed by the provisions of the *Pension Benefits Standards Act*, *1985* (Act), and the Regulations thereof.

The primary purpose of the Plan is to provide defined pension benefits for its members in accordance with the CBC Pension Plan text (and other documents) describing the Plan. The pension benefits received by members are financed by the Plan's assets and investment earnings as well as the contributions of CBC/Radio-Canada and the participating employees.

CONTRIBUTIONS

Contributions are based on the salary and the yearly maximum pensionable earnings (YMPE).

	2021	2020
YMPE	$61,600	$58,700

Contribution Rates	Employer		Employee	
	Before July 2021	After July 2021	Before July 2021	After July 2021
Salary up to YMPE	9.40%	9.20%	8.27%	8.44%
Salary above YMPE*	9.40%	9.20%	10.87%	11.10%

* Subject to the maximum salary allowed under the *Income Tax Act*.

PENSION BENEFITS

Pension benefit payments are adjusted each January 1 for inflation up to a maximum of 2.7% a year. This is called the annual indexation rate adjustment.

All pension benefit payments are determined using a formula based on pensionable salary, pensionable service and average YMPE.

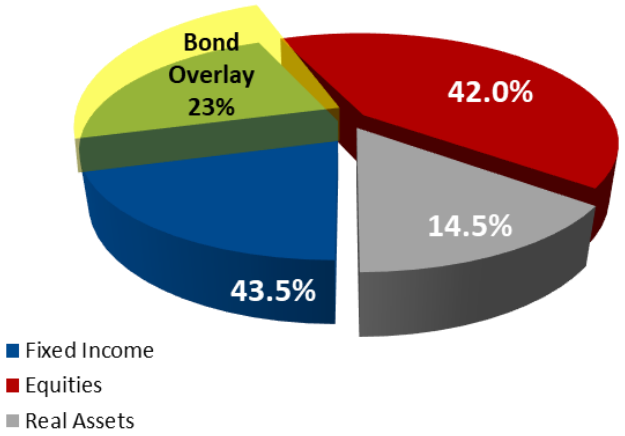
	2022	2021	2020
Indexation Rate Adjustment	2.41%	1.04%	1.93%

ASSET PROFILE

The Plan's assets are administered by the CBC Pension Board of Trustees (Board of Trustees) by virtue of the Trust Deed between CBC/Radio-Canada and the Board of Trustees. The Board of Trustees is responsible for investing the Plan's assets and in doing so, identify and pursue investment opportunities in accordance with the Act, the Regulations to the Act, and the Plan's Statement of Investment Policy and Procedures (SIP&P). The asset mix comprises two broad categories of assets. The first, the fixed income class (the matched assets), shares the pension plan obligations' sensitivity to changes in interest rates and inflation. This also includes a "Bond Overlay" consisting of derivatives used to hedge interest rate and inflation changes. The second category includes publicly traded equities and private investments (the return-seeking assets), which provide a higher expected rate of return over the long term but are generally more volatile.

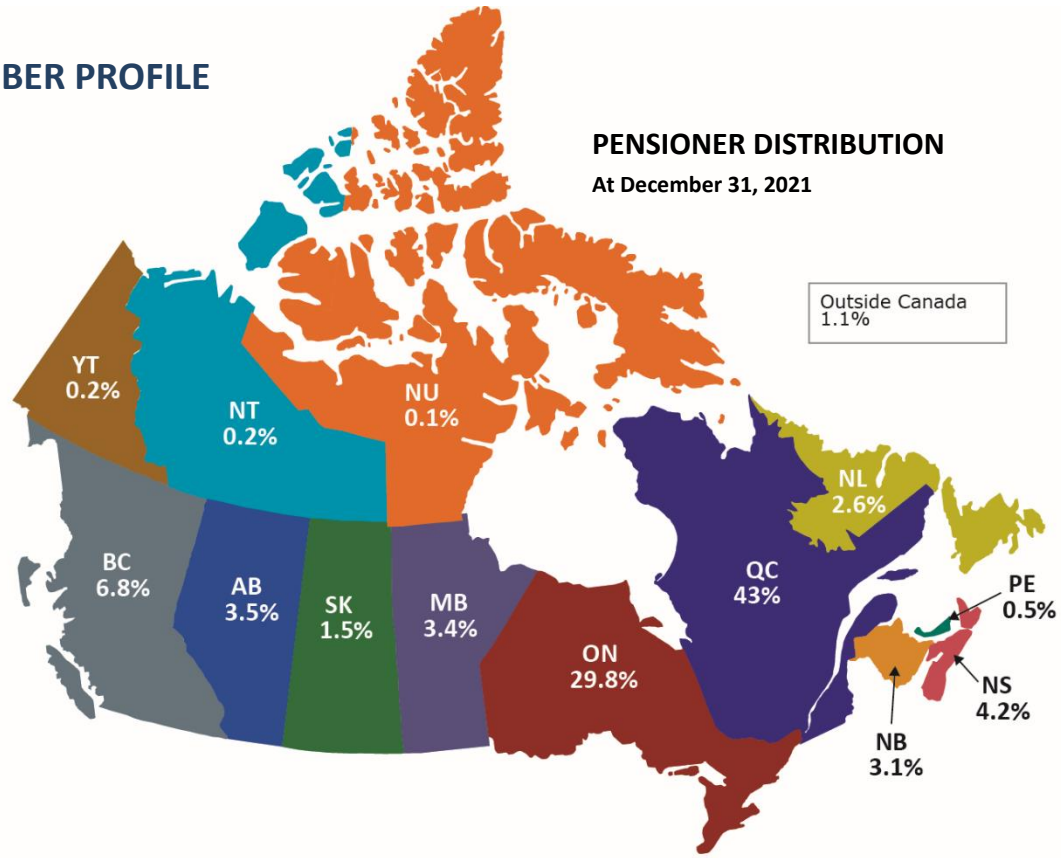
The Plan is actively managed by a group of internal and external portfolio managers under the guidance of the Managing Director / CEO. The Plan's management objective is to generate returns after deductions for management fees and administration costs that equal the annual average increase in a benchmark portfolio plus 0.5% on a 4-year moving average basis.

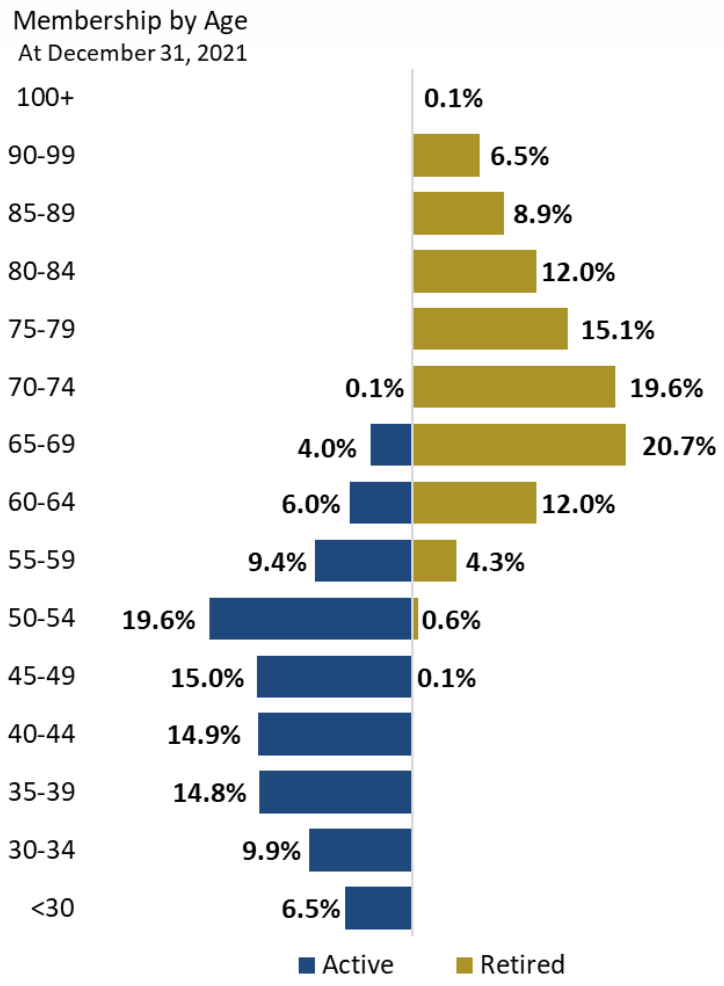
2021 POLICY ASSET MIX

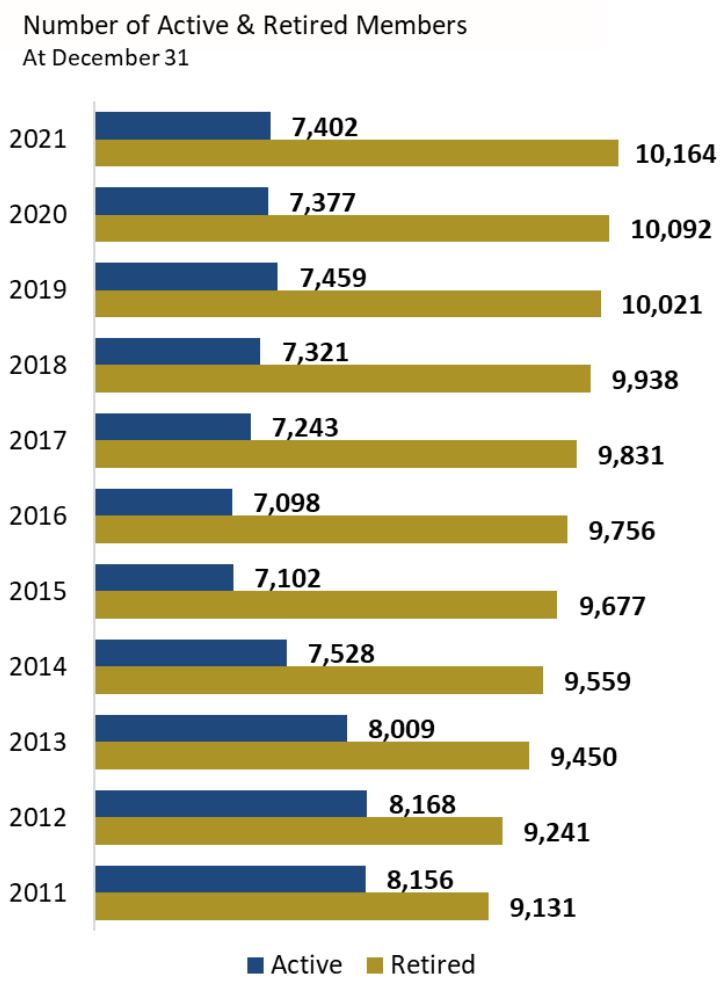


CBC Pension Plan

MEMBER PROFILE







MEMBER SERVICES

The Board of Trustees is responsible for the administration of the Plan, which includes the payment of pension benefits from the Plan to those who have retired or resigned and to survivors of those whose death occurred in service or after retirement.

Our objective is to provide members with high-quality service in a cost-effective manner. We do this by partnering with the firm of LifeWorks Inc (formerly Morneau Shepell Ltd) who deliver member services for CBC/Radio-Canada employees and pensioners through the Pension Administration Centre (PAC). The Plan closely monitors the quality of services delivered.

The Plan's members are encouraged to use the PAC website (www.pensionadmin-cbc-src.ca) for all their pension-related needs The website remains the most efficient and cost-effective method for employees and pensioners to access their personal pension information.

Pension and buy-back calculations → **1,869** Calculations

Payment authorizations → **1,623** Payments authorized

Toll-free call centre → **7,024** Calls
Member satisfaction at 92%

Secure website → **26,448** logins

Tools for active members: pension projection, retirement calculator, and buy-back cost → Accessed **45,990** times

Trustees Report

Providing Retirement Security for 60 Years

This past year, the CBC Pension Plan celebrated an important milestone, marking its 60th anniversary on September 1, 2021. Over the past 60 years, the CBC Pension Board of Trustees' goals have always remained the same: to deliver a sustainable pension plan to current and future retirees and to provide high quality member services.

We are committed to ensuring that the benefits you have earned will be there when you need them and that your pension remains secure. 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.

Strategic Execution & Governance

As Trustees, our role is to provide sound guidance and governance around pension administration, investments, and risk to protect the Plan's long-term health. Maintaining a healthy pension plan also requires a robust strategic plan. The Plan has four strategic goals for ensuring that members can enjoy continued retirement security and CBC/Radio-Canada can maintain stable contributions. The Plan's performance against its strategic goals and the key activities can be found on page iv at the beginning of the Annual Report.

Some of the key activities the Board of Trustees completed in 2021 included enhancing our cybersecurity practices, evaluating opportunities to enhance digital services to members, and continuing to adjust the blend of assets in our investment portfolio to optimize the balance between safety and investment returns.

The Board of Trustees has also increased its focus on the Plan's responsible investment activities and the extent to which environmental, social, and governance factors (ESG) are integrated in the Plan's approach to managing investments. Further information on the Plan's responsible investing policy and implementation can be found on page 10 of the Annual Report.

Thank You

On behalf of the entire Board of Trustees, I would like to commend the Plan's management and the team for their great work. They did an outstanding job ensuring that the investment operations and member administration services continued uninterrupted through another year of the pandemic. Pension plan members can be confident that their continued trust in our team is well placed.

In 2021, the Board of Trustees bid farewell to Mr. Michael Mooney who left the Board at the end of March after two years of service. On behalf of the Board of Trustees, I would like to thank Mr. Mooney for his service and his dedication to our members. During the year, Ms. Carol Najm, Vice-President and Chief Financial Officer at CBC/Radio-Canada joined the Board of Trustees. We welcome Ms. Najm and look forward to her knowledge and contribution.

Sincerely,

Sandra Mason
Chair
CBC Pension Board of Trustees

Managing Director / CEO Report

A 60 Year Journey

In 2021, the CBC Pension Plan celebrated its 60th anniversary. For 60 years, we have been building a strong and resilient pension plan that delivers benefit security to members. That is our purpose, and members can rest assured that we are 100% committed to continuing to do it successfully.

The process of creating a high-performing pension plan does not happen overnight but through constant improvement and enhancement that takes place over decades. It is like a long journey where each generation of team members passes the baton to the next generation. The world in which we operate is constantly changing, and we need to continually adapt and evolve our investment strategies, systems, processes, management, and operational practices to ensure future success. In 2021, we again made solid progress on the journey of building a high-performing, resilient organization. We look forward to taking the next steps in 2022.

Moving Forward

With the COVID-19 pandemic continuing throughout 2021, we worked hard to provide high-quality service to Plan members, while at the same time ensuring that team members were safe. Once again, the entire team rose to the challenge of working remotely and enabled us to deliver uninterrupted services to our members. We also undertook a variety of activities in 2021 as part of our mission to build an ever stronger and more resilient pension plan. Key achievements included the creation of a new responsible investing policy, the build out of our private debt portfolio and another round of enhancements to our cybersecurity systems and practices.

Benefit Security

Member benefit security improved again in 2021. The Plan's solvency and going-concern funded statuses (both are explained further starting on page 15) 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 Plan holds more than enough assets to meet its long-term obligations. I am pleased to report that the Plan ended 2021 with a going-concern funded status of 167.9% and a solvency funded status of 113.1%. This represented solid improvements over last year and the Plan's highest funding statuses in over 20 years.

As mentioned previously, we primarily assess how well we have achieved our mission against longer-term measures of success. Over the course of 2021, the Plan achieved a strong 4-year return of +9.8% and exceeded all key return objectives. Total assets in the pension fund increased significantly to $9.2 billion from $8.7 billion the prior year, reaching a new all-time high. The Plan paid out over $322.3 million in pension payments and transfers to members. More information on the Plan's funded status and rates of return can be found in the Financial Overview highlights on page ii.

The Future

As I write this letter to you in early February 2022, we are approaching the second anniversary of the COVID-19 pandemic in Canada. While much progress has been made in dealing with the pandemic, there is still significant uncertainty as to when it will end or if it will evolve from a pandemic into an endemic virus. As the future of the pandemic is unclear, we will continue to focus on what we can control—building a strong resilient pension plan. Member benefit security is our highest priority. Please visit our website http://cbc-radio-canada-pension.ca/ for additional information.

The year 2021 represented a year of strong results and the achievement of several key strategic goals and annual activities. These accomplishments resulted from the hard work and dedication of the entire pension plan team and its commitment to the careful management and oversight of the investments and pension benefits administration. Our infographic on page iv provides a snapshot of these achievements.

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

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis section of the Annual Report elaborates on the information contained in the audited financial statements. This section, which is prepared by management and reviewed by the Board of Trustees, assists the readers in gaining an appreciation of the Plan's financial position and performance over the past year as well as some brief insight on the year to come. The reader is cautioned that there is a degree of uncertainty in forward looking information pertaining to economics and investments in general.

PENSION PLAN GOVERNANCE

OVERVIEW

Pension plan governance refers to the processes and structures adopted by the Board of Trustees to direct and manage the Plan to achieve its strategic objectives. This includes the division of responsibilities among the Board of Trustees, Plan management, and Plan members. The impact of decisions on key stakeholders such as the Plan members and CBC/Radio-Canada is considered. Following good governance practices allows the Board of Trustees to fulfill their fiduciary obligations and supports the primary objective of delivering pension benefits to members. The Trust Deed between the CBC/Radio-Canada and the Board of Trustees makes the Board of Trustees responsible for the administration of the Plan, which includes managing the Plan's assets and calculating and paying out pension benefits to members.

In discharging its fiduciary responsibilities, the Board of Trustees must exercise the care, diligence, and skill in the administration and investment of the Plan that a person of ordinary prudence would exercise in dealing with the property of another. The Board of Trustees' SIP&P defines the investment policies, principles, and eligible investments that are appropriate to meet the objectives of the Plan. Through its ongoing commitment to good governance practices, the Board of Trustees has adopted the Canadian Association of Pension Supervisory Authorities (CAPSA) Pension Plan Governance Guidelines as its governance framework**.** The Plan's Bylaws include a Plan responsibility chart, which defines the responsibilities of the participants in the governance, management, and operations of the Plan.

BOARD OF TRUSTEES COMPOSITION & STRUCTURE

The Trust Deed defines the Board of Trustees as comprising seven members. Two Trustees must be designated senior officers of CBC/Radio-Canada. The CBC/Radio-Canada Board of Directors will appoint the remaining five Trustees, of which two must be directors or officers of CBC/Radio-Canada and three will be general appointments. The Board of Trustees functions as a single general committee that addresses all subject matters including benefit administration, investment management, risk management, and financial and regulatory reporting.

INDEPENDENCE OF THE BOARD OF TRUSTEES

The Board of Trustees is required to act independently and not as representatives of any interest, whether CBC/Radio-Canada, active employees, or pensioners. The Board of Trustees administers the Plan as a trustee for the employer, the members of the Plan, former members, and any other persons entitled to pension benefits or refunds under the Plan. CBC/Radio-Canada is responsible for the decisions with regards to plan provisions, surplus utilization or the funding of deficits, as well as the level of contributions.

COMMUNICATION

The Board of Trustees is responsible for providing disclosure on the Plan's activities to members, as well as to CBC/Radio-Canada as the Plan sponsor. The Board of Trustees' disclosure and reporting practices include the creation and distribution of the CBC Pension Plan Annual Highlights document to members. The full annual report is available to all members through the Plan's websites. The Board of Trustees also issues quarterly communiqués that provide information on the Plan's performance and progress on key strategic objectives.

EFFECTIVENESS OF THE BOARD OF TRUSTEES

In their oversight role, the Trustees should, as a collective, possess a diverse knowledge base that will allow them to effectively oversee a complex financial business and to understand the evolution of financial markets, risk management, and actuarial principles. The Board of Trustees has a formal orientation program to help new Trustees perform their fiduciary and governance duties. The program includes sessions on legal responsibilities, governance concepts and practices, investment management and finance, and actuarial concepts and approaches. The Board of Trustees also has a continuing education program designed to enhance the Trustees' knowledge base to ensure they can properly discharge their fiduciary duties.

The Plan's Code of Conduct includes standards of business conduct that govern the activities of the Board of Trustees and other individuals in discharging their duties to the Plan. The Code of Conduct addresses issues surrounding conflicts of interest, personal trading, confidentiality, business conduct and gifts, and other benefits guidelines. In addition, the Plan’s Code of Ethics, Standards of Professional Conduct, and Personal Investment Policy apply to designated investment personnel of the organization.

The Board of Trustees met four times in 2021.

ROLE OF MANAGEMENT

The Board of Trustees has defined management responsibility for the planning, operating, and reporting activities of the Plan. These responsibilities, which include the investment management of the Plan, administration of the benefits associated with the Plan, human resources, communications, operations, and control, have been delegated to the Managing Director/CEO, who reports to the Board of Trustees. Subject to Board approval, management develops and implements all relevant policies, including those in the areas of investment, communications, business conduct and control, organization and compensation, and operations and administration. Subject to these policies, management develops and implements the investment program, develops service quality standards, and ensures that Plan members receive services that meet these standards.

MANAGEMENT PERFORMANCE

The Plan’s SIP&P defines the investment policies, principles, and eligible investments that are appropriate to meet the objectives of the Plan. It defines the strategic asset mix targets and the permitted ranges around each of these targets. Reviewed and approved annually by the Board of Trustees, the SIP&P identifies the long-term investment objective of the Plan. The SIP&P identifies performance benchmarks for the individual asset classes and for the Plan as a whole. Management is assessed on their effectiveness in achieving annual and strategic goals as well as their performance in exceeding SIP&P-defined investment performance benchmarks. Management regularly reports to the Board of Trustees regarding compliance with applicable policies.

GOVERNANCE REVIEW

The Board of Trustees conducts an annual governance self-assessment that is focused on governance best practices. This assessment is designed to enhance the Board of Trustee's performance and identify strengths in the Board of Trustee’s operations and areas where its operations could be more effective. Every few years, the Board of Trustees also conducts in-depth governance reviews, which help improve Plan governance practices, which in turn contribute to improved investment performance, efficient use of Plan personnel, and reliable assurance to members that the Plan is able to pay current and future benefits. The last governance review found that overall, the governance framework was robust given the Plan's size and complexity.

RESPONSIBLE INVESTMENT

Responsible investment is the practice of incorporating environmental, social, and governance (ESG) considerations into investment decisions. We believe that responsible investment practices are aligned with achieving our mission and contribute to strong long-term investment performance. The Plan has a fiduciary duty to maintain robust investment processes that assess both traditional investment factors as well as ESG factors in managing its investments. We are currently implementing a multi-year plan to enhance our responsible investing processes.

Responsible Investing Policy

The Plan has defined a responsible investment policy within its overall SIP&P. This policy includes the following key principles:

- ESG issues can significantly impact investment returns and risk exposures.
- Climate change presents a systemic risk as well as an investment opportunity.
- Corporate governance is a significant contributor to long-term corporate success.
- Active ownership and engagement with company management helps manage risk and contributes to long-term investment performance.
- Avoiding sectors and companies that have extreme levels of ESG risk is a prudent approach to investing.
- Being transparent and disclosing our approach to responsible investment to our members is important.

Implementation

The Plan implements responsible investing through two primary approaches:

ESG INTEGRATION ⟷ **ACTIVE OWNERSHIP**

We will integrate the assessment of ESG factors into our investment processes. That is, when assessing investments, we will assess the ESG risks and opportunities of the investment. A key component of this assessment is the company's approach to and strategy for dealing with ESG issues. The assessment of the ESG factors is then combined with our normal investment review and due diligence process to create a more holistic and robust assessment of the investment. This applies to both new and existing investments. The integration of ESG factors into our investment selection and monitoring processes helps enhance our risk-adjusted returns and ensures we are being compensated for the risks we are exposed to.

We will practice active ownership of our investments and engage with company management regarding their approaches to ESG issues. This will include assessing their business strategies to see how they plan to evolve their business in response to ESG issues. Being active owners includes holding voting shares, monitoring the companies' activities, and engaging with managers, which helps us to better manage risk and contributes to long-term investment performance. As required under the Plan's Proxy Voting Guidelines, we monitor corporate governance developments within companies that we own shares in and vote in a manner intended to optimize the long-term value of the Plan's investments. Our engagement with companies will also be done directly through membership in associations and through collaboration with other investors that have a shared focus.

Climate Change

The Plan recognizes that climate change poses significant short- and long-term risks to the Plan's investments but also provides the Plan with potential new investment opportunities. Climate change has caused the Plan's investment risk profile to evolve significantly. For example, the Plan's key climate change risks include risks to the physical assets we invest in as well technological risks to investments caused by the quickened pace at which companies adopt new technologies. Public policy is also evolving rapidly in response to climate change, resulting in profound impacts on the financial viability of both individual companies and entire industries. For the Plan to achieve its required investment returns, we need to anticipate how climate change and the resulting policy response will impact our investments in the future.

2021 Activities

We undertook the following activities in 2021 to advance the Plan's responsible investment agenda:

- **Responsible Investment Beliefs**—We engaged an external ESG consultant to assist us in developing our own set of responsible investment beliefs.
- **Responsible Investment Policy**—Building on the responsible investment beliefs, we developed a new Responsible Investing Policy. This replaced the Plan's previous ESG Investment Policy.
- **ESG Exposures** – We continued to expand our understanding of the Plan's existing ESG exposures. We now have ESG exposure information for 65% of the Fund's net asset value (public investments in equity and bonds).

FINANCIAL OVERVIEW

PLAN OBJECTIVE

The Plan provides defined pension benefits for its members in accordance with the Plan text, the trust deed and other Plan documents. The Plan's assets are managed within a moderate level of risk to provide a rate of return sufficient to meet its obligations and attempt to avoid additional special payments by the Sponsor. The investment policy is expressed in the Plan's SIP&P. This policy is reviewed and approved annually by the Board of Trustees as required by the Office of the Superintendent of Financial Institutions (OSFI).

USE OF ESTIMATES

Under Canadian accounting standards for pension plans, the Plan is required to make estimates when accounting for and reporting assets, liabilities, investment income, and expenses, as well as to disclose contingent assets and liabilities in the Plan's financial statements. Continual re-evaluation of estimates is also required. The areas of financial reporting that are the most dependent on estimates are the Plan's valuation and classification of investments, as well as the assumptions used to calculate the pension obligations. Actuarial assumptions are used to determine accrued pension benefits and reflect the Board's best estimate of future economic and non-economic factors. The primary economic assumptions include the asset rate of return, the salary escalation rate, and the rate of inflation. The non-economic assumptions include mortality, terminations and departures, and retirement rates of Plan members. The Plan's actual experience could differ from these estimates, and the differences are recognized as experience gains and losses in future years. The fair value of investments is an estimate of the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The best estimates of management, portfolio managers, and appraisers are used in selecting the valuation assumptions needed to determine the fair value of non-publicly traded investments.

CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS

The Plan's net assets available for benefits increased by $485.8 million to $9.2 billion as of December 31, 2021.

Investment Income

Investment income increased to $299.4 million in 2021 from $221.4 million in 2020. Investment income includes interest and dividends earned during the year, as well as distributions from the Plan's private investments. Income earned from the Plan's fixed income investments in 2021 was $85.6 million, an increase of $8.2 million from 2020. Yields on interest-bearing securities started to increase in 2021 after experiencing a large drop in 2020 with the onset of the COVID-19 pandemic. Income earned from the Plan's equity investments in 2021 was $128.3 million, an increase of $40.7 million from 2020, with the majority of the increase coming from the Plan's private equity investments as this asset class recovered strongly in 2021. The Plan's real asset investments also had a strong recovery in 2021 with distributions amounting to $85.5 million, an increase of $29.8 million over 2020. Distributions are an important source of steady cash flows to meet the monthly pension benefit payments. Managing the Plan's cash flows and the liquidity profile of its investments is a key consideration when establishing its strategic asset allocation.

Change in Fair Value of Investments

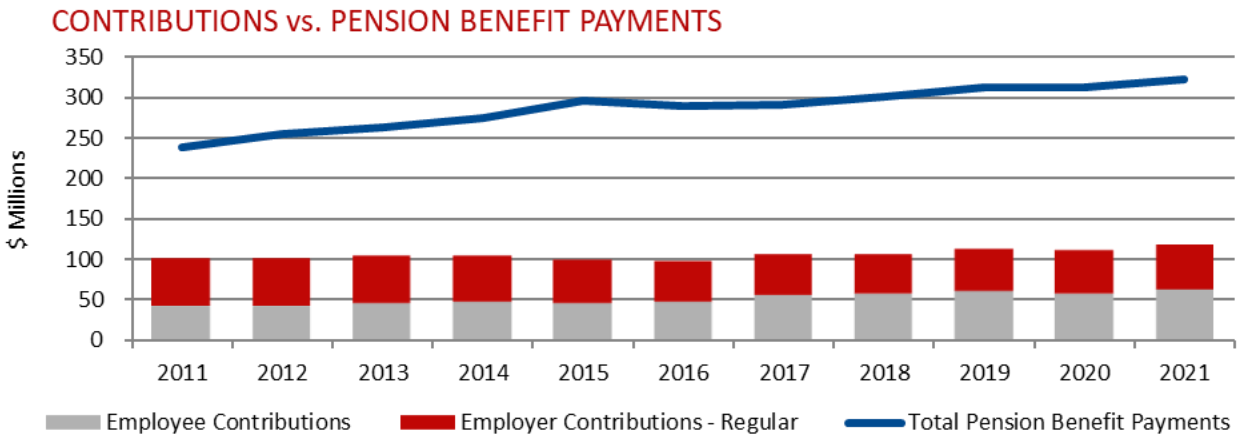
The value of the Plan's investments continued their strong growth in 2021 after positive gains in 2020. Although the Plan's fixed income securities generated negative returns, the effect was offset by robust growth in the Plan's equity portfolios and real asset investments. Both Canadian and international public equity markets performed positively in 2021, while private equities performed exceptionally well following the solid growth in public markets in 2020 and 2021. The Plan's investments returned +8.27% in 2021 (+11.49% in 2020). The Plan's fixed income investments generated a negative return of -3.14% in 2021, while equity investments returned +24.59% and real assets returned +17.48%.

The fair value of the Plan's investments increased by $472.8 million in 2021 after an increase of $711.7 million in 2020. The Plan's fixed income investments, including its Bond Overlay derivatives portfolio (bond forwards and total return swaps) lost $338.1 million. Meanwhile, its equity investments gained $676.3 million, and its real assets gained $144.7 million in 2021. These values all reflect both realized and unrealized gains and losses during the year.

Contributions

The ongoing cost to provide a defined benefit pension plan to current employees is defined as the "current service cost" (i.e., the amount of contributions required to fund estimated future benefits earned in the current year). This cost is shared equally (50%/50%) between CBC/Radio-Canada as the sponsor (employer) and provider of the Plan and the employees (active members). The current service cost increased to 18.4% of payroll in 2021 (9.2% for each of the active members and the sponsor) from 18.0% in 2020 due to a decrease in the actuarially estimated future returns on the Plan's investments as well as minor changes in membership demographics. Overall, total contributions to the Plan increased to $116.5 million in 2021 from $110.6 million in 2020. Employee current service contributions increased to $52.8 million in 2021 (an increase of $1.2 million from 2020), and the employer contributions increased to $54.8 million (an increase of $2.0 million from 2020). Past service contributions (buy-backs) increased by $2.6 million to $7.7 million, and transfers to the Plan from other pension plans totaled $1.2 million.

The chart below shows a 10-year history of contributions compared to pension benefit payments. It illustrates the level of maturity of the Plan, showing benefit payments that are significantly higher than contribution levels.



Pension Benefits Paid

The Plan paid a total of $322.3 million in pension benefits during 2021, an increase of $9.1 million from 2020. Retirement benefit payments rose by $3.9 million in 2021 to $262.5 million with the annual cost-of-living adjustment of 1.04%. The Plan's cost-of-living adjustment for pension payments is calculated annually using a year-over-year averaging method based on data published by Statistics Canada. There were an additional 72 pensions being paid in 2021, with a total of 10,164 pensioners at December 31, 2021, up from 10,092 in 2020. Death benefit payments increased to $35.9 million and refunds of contributions and transfers to other plans increased to $23.2 million. Pension benefits purchased through FlexPen withdrawals in 2021 were $0.6 million.

Administrative Expenses

In accordance with the Trust Deed, the expenses relating to investment operations and pension benefit administration are paid by the Plan. The administrative expenses for 2021 totaled $81.1 million, an increase of $33.7 million from the previous year. The increase in expenses in 2021 is due to the Plan's strong investment returns resulting in performance fees being earned by its investment managers. Total administrative expenses represented a cost of 94.5 cents per $100 of average assets under management in 2021 (94.5 basis points), compared to the average asset cost of 57.7 cents per $100 (57.7 basis points) in 2020.

Performance fees paid to external asset managers totaled $44.8 million in 2021 ($9.2 million in 2020), with most of these fees attributed to the private equity and real asset investments. Performance fees are used in the investment industry to align the interests of asset managers with a pension plan's objectives. In 2021, performance fees made up 52.3 cents of the 94.5 cents (55% of the total 2021 costs) whereas in 2020, performance fees were 11.3 cents of the 57.7 cents (20% of the total 2020 costs). The balance of the Plan's 2021 expenses was generally lower than or the same as it was in 2020. Non-performance-related expenses amounted to 42.2 cents per $100 in average Plan assets in 2021 as compared to 46.4 cents in 2020.

The Plan participates in an annual external benchmarking study that covers the asset management portion of its administrative expenses, with the latest study being undertaken for the 2020 financial year. The Plan's 2020 investment-related costs covered in the study were 50.1 cents per $100 of average assets under management, while the benchmark costs for other Canadian asset managers in the survey (not adjusted for fund size or asset mix) were 49.2 cents. This indicates that investment-related expenses of the Plan were slightly higher than the Canadian average in 2020. The Plan uses this survey annually to ensure its costs are in-line with industry average. Over the last several years, the Plan's costs have consistently remained near the benchmark cost.

A summary of all the Plan's administrative expenses can be seen in Note 11 in the Financial Statements section.

PENSION OBLIGATIONS

An actuarial valuation is used to estimate the Plan's pension obligations. Actuarial valuations are prepared on an annual basis at each year-end. The actuarial valuation determines the pension obligations under two different bases: (1) a going-concern basis and (2) a solvency basis. If the results of a valuation indicate that the net assets available for benefits are greater than the pension obligations, the Plan has a funding surplus. If the pension obligations are greater than the net assets available for benefits, then the Plan has a funding deficit. As the methodologies used to determine the pension obligations under each basis is different, the valuation can result in the Plan having a funding surplus under one basis and a deficit under the other. Currently the Plan has a funding surplus under both bases. The valuation results and the reasons for calculating the pension obligations under different bases are outlined further below.

Going Concern

The methodology and key assumptions underlying the actuarial valuation and projections are described in Note 8 to the Financial Statements. The primary long-term economic assumptions used in the 2021 going-concern projection changed from those used in the 2020 actuarial valuation. The long-term expected rate of return on the Plan's assets was increased from 5.50% per annum in 2020 to 5.65% per annum for 2021. This rate is determined using the actuary's expected long-term rates of return of the Plan's strategic asset allocation outlined in its SIP&P.

The going-concern valuation is used to estimate the pension obligations under the assumption that the Plan will continue as a going concern (i.e., will continue to operate into the future). It is based on the long-term assumed rates of return for each of the Plan's investment asset classes. The going-concern valuation is used in preparing our financial statements and is presented as "Pension Obligations" on the statement of financial position. At December 31, 2021, the Plan's going-concern pension obligations were projected at $5.5 billion, an increase of $81.6 million from the previous year's total of $5.4 billion.

There are two different calculations of the going-concern funding position; one is presented in the Plan's financial statements in accordance with generally accepted accounting principles (GAAP), and the other is used for regulatory purposes and reported to the OSFI. The OSFI calculation requires the Plan's investment gains and losses to be smoothed over a 4-year period to reduce (or "smooth") the effects of any one year's performance on the Plan's funding position. The table below outlines the Plan's funding status under each scenario.

(Canadian $ thousands) At December 31, 2021		Accounting (GAAP)		Regulatory (OSFI)
Net Assets Available for Benefits	$	9,191,740	$	9,191,740
Asset Smoothing Adjustment (defer net gains)		n/a		(919,174)
Net Asset Available for Benefits (adjusted)		9,191,740		8,272,566
Pension Obligations (going-concern basis)		5,474,114		5,474,114
Fund Surplus	$	3,717,626	$	2,798,452
Funding Ratios: 2021		167.9%		151.1%
Funding Ratios: 2020		161.4%		145.3%

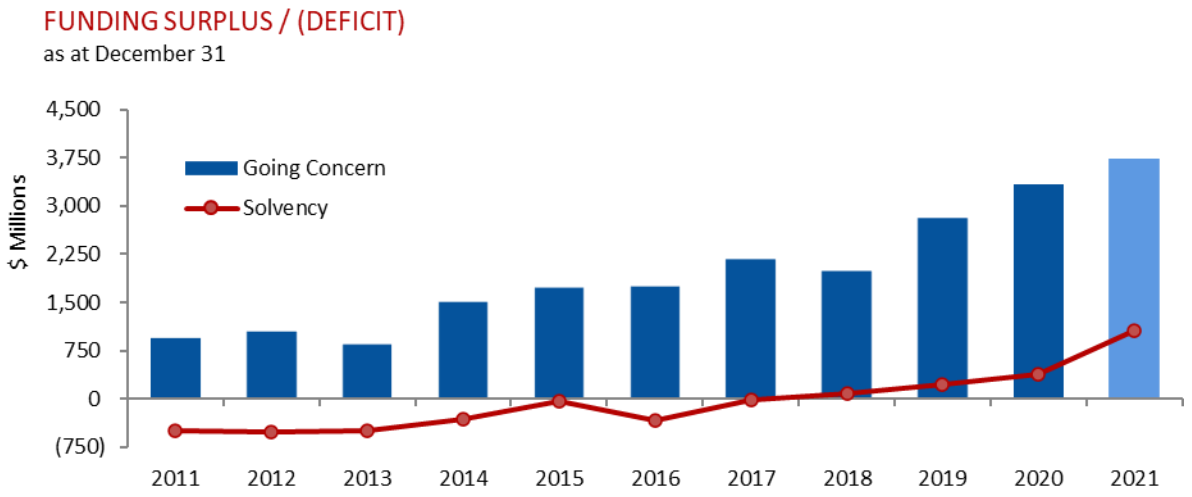
For reporting purposes, the Plan presents the accounting going-concern funded ratio as the asset smoothing adjustment is not included in the financial statements.

Under both scenarios, the going-concern funding surplus rose in 2021 as a result of the Plan generating an +8.27% return for the year, which was higher than the assumed long-term rate of return of +5.65%.

Solvency

The solvency valuation is used to estimate the pension obligations under the assumption that the Plan will wind up and simulates the creation of annuities to ensure that all future benefits that all members are entitled to will be paid. The solvency valuation is required under the Pension Benefits Standards Act (PBSA) and for reporting purposes to OSFI. The estimated pension obligations under the solvency method are $8.1 billion, which results in a projected solvency surplus of $1.1 billion, equivalent to a solvency ratio of 113.1% as of December 31, 2021. The discount rate assumption used to calculate the solvency liabilities increased due to higher expected future fixed income returns. These higher expected returns, combined with the Plan's strong overall performance and increased assets in 2021, led to the Plan's net solvency position improving by $684.3 million.

For regulatory purposes, the Plan's funding position is determined based on the lower of the going-concern funding position or the solvency funding position as determined in the latest actuarial valuation.



INVESTMENT OVERVIEW

INVESTMENT CONSTRAINTS

In accordance with the PBSA, the Board of Trustees and the Plan management must exercise the care, diligence, and skills in the administration and investment of the Plan that a person of ordinary prudence would exercise in dealing with the property of another. The assets must be invested in a prudent manner, taking into account all factors that may affect the Plan's funding and solvency. Permitted investments and restrictions, which are appropriate to the needs and objectives of the Plan, are identified in the SIP&P.

INVESTMENT OBJECTIVES

The Plan manages its investments with two main long-term objectives: one based on the movement of the Plan's liabilities and one based on the movement of the underlying investment markets.

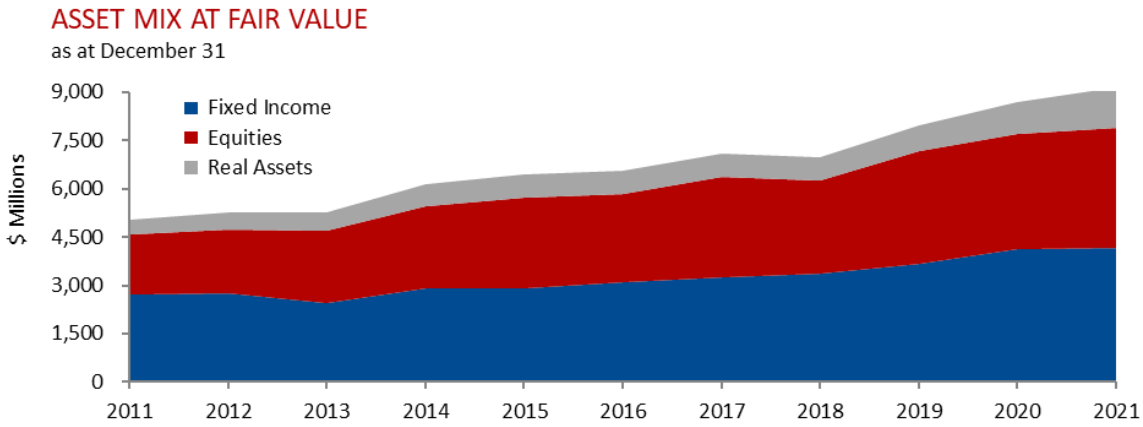
The primary objective (Plan Objective) is focused on ensuring the assets (investments) of the Plan exceed the growth in the Plan's Solvency and Going Concern liabilities (pension obligations). The Plan follows a liability-driven investment (LDI) strategy that is intended to outperform increases in the Plan's pension obligations and to mitigate the risk of a large funding deficit. Over the past four years, the Plan's annual rate of return averaged +9.8%; over the past 10 years, it averaged +9.7% annually. The overall long-term Plan Objective was +5.8% over the past four years and +5.2% over the past ten years.

The secondary objective of the Plan ("Asset Objective") is to generate net returns after all costs and fees that exceed an annual average change of a benchmark portfolio by 50 basis points (0.5%) over a 4-year moving average basis. The benchmark portfolio return is calculated by combining the return of the asset class benchmark indices in the proportion in which they are represented in the Plan's asset mix policy. On a 4-year moving average, the Plan's annual rate of return of +9.8% exceeded the Asset Objective of +9.0%; over a 10- year period, the Plan's average annual return of +9.7% exceeded the Asset Objective of +8.6%.

ASSET MIX AND INVESTMENT STRATEGY

The strategic asset mix target of the Plan is 43.5% fixed income, 42% equities, and 14.5% real assets, including real estate and real estate investment trusts (REITs), as well as timberland & farmland, and infrastructure equities. The strategic asset mix also includes an allocation to derivative fixed income instruments to hedge a portion of the Plan's interest rate and inflation risks.

The investment policy allows for the Plan to make tactical calls that vary the weighting of the asset classes within an operational range around the strategic asset mix targets. The purpose is to enhance the performance of the Plan by taking advantage of market movements when there is compelling evidence of a major risk or return opportunity in the market. The Plan may increase its weighting of asset classes that are expected to perform well and reduce its weighting of asset classes that are expected to underperform.



RISK MANAGEMENT

The Plan exists to provide lifetime pension benefits to its members. To deliver on this pension promise, the Plan focuses on maintaining stable funding ratios while also earning a robust rate of return on its assets. The Plan achieves these objectives through its LDI strategy, which focuses on liabilities as the basis for developing the Plan's investment strategy. This strategy makes it possible to manage the Plan's investments in a way that prioritizes the long term while reducing funding volatility over the short term. The Plan's LDI strategy hedges interest rate and inflation risk and reduces solvency funded status volatility through:

(a) holding a higher proportion of bonds than equity investments within the asset mix;
(b) holding bonds with a longer term to maturity (duration); and
(c) holding a portfolio of financial derivatives that provide synthetic fixed income exposure.

The use of financial derivatives within the Plan's LDI strategy is tightly managed as these positions can increase other risks, such as liquidity and credit risk.

The SIP&P defines the investment policies, principles, and eligible investments that are appropriate to the needs and objectives of the Plan, including the strategic asset mix, which identifies the Plan's target exposure to each asset class. Each asset class has different levels of risk associated with it (e.g., equities are higher risk than government bonds). The Plan's strategic asset mix is considered by the Board of Trustees to present a moderate risk; however, the Board of Trustees has deemed it to be the most appropriate asset mix for addressing the Plan's future pension obligations.

Asset/Liability Management

The Plan conducts asset/liability studies on a periodic basis to review the risk/reward profile associated with the existing strategic asset mix policy, analyze the risk/reward profiles that would result from alternative asset mix policies, and consider the impact of various economic environments on both the assets and liabilities (pension obligations). The asset/liability management process is used to set the risk-efficient strategic asset mix, designed to improve the sustainability and soundness of the Plan. The most recent asset/liability study was completed in 2019.

The Plan's objective is to select eligible investments that produce acceptable rates of return to meet its obligations. If the Plan's investment portfolio were risk free, the rates of return would be stable but low and would require significantly higher contributions. If the Plan's investment portfolio were aggressive—for instance, if its investments were primarily equities—the rates of return would be potentially higher but far more volatile due to the increased investment risk. While contributions may be lower if high returns are earned, contributions could be much higher if there was a major long-term contraction in the market.

Risk Appetite

The Plan's risk appetite statements, in both qualitative and quantitative terms, are based on our organization's risk philosophy and attitude towards risk taking. To this end, we have quantified our investment risk appetite via a risk budget at a total fund level. We measure our funding risk against the risk appetite level.

Funding risk, or the likelihood that the market value of assets is insufficient to cover liabilities, is the key measure of a pension fund. For members, reduced funding risk enhances benefit security; for the CBC/Radio-Canada, it provides contribution stability. The Plan manages its funding risk and pension costs by hedging its liability-related economic risks while selectively seeking diversified sources of incremental return.

Risk Governance and Oversight Structure

Strong governance and risk management are critical components of a high-performing pension plan. Risk governance defines the accountability, authorities, information flow, and roles and responsibilities among various constituent groups involved in the Plan's risk-management efforts. The Board of Trustees is responsible for the oversight of the risk-management framework, management is responsible for implementing this framework, and staff at all levels of the organization are responsible for managing the risks within their areas of responsibility.

First Line of Defence *Risk Owners*	Second Line of Defence *Risk Oversight*	Third Line of Defence *Independent Assurance*

• Investment and operational functions within the Plan.
• Accountable for:
  • identification;
  • assessment;
  • mitigation;
  • monitoring; and
  • reporting of risk against approved policies and appetite.
	• Risk management and compliance.
	• Establishes risk-management practices and provides risk guidance.
	• Provides oversight of the effectiveness of first-line risk-management practices.
	• Monitors and independently reports on the level of risk against established Plan-level risk appetite.
		• Independent assurance and advisory to the Board and management on the effectiveness of risk-management practices.

Risk Categories and Risk Management Strategies

The Plan has a risk-management policy and a comprehensive risk-management program in place to help manage key Plan risks. A risk register of key Plan risks is maintained and updated on a biennial basis. Risks are assessed based on their potential impact and likelihood of occurrence. They are also organized into five broad categories that reflect organizational objectives: strategic, investment, operational, compliance and regulatory, and reporting risks. Key risks within these categories are assessed via a control self-assessment process on a rotational basis and the results are reported to the Board of Trustees.

Strategic Risk

Strategic risk is the risk associated with decision making for the Plan's long-term strategic direction. The Plan manages its strategic risk through several processes including the development of a 5-year strategic plan; annual review and Board of Trustees' approval process of the SIP&P; external asset-liability modelling studies that establish and validate asset mix policy; a liability-focused investment strategy; and management of funding volatility within the Plan's level of risk appetite. Management and the Board of Trustees meet quarterly to review and discuss Plan progress and the risks related to achieving the approved strategic goals.

Investment Risk

Investment risk is the risk associated with ineffective management of plan assets and includes market, credit and liquidity risks.

Market Risk

This is the risk of a significant decline in the value of investments (equity, fixed income, and private investments) arising from movements in market prices. The Plan manages market risk through a strategic asset mix that enables investment across a wide spectrum of asset classes and investment strategies to earn a diversified set of risk premiums over the long term at the total Plan level. This is based on risk limits as prescribed in the SIP&P. The types of market risk facing the Plan are as follows:

(a) *Interest Rate Risk*

The Plan's pension obligations are sensitive to changes in the assumptions on the long-term rates of asset return, salary escalation, mortality, and inflation. Note 3e(ii)(b) to the Financial Statements describes the impact of changes in the assumed long-term rate of return, which is used in going-concern-basis actuarial valuations. Low assumed rates of return cause current service costs to increase and therefore raise the cost to both active members and CBC/Radio-Canada.

By regulation, the Plan's funding position is determined using the lower of the going-concern- and solvency-basis actuarial valuations. The valuation of liabilities on a solvency basis is highly sensitive to changes in interest rates. The Plan mitigates the impact of changes in interest rates as well as the inflation risk created by the partial indexation of Plan benefits through its LDI investment strategy. Thus, a decrease in interest rates that would increase the Plan's pension obligations would also be expected to increase the value of the Plan's fixed income investments.

(b) *Volatility Risk*

The Plan's total assets at December 31, 2021, were $9.21 billion at fair value. Of this total, $3.1 billion was in publicly traded equity investments. This substantial investment in public equities exposes the Plan to domestic and foreign market volatility. This volatility is managed by diversifying across industry sectors, market capitalizations, and international equity markets. The long-term performance expectation for publicly listed equities outweighs the risks of short-term cyclical volatility. The Plan further mitigates this risk by investing in alternative assets, such as real assets and private equity, which have longer-term investment horizons. Diversification across various asset classes, investment strategies, and investment managers is an important management tool to reduce volatility and risk. Note 3e(ii)(c) to the Financial Statements provides more information on the management of this risk.

(c) *Currency Risk*

The Plan invests in non-Canadian securities for which the fair value may fluctuate due to variations in the market price of the security as well as the relative value of the Canadian dollar. Currency risk is the risk that the value of the Plan's foreign holdings could decline due to a change (i.e., rise) in the value of the Canadian dollar relative to other currencies. Occasionally, the Plan invests in forward currency contracts to reduce its foreign currency risk. Note 3e(ii)(a) to the Financial Statements provides more information on the management of the Plan's foreign currency exposure risk.

Credit Risk

This is the risk that one party to a financial instrument may fail to discharge its obligation and cause the other party to incur a financial loss. The Plan's main exposure to credit risk comes from its investment in bonds and over-the counter derivatives. Every time the Plan makes an investment in a fixed income security, it is exposed to the risk that the security issuer—be it a government or a corporation—may default on payments or become insolvent. We mitigate credit risk exposure related to the Plan's investments through limits on the amount of low-quality issuers that can be held, deep credit analysis, diversification, and collateral management. The Plan's SIP&P provides guidelines and restrictions for eligible investments that consider credit ratings, maximum investment exposure, and other controls in order to limit the impact of this risk. Note 3e(iii) to the Financial Statements provides more detail on this subject.

Liquidity Risk

Liquidity relates to the Plan's ability to sell investments to meet its pension payments, operating costs, mark-to-market losses on derivative positions, and other long-term capital commitments. Liquidity risk refers to the risk that the Plan will be unable to meet its financial obligations as they fall due. In 2021, benefit payments from the Plan and administration costs totaled $403.4 million. These payments were partially offset by employee contributions to the Plan of $61.7 million, and employer contributions of $54.9 million. The cash flow requirement for the balance of benefit payments was generated through investment income and proceeds from the sale of assets. To mitigate its liquidity risk, the Plan maintains a portfolio of highly liquid short-term notes that allows it to meet the Plan's short-term liquidity requirements. Liquidity risk is managed and monitored according to the Plan's Liquidity Management Guideline. The management of liquidity risk is further described in Note 3e(iv) to the Financial Statements.

Operational Risk

This is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people, or systems, or from external events. Operational risk comprises a broad range of risks, including those associated with loss of key management capabilities and experience; inadequate internal controls that result in fraud or financial loss; employee misconduct causing illegal or unethical practices; information technology and cybersecurity; business interruptions; and service disruptions due to natural or other disasters. The Plan manages its operational risks through controls that are subject to internal reviews and external assurance and follows our three lines of defence risk-management structure. The Plan also has established continuity plans for potential business interruptions and processes to manage information security risks.

Compliance & Regulatory Risk

This is the risk of loss due to non-compliance with applicable laws, regulations, rules, and mandatory industry practices. Failure to comply could result in financial penalties or portfolio losses as well as damage to our reputation. To mitigate compliance and regulatory risk, the Plan has well-developed compliance processes. The Plan also monitors emerging legal and regulatory issues and proposed regulatory changes, and it actively participates in discussions with and seeks input from external consultants and regulatory bodies.

Reporting Risk

This is the risk that the financial statements and regulatory reports may be incomplete, inaccurate, or untimely. It is also the risk that internal performance, attribution, and risk information is not sufficient to support decision making. We manage reporting risk through our access to and verification of our internal models as well as reporting against independent results produced by expert external service providers. Reporting risk is also managed through external assurance reviews and annual external audits.

INVESTMENT PERFORMANCE

The global markets saw mixed results in 2021, with increasing interest rates (or the anticipation thereof) and negative returns from fixed income securities while equity markets generated very strong positive returns through the height of the global pandemic. The Plan's total rate of return in 2021 was +8.2%, which was 4.6% higher than the Plan's asset benchmark return of +3.6%.

The Plan's overall 4.6% excess return over the benchmark was achieved by outperforming in all public and private asset classes in 2021. The Plan's fixed income investments produced negative results but still outperformed their respective benchmarks, while the private equity asset class experienced the largest outperformance in the year with 25.8% excess returns. On a 4-year basis, the total Plan return of +9.8% was higher than the overall reference asset benchmark return of +8.5%. The Plan's solvency objective measures the impact of movements in interest rates and inflation on its estimated solvency funding liabilities. In 2021, the Plan exceeded its solvency fund objective return of -0.8%.

SUMMARY OF BENCHMARKS USED TO MEASURE ASSET PERFORMANCE

Asset Categories	Benchmarks
Fixed Income	FTSE 91 Day T-Bill Index FTSE Canada Long Term Bond Index FTSE Canada Long Term Corporate Bond Index FTSE Canada Long Term Provincial Bond Index FTSE Canada Provincial Universe Bond Index FTSE Canada Infrastructure Bond Index
Canadian Equity	S&P/TSX Capped Composite Index
Non-Canadian Equity	MSCI ACWI ex-Canada Index MSCI ACWI Index S&P 500 Index Russell 3000 Index S&P Developed SmallCap Index MSCI Emerging Markets Index
Private Equity & Real Assets	Actuarial assumed rate of return

INVESTMENT PERFORMANCE BY ASSET CATEGORY vs BENCHMARK

Annualized Compounded Rates		1-Year Returns		4-Year Returns*	
Asset Categories	Category as a % of Total Investments	Asset Returns	Benchmark Returns	Asset Returns	Benchmark Returns
Fixed Income:					
Cash & short-term investments	3.9%	0.7%	0.2%	1.5%	1.0%
Nominal bonds	33.1	(3.4)	(4.2)	5.3	4.9
Real Return bonds	6.3	(1.7)	(1.7)	4.6	4.6
Bond Overlay (derivatives)**	0.8	(5.1)	(5.3)	3.4	3.0
Private debt	1.4	10.2	(0.4)	8.1	5.0
Equity:					
Canadian equity	5.9	25.0	25.1	8.0	10.3
International equity	27.7	21.8	17.3	13.8	12.5
Private equity	7.3	35.3	9.5	12.8	8.5
Real Assets:	13.6	17.5	6.0	10.1	5.7
Total / Weighted Average	100.0%	8.2%	3.6%	9.8%	8.5%

* If asset categories are less than 4 years old, then the 4-Year returns are inception-to-date returns.

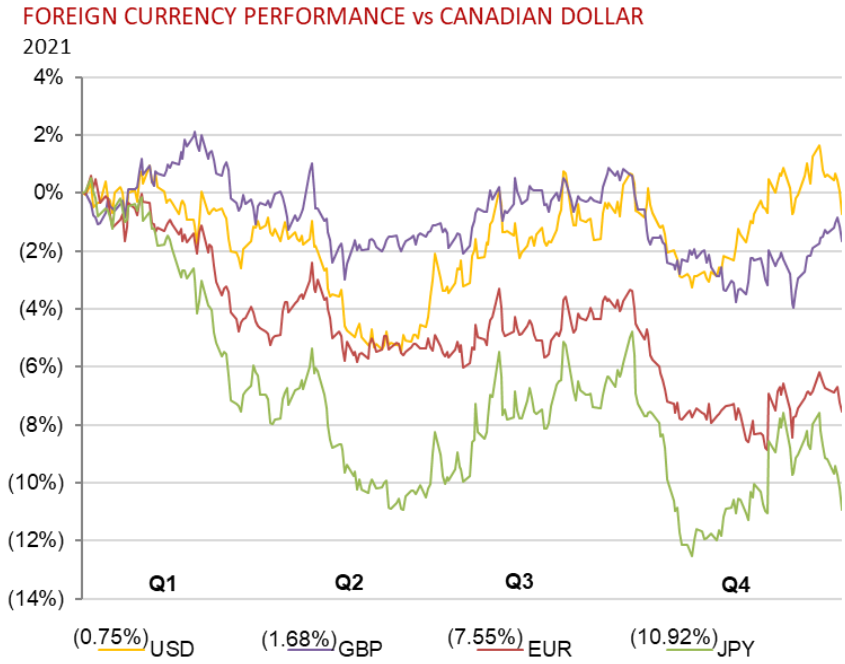
** Bond Overlay total exposure is 23.5%.

THE ECONOMIC ENVIRONMENT

The global economy rebounded in 2021 after posting its first negative real gross domestic product (GDP) in a decade in 2020. In its January report, the International Monetary Fund estimated that the global economy grew by 5.9% in 2021, with developed economies growing by 5.0% and emerging market economies advancing by 6.5%. While the rebound in global economic growth was a positive in 2021, accommodative central bank policies, supply chain disruptions, and large government fiscal deficits fuelled a rise in headline inflation that has not been experienced in a generation.

Preliminary estimates suggest the Canadian economy grew by 4.6% in 2021 rebounding from a -5.2% decline in 2020. The Canadian labour market continued to improve across 2021, with the national unemployment rate dropping to 7.4% from 9.6% at the end of 2020. Inflation metrics indicate that headline prices in Canada increased by 4.8% in 2021, the fastest pace since 1991 (5.6%) with seven of the eight major Consumer Price Index (CPI) components increasing. With inflation running above the Bank of Canada's 2.0% inflation target and expectations for inflation to run higher in 2022, the Bank of Canada has strongly indicated that it will begin the process of increasing its target interest rate to curb the rise of inflation.

After the US economy contracted by 3.4% in 2020, it rebounded with a robust 5.7% increase in real GDP in 2021. The rebound was primarily due to the strength of consumer spending (approximately 70% of real GDP), which increased by 7.9% in 2021. Monetary policy in the US was very accommodative in 2021, with the US Federal Reserve Board (the Federal Reserve) keeping its target interest rate at the zero-level bound all year and increasing its balance sheet by $1.4 trillion through the purchase of government and mortgage bonds. Headline inflation increased by 7.0% year-over-year in 2021, the highest level since June of 1982. The Federal Reserve's current policy of zero interest rates and continued purchases of bonds for its quantitative easing program are expected to end in the first quarter of 2022 as they begin a process of reducing the risk of further increases to headline prices.



The eurozone economy grew by an estimated 5.2% in 2021, rebounding from a very weak 2020 in which the economy declined by 6.4%. The largest economy in the eurozone, Germany, lagged the overall eurozone economy with economic growth of just 2.8% in 2021. France and the UK posted strong economic growth rates of 6.9% and 7.2%, respectively. Headline inflation was also a major news story in the eurozone in 2021 as prices increased by 5.0% for the year. Like the Bank of Canada and the Federal Reserve, the European Central Bank is expected to remove its ultra-accommodative monetary policy in 2022, albeit at a more cautious pace.

Japanese economic growth rebounded modestly compared other developed economies, growing at a pace of 1.9% in 2021 after a 4.5% decrease in 2020. Japan has struggled for decades to boost economic growth and inflation due to low productivity levels, and this was still evident in 2021 as inflation rose only 0.9%, which was significantly lower than in other developed economies.

Unlike developed economies, the Chinese economy did not contract in 2020 and increased by 8.1% in 2021. Even with strong headline economic growth, the Chinese economy struggled with weaknesses in its property market. The high debt levels of Chinese real estate developers (especially China Evergrande Group) have caused concern about defaults in the sector that could spread to other sectors of the Chinese economy. Trade relations with the US appear to have improved under the Biden administration but are still strained, and concerns over Taiwan's independence leaves a cloud of uncertainty over future Chinese economic growth.

Looking forward, the International Monetary Fund is projecting global economic growth to remain strong, with 4.4% growth in real GDP in 2022 and 3.8% in 2023. The ability of central banks around the world to begin removing ultra-accommodative monetary policies without jeopardizing financial market stability and short-term economic growth will determine whether the projected economic growth rates can be realized.

PLAN ASSET PERFORMANCE

FIXED INCOME

Fixed income investments comprise cash holdings, short-term investments, Canadian bonds, and private debt. Most of the fixed income assets held by the Plan are invested in Canadian dollars. Fixed income assets typically provide returns in the form of periodic interest payments and the repayment of principal at maturity.

CASH & SHORT-TERM INVESTMENTS

Annualized Compound Rates of Return

	Plan Assets	Asset Benchmark
1-Yr	0.7%	0.2%
4-Yr	1.5%	1.0%

The Plan's cash and short-term notes are predominantly invested in bank savings accounts and high-quality and liquid short-term money market securities. The portfolio is largely exposed to Canadian banks and other corporate paper. The Plan's investment approach is to optimize returns while maintaining the flexibility needed to manage the cash demands related to the Plan's investments, pension benefit payments, and total administration expenses. In 2021, the Plan had, on average, approximately $359.2 million (4.2%) of its assets in cash and short-term investments compared to $450 million (5.5%) in 2020. At December 31, 2021, cash and short-term investments represented 3.9% of the Plan's investments.

The Bank of Canada maintained policy interest rates at 0.25% over the past year and completed its asset purchase program as the economy recovered from the effects of the COVID-19 pandemic. However, the strengthening economy has led to pricing pressures, and the Bank of Canada is expected to raise policy interest rates during 2022 as the need for emergency rates is no longer warranted.

CANADIAN BONDS

Annualized Compound Rates of Return

Nominal Bonds	Plan Assets	Asset Benchmark
1-Yr	(3.4)%	(4.2)%
4-Yr	5.3%	4.9%
Real Return Bonds*		
1-Yr	(1.7)%	(1.7)%
4-Yrs	4.6%	4.6%

* The real return bond benchmark is equal to the actual return of the Plan's passive real return bond portfolio.

Over the past year, economic output rebounded, and inflation readings trended higher. As a result, central banks generally shifted to remove emergency stimulus, and several central banks in the emerging markets of Eastern Europe and Latin America raised their key interest rates. The Bank of England hiked its key short-term rate in December, while its counterparts in major advanced economies left rates unchanged but started to pivot towards the reduction of policy accommodation. As a result, global bond yields rose sharply, generating negative returns and flattening yield curves. In Canada, the 2- and 30-year yields rose 75 and 47 basis points, respectively, in 2021.

The Bank of Canada, which ended its asset purchase program in October, estimates that the economy grew about 4.6% in 2021 following a decline of roughly 5.2% in 2020. Inflation readings as measured by the CPI rose at the fastest pace in 30 years during 2021, increasing on a year-over-year basis from 1% in January to 4.8% in December. This was due in part to higher demand and supply chain disruptions combined with higher food and energy prices. Despite some challenges related to the latest Omicron variant, the Bank of Canada signalled that overnight interest rates will rise as the economy runs near full potential.

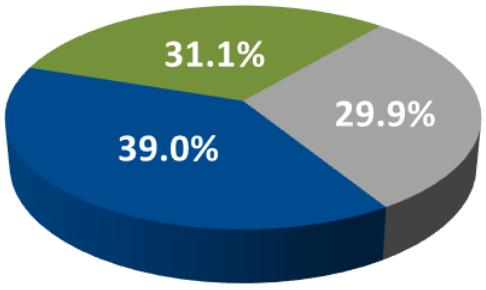
In the fourth quarter, the Federal Reserve announced that it intended to completely wind down its bond-buying program by June 2022, three months earlier than originally planned, and acknowledged that inflation was more persistent than previously thought. Interest rate hikes are expected to begin in the first half of 2022, and there are signs that the Federal Reserve may begin reducing its nearly $9 trillion balance sheet, which has doubled in the last two years.

CANADIAN BONDS (cont'd)

Credit spreads tightened over the course of the year. High-yield corporate and inflation-protected bonds were the best-performing segments of the bond market.

Inflation and central bank policy will remain key factors for the bond market in 2022. Volatility is expected to be higher than in the past. The pace of interest rate hikes will be determined by economic conditions, inflation, and the uncertainty related to the pandemic.

Market Value of Canadian Bonds
$3.61 billion
at December 31, 2021



Internal Active
Internal Passive
External Active

BOND OVERLAY (DERIVATIVES)

Annualized Compound Rates of Return

	Plan Assets	Asset Benchmark
1-Yr	(5.1)%	(5.3)%
4-Yr	3.4%	3.0%

As part of its LDI strategy, the Plan uses a bond overlay that consists of fixed income derivative instruments and creates synthetic exposure to fixed income. The bond overlay helps reduce volatility in the Plan's solvency funded status by ensuring that the Plan's assets and liabilities have a similar interest rate sensitivity. It is more effective to invest in an asset mix structure that consists of return-seeking assets, fixed income assets, and a bond overlay than to invest entirely in fixed income assets.

Although fixed income instruments provide a better duration match to Plan liabilities, their long-term expected returns are lower than many other asset classes, which makes a 100% bond portfolio less than optimal. The bond overlay strategy allows for return-generating assets with higher return potentials—such as equities, private investments, infrastructure, and real estate—to form part of the Plan's asset mix while also ensuring that the Plan's assets have the required interest rate and inflation sensitivity. This structure is designed to produce overall Plan returns that more closely mirror movements in the Plan's pension obligations while producing an enhanced return over that of an all-bond portfolio.

PRIVATE DEBT

Annualized Compound Rates of Return

	Plan Assets	Asset Benchmark
1-Yr	10.2%	(0.4)%
4-Yr*	8.1%	5.0%

* Portfolio launched January 1st, 2020. 4-yrs returns represent inception to date.

The Private Debt portfolio holds private fixed income products, which provide a higher expected return than public fixed income products. The portfolio also diversifies the Plan's fixed income holdings between private and public market. Examples of assets for this portfolio include infrastructure and real estate debt, senior direct lending, subordinated debt, and commercial mortgages. Investments in the Private Debt portfolio are illiquid, so a typical investment in the Private Debt portfolio is held for several years.

During the year, the Plan's Private Debt portfolio added a material position in an investment-grade-rated senior US real estate debt strategy, which doubled the size of the portfolio and helped diversify the three subordinated debt strategies within the portfolio. In 2021, the Private Debt portfolio provided strong diversification benefits and generated a positive return compared to negative returns experienced in Canadian fixed income public markets. As the global economy experienced increased stability and strength following the onset of the pandemic-induced recession in 2020, the portfolio's subordinated debt strategies posted strong absolute returns, avoided any defaults, and materially outperformed the benchmark.

EQUITY

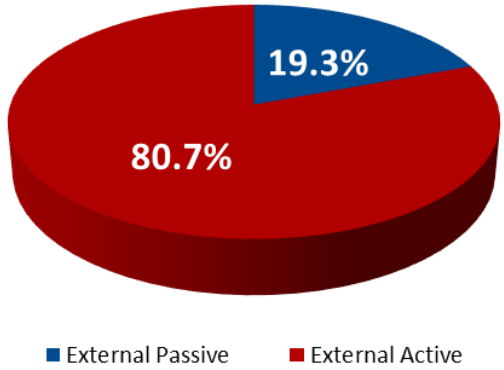
Equity investments represent ownership interests in publicly traded and privately owned companies. In addition to providing diversity to the Plan, equities are expected to provide higher returns than fixed income investments over the long term.

CANADIAN EQUITY

Annualized Compound Rates of Return

	Plan Assets	Asset Benchmark
1-Yr	25.0%	25.1%
4-Yr	8.0%	10.3%

Market Value of Canadian Equity
$536.0 million
at December 31, 2021



After a modest increase in 2020, the S&P TSX Capped Composite Index total return was 25.1% in 2021 as public equity markets around the world entered a risk-on phase after global central banks coordinated an ultra-loose monetary policy to support economic growth and financial markets. Investor sentiment was also strong due to continued accommodative monetary policies from the Bank of Canada. Oil prices reached a 5-year high as prices were up by approximately 58% year-over-year amid increased energy demand. Gold prices ended the year down by approximately 4.5% in 2021 as investors sought higher returns in other higher-risk assets.

Ten out of the eleven sectors contributed positively to the total return of the S&P/TSX Composite Index in 2021. Energy was the strongest-performing sector, generating a total return of 48.9%, while Health Care was the weakest-performing sector, declining 19.6%.

S&P/TSX Capped Composite index
2021

INTERNATIONAL EQUITY

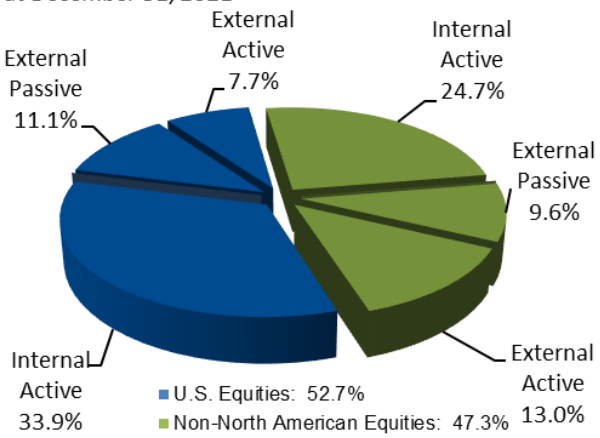
Annualized Compound Rates of Return

	Plan Assets	Asset Benchmark
1-Yr	21.8%	17.3%
4-Yr	13.8%	12.5%

Market Value of International Equity

$2.54 billion

at December 31, 2021



International equities delivered strong returns in 2021, with the MSCI All-Country World ex-Canada Index (ACWI) rising 17.3% in Canadian dollar terms (including dividends). While the year was not without its challenges, optimism over the rollout of COVID-19 vaccines, strong corporate earnings growth, and a sustained economic recovery drove strong momentum in equity markets, with broader global equity indices closing the year near all-time highs.

US equity markets enjoyed the second straight year of regional outperformance, with the S&P 500 Index rising 27.5% in Canadian dollar terms. While the year began with the backdrop of a contested presidential election and the still-raging COVID-19 pandemic, the rapid deployment of vaccines and incremental fiscal support programs under the new Biden administration supported sentiment early in the year. As the year progressed, the strong recovery was accompanied by the challenges of supply chain bottlenecks, labour shortages, and rising inflation, as well as the emergence of new COVID-19 variants. However, US equities were buoyed by strong corporate earnings growth and resilient consumer demand. While markets generally maintained a positive tone throughout most of 2021, volatility did rise in the latter part of the year over the realization that the Federal Reserve may have to assume a more rapid pace of monetary tightening.

MSCI ACWI ex-Canada Index

Return (CAD) - 2021

INTERNATIONAL EQUITY (cont'd)

Outside of the US, early access to vaccines, optimism about economic reopening, and ultra-loose monetary policies also were key factors contributing to strong regional returns in European and UK equities, which rose 15.5% and 17.5% respectively in Canadian dollar terms. The strongest developed markets were Austria (+41%), the Netherlands (+27%), Norway (+22%) and Sweden (+22%), while New Zealand (-18%), Hong Kong (-5%), and Portugal (+0.3%) underperformed. Emerging markets generally experienced greater challenges and underperformed developed markets significantly in 2021, with a decline of 3.4%. China (-22%) experienced significant weakness as investors dealt with a range of challenges, including regulatory crackdowns across technology-related sectors, solvency concerns in the property sector, and harsh regional lockdowns to contain COVID-19 outbreaks. Argentina, Brazil, and Turkey were hit by significant currency depreciation in the year amid ongoing political uncertainties and surging inflation. However, emerging African and Middle Eastern markets generated stronger returns supported high commodity and energy prices.

While all sectors ended the year in positive territory, the strong recovery in global oil and gas prices in 2021 led to the outperformance of the Energy sector, which rose 36% for the year. Growth-oriented information technology stocks also performed well (+27%) amid favourable long-term growth trends that were accelerated by the pandemic, such as digital services and e-commerce. Financial services stocks (+23%) also benefited from the prospect of future interest rate increases and benign credit conditions. On the other end of the spectrum, the Consumer Discretionary (+8%), Utilities (+10%), and Communications Services (+10%) sectors lagged the broader market returns.

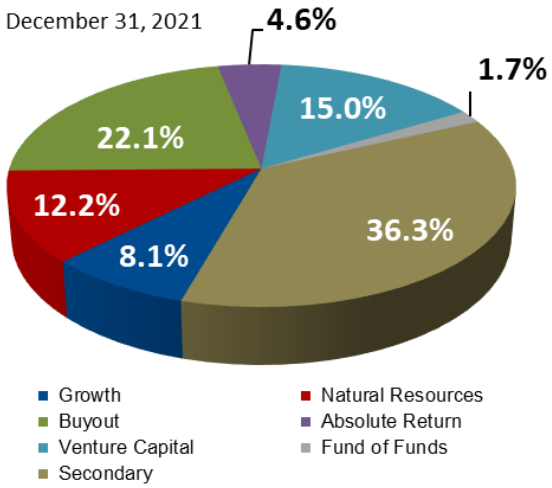
PRIVATE EQUITY

Annualized Compound Rates of Return

	Plan Assets	Asset Benchmark
1-Yr	35.3%	9.5%
4-Yr	12.8%	8.5%

Private Equity Allocations

$668.6 million
at December 31, 2021



The Private Equity portfolio consists mostly of private investments in small-to medium-sized enterprises. These investments are held primarily in long-term limited partnership structures. While the returns can be volatile, these investments offer the potential for high returns over the long term. Examples of assets in this portfolio include growth capital, buyout, venture capital and secondary fund investments. Investments in the private equity portfolio are illiquid and, as such, are typically held for several years.

The private equity portfolio is globally diversified. More than 90% of the portfolio is invested outside of Canada, with approximately 35% invested in developing countries. The portfolio investments are also diversified by sector, with approximately 31% invested in Information Technology, 27% in Industrials, 9% in Health Care, 7% in Consumer Discretionary, and the remainder being diversified among the other seven sectors.

The private equity portfolio's positive return in 2021 reflected a delayed uplift in private equity valuations related to the upswing in public markets through the second half of 2020 and first half of 2021.

REAL ASSETS

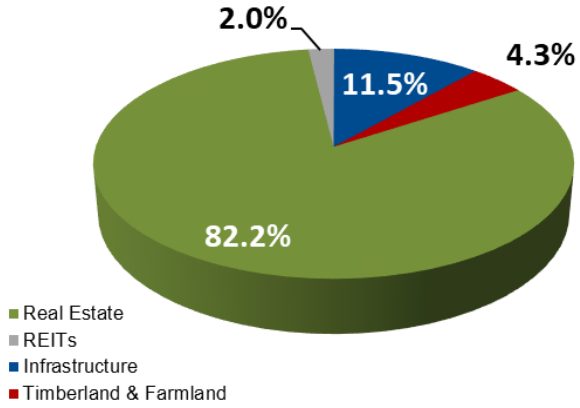
Real assets comprise three separate components: real estate and REITs, infrastructure, and timberland and farmland.

REAL ASSETS

Annualized Compound Rates of Return

	Plan Assets	Asset Benchmark
1-Yr	17.5%	6.0%
4-Yr	10.1%	5.7%

Real Assets
$1.24 billion
at December 31, 2021



Real Estate

The COVID-19 pandemic has significantly affected the various subsectors of the real estate market with potential long-term effects for each. Retail valuations have been under intense pressure, while in the office segment there appears to be greater uncertainty over the medium term. We are beginning to see some office tenants adjust space needs and adopt permanent hybrid work models. New leasing activity has declined, and most office tenants are renewing leases for shorter terms, which gives them more time to make strategic decisions about their long-term space needs. Investors are also showing greater discernment between tier one office assets and less attractive offerings. On the other hand, multi-family and industrial assets have proven more resilient and are highly sought after across developed markets.

Several years ago, we began the process of revamping the Plan's real estate strategy and portfolio composition. Execution of this strategy has reduced retail exposure from 35% in 2018 to under 15% as of 2021. The remaining retail assets are largely in the grocery chain anchored centres that have been shielded from the impacts of the pandemic and structural changes taking place in the retail sector. For the multi-family sector, we increased the Plan's exposure from 20% to over 40%, mostly in the affordable segment across North America. The Plan's industrial exposure has increased from under 8% in 2018 to over 25%. On a geographic basis, the portfolio is more diversified, as nearly 50% of investments are outside of Canada versus 14% in 2018.

In 2021, the Plan's exposure to the Multi-family and Industrials subsectors in North America was increased further.

Infrastructure, Timberland & Farmland

Infrastructure assets remained resilient through the pandemic. The Plan's infrastructure portfolio is in the early build-out stage. The strategy calls for an increased allocation to infrastructure assets, which is currently 15% of the real assets portfolio. Further, we are targeting greater geographic diversification, yield assurance, and cycle resilience for new infrastructure investments. We anticipate that there will be material exposure to renewable energy, transportation, telecommunications, data, and social assets. In general, asset cashflows will be contracted and linked to inflation, economic growth, and structural demand drivers.

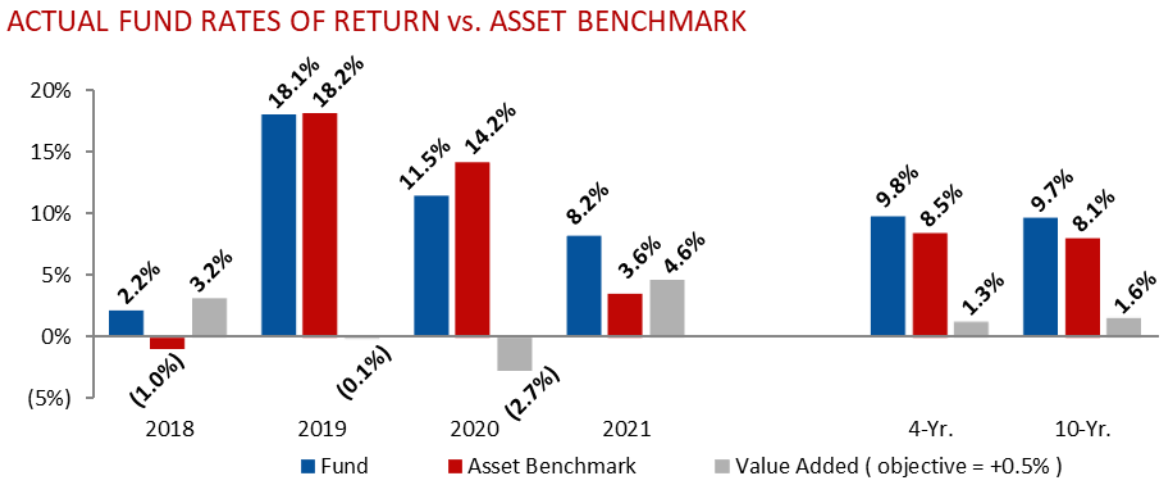
The Plan’s timberland and farmland investments continue to progress from a life-cycle perspective. As the investments have matured, investment return is slowly moving up towards our target. This segment of the portfolio acts both as a diversifier and dampener for the larger real asset portfolio as these holdings are uncorrelated with movements in the investment markets.

SUMMARY OF ASSET ALLOCATION

The Plan's investment policy was altered in 2020 to distinguish between public investments and private investments within the broad asset classes. The policy targets a strategic asset mix of 43.5% fixed income (36% public and 7.5% private), 42% equities (34% public and 8% private), and 14.5% real assets.

The Plan continues to make progress towards the new asset mix, with the actual asset mix at December 31, 2021 being 45.5% fixed income (44.1% public and 1.4% private), 40.9% equity (33.6% public and 7.3% private), and 13.6% real assets.

The following chart shows the Plan's annual returns against its asset benchmark over the last years, as well as the annualized return over a 4-year and 10-year period.



CBC Pension Plan

FINANCIAL REPORT

Management Responsibility for Financial Reporting

The financial statements of the CBC Pension Plan for the year ended December 31, 2021 and all other information presented in this annual report have been prepared by management, which is responsible for the integrity and fairness of the data presented, including amounts which by necessity are based on management's best estimates as determined through experience and judgement. The financial statements have been properly prepared within reasonable limits of materiality. The accounting policies followed in the preparation of these financial statements conform with Canadian accounting standards for pension plans.

Management of the CBC Pension Plan maintains books of accounts, records, financial and management control, and information systems, which are designed for the provision of reliable and accurate financial information on a timely basis. Systems of internal control are maintained to provide assurance that transactions are authorized, that assets are safeguarded, and that legislative and regulatory requirements are adhered to. These controls include a code of conduct and an organizational structure that provide a well-defined division of responsibilities and accountability.

The CBC Pension Board of Trustees is responsible for overseeing management and has overall responsibility for approving the financial information included in the annual report. The Board meets with management and the external auditors to review the scope of the audit, to review their findings and to satisfy themselves that their responsibilities have been properly discharged. In addition, the firm LifeWorks, consulting actuaries, conducts a formal actuarial valuation of the obligations for pension benefits as is required under the Pension Benefits Standards Act.

Deloitte LLP, the Plan's external auditor appointed by the Board, has conducted an independent audit of the financial statements in accordance with Canadian generally accepted auditing standards, performing such tests and procedures as it considers necessary to express the opinion in its report to the CBC Pension Board of Trustees. The external auditor has full and unrestricted access to the Board to discuss its audit and related findings as to the integrity of the CBC Pension Plan's financial reporting and the adequacy of internal control systems.

Duncan Burrill
Managing Director/CEO
CBC Pension Plan

Julie Murphy
Secretary/Treasurer
CBC Pension Board of Trustees

March 30, 2022

Actuary's Opinion

LifeWorks was retained by the CBC Pension Board of Trustees (the "Board") to calculate the going concern and solvency obligations of the CBC Pension Plan (the "Plan") as at December 31, 2021, for inclusion in the Plan's financial statements.

The Plan's obligations under the going concern basis as at December 31, 2021 are based on the results of the actuarial valuation as at December 31, 2021, and take into account:

- The membership data provided by CBC/Radio-Canada as at December 31, 2021;
- The methods prescribed under Section 4600 of the Chartered Professional Accountants of Canada Accounting Handbook for pension plan financial statements; and
- The assumptions about future events, such as future rate of inflation and future rates of return on the Plan, which have been communicated to us as the Board's best estimate of these events.

The assumptions that form the going concern basis were reasonable at the time the valuation was prepared. Further information on the data, methods and assumptions used under both the going concern and solvency bases are described in our actuarial valuation report as at December 31, 2021.

Actuarial valuation results are only estimates. Emerging experience may differ, perhaps significantly, from the assumptions used to perform the valuation. These differences will result in gains or losses to be revealed in future valuations, and will affect the future financial position of the Plan and contribution levels.

In our opinion, with respect to the actuarial valuation of the Plan as at December 31, 2021:

- The membership data on which the valuation is based are sufficient and reliable for the purposes of the valuation;
- The assumptions are appropriate for the purposes of the valuation; and
- The methods employed in the valuation are appropriate for the purposes of the valuation.

This valuation has been prepared, and our opinion given, in accordance with accepted actuarial practice in Canada.

Richard Paré
Associate of the Canadian Institute of Actuaries

Gino Girard
Fellow of the Canadian Institute of Actuaries

LifeWorks

March 30, 2022
Ottawa, Ontario

Deloitte LLP
1600 - 100 Queen Street
Ottawa ON K1P 5T8
Canada

Tel: 613-236-2442
Fax: 613-236-2195
www.deloitte.ca

Independent Auditor's Report

To the Members of the CBC Pension Board of Trustees

Opinion

We have audited the financial statements of CBC Pension Plan, which comprise the statement of financial position as at December 31, 2021, and the statements of changes in net assets available for benefits, changes in pension obligations and changes in funding surplus for the year then ended, and a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the CBC Pension Plan as at December 31, 2021, and the changes in its net assets available for benefits, changes in its pension obligations and changes in its funding surplus for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the CBC Pension Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing CBC Pension Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate CBC Pension Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing CBC Pension Plan's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CBC Pension Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CBC Pension Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CBC Pension Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Ottawa, Ontario

March 30, 2022

Statement of Financial Position

(Canadian $ thousands) As at December 31	**2021**	2020
ASSETS		
Investment assets *(Note 3)*	**$ 9,145,711**	$ 8,722,922
Accrued investment income	**33,512**	33,549
Contributions receivable		
- Employee	**6,245**	5,958
- Employer	**6,294**	5,804
FlexPen investments *(Note 6)*	**3,594**	3,833
Due from brokers	**9,462**	39
Other assets	**252**	245
	9,205,070	8,772,350
LIABILITIES		
Investment liabilities *(Note 3)*	**4,097**	52,629
Accounts payable and accrued liabilities *(Note 7)*	**9,198**	13,740
Due to brokers	**35**	28
	13,330	66,397
NET ASSETS AVAILABLE FOR BENEFITS	**9,191,740**	8,705,953
PENSION OBLIGATIONS *(Note 8)*	**5,474,114**	5,392,517
FUNDING SURPLUS *(Note 10)*	**$ 3,717,626**	$ 3,313,436

The accompanying notes are an integral part of the financial statements

Approved by the Board of Trustees

Trustee

Trustee

Approved by Management

Managing Director / CEO

Secretary / Treasurer

Statement of Changes in Net Assets Available for Benefits

(Canadian $ thousands) Year ended December 31	**2021**	2020
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	**$ 8,705,953**	$ 8,022,608
Investment Activities		
Investment income *(Note 3)*	**299,399**	221,379
Change in fair value of:		
- Investments *(Note 3)*	**472,831**	711,731
- FlexPen investments *(Note 6)*	**404**	205
Net investment activities	**772,634**	933,315
Member Service Activities		
Contributions *(Note 5)*		
Employee	**60,510**	56,674
Employer	**54,819**	52,860
Transfers	**1,199**	1,050
	116,528	110,584
Benefits *(Note 9)*		
Pensions	**(298,412)**	(294,121)
Refunds and transfers	**(23,875)**	(19,063)
	(322,287)	(313,184)
Net member service activities	**(205,759)**	(202,600)
Administrative Expenses *(Note 11)*	**(81,088)**	(47,370)
Increase in Net Assets Available For Benefits	**485,787**	683,345
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	**$ 9,191,740**	$ 8,705,953

The accompanying notes are an integral part of the financial statements

Statement of Changes in Pension Obligations

(Canadian $ thousands) Year ended December 31	**2021**	2020
PENSION OBLIGATIONS, BEGINNING OF YEAR	**$ 5,392,517**	$ 5,231,108
Increase in Pension Obligations		
Interest on pension obligations	**296,588**	298,173
Changes in actuarial assumptions	**-**	90,096
Benefits earned	**116,528**	110,584
Net experience losses	**16,982**	-
FlexPen investments *(Note 6)*	**404**	205
	430,502	499,058
Decrease in Pension Obligations		
Benefits *(Note 9)*	**322,287**	313,184
Changes in actuarial assumptions	**26,618**	-
Net experience gains	**-**	24,465
	348,905	337,649
Net Increase in Pension Obligations	**81,597**	161,409
PENSION OBLIGATIONS, END OF YEAR	**$ 5,474,114**	$ 5,392,517

Statement of Changes in Funding Surplus

(Canadian $ thousands) Year ended December 31	**2021**	2020
FUNDING SURPLUS, BEGINNING OF YEAR	**$ 3,313,436**	$ 2,791,500
Increase in Net Assets Available for Benefits	**485,787**	683,345
Net Increase in Pension Obligations	**(81,597)**	(161,409)
FUNDING SURPLUS, END OF YEAR *(Note 10)*	**$ 3,717,626**	$ 3,313,436

The accompanying notes are an integral part of the financial statements

1. DESCRIPTION OF PLAN

The following description of the Canadian Broadcasting Corporation Pension Plan (the Plan) is a summary only. For more complete information, reference should be made to the text of the Plan as amended from time to time.

a) General

The Canadian Broadcasting Corporation (the Corporation) established the Plan effective September 1, 1961, pursuant to the Broadcasting Act. The Plan is primarily a contributory defined benefit pension plan covering substantially all employees of the Corporation. The Plan is subject to the provisions of the Pension Benefits Standards Act, 1985 (PBSA) and Regulations. The Plan's registration number with the Office of the Superintendent of Financial Institutions (OSFI) is 0055144.

b) Benefits

The Corporation guarantees the payment of the pensions (other than the flexible pension provision (see Note 6)), and other benefits payable under the terms of this Plan. A member who is a full-time employee of the Corporation will receive benefits based on the length of pensionable service and on the average of the best five consecutive years of pensionable salary in the last ten years of employment. A member who is a part-time employee of the Corporation will receive benefits based on an indexed career average salary formula. The benefits are indexed at the lesser of 2.7% or the increase in the Consumer Price Index (CPI) effective January 1st of each year.

c) Funding

The Plan is funded on the basis of actuarial valuations, which are made on an annual basis. Employees are required to contribute to the Plan a percentage of their pensionable salary. The contribution rate for full-time employees from January 1, 2021 to June 30, 2021 was 8.27% of earnings up to the maximum public pension plan earnings of $61,600 and 10.87% of earnings in excess of such maximum. The employee contribution rate was increased to 8.44% of earnings up to the maximum public pension plan earnings and 11.10% in excess of such maximum from July 1, 2021 to December 31, 2021. From January 1, 2020 to June 30, 2020 the rate was 8.13% of earnings up to the maximum public pension plan earnings of $58,700 and 10.69% of earnings in excess of such maximum. The employee contribution rate was increased to 8.27% of earnings up to the maximum public pension plan earnings and 10.87% in excess of such maximum from July 1, 2020 to December 31, 2020. The Corporation provides the balance of the funding, as required, based on actuarial valuations. The most recent actuarial valuation of the Plan was performed as of December 31, 2021.

d) Income tax status

The Plan is a Registered Pension Trust as defined in the Federal Income Tax Act (ITA), and consequently, is not subject to income taxes. The Plan’s registration number for income tax purposes is 202895.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Presentation

These financial statements are prepared in accordance with Canadian Accounting Standards for Pension Plans (ASPP) in Part IV of the Chartered Professional Accountants of Canada (CPA Canada) Handbook - Accounting (the "Handbook"), on a going concern basis and present the financial position of the Plan as a separate financial reporting entity independent of the CBC/Radio-Canada (Plan sponsor) and Plan members. The objective of these financial statements is to assist Plan members and other users in reviewing the financial position and results of operations of the Plan for the year. However, these statements do not portray the funding requirements of the Plan or the security of an individual Plan member's benefits.

In accordance with CPA Canada Section 4600, *Pension Plans*, which provide specific accounting guidance on investments and pension obligations, the Plan adopted Accounting Standards for Private Enterprises (ASPE) in Part II of the Handbook for accounting policies that are not covered in Part IV of the Handbook.

b) Investments

Investments are recorded as of the trade date and are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) Accrual of income

Investment income has been accrued to the year-end date.

d) Fair Value Measurement

The Plan is following International Financial Reporting Standards (IFRS) 13, Fair Value Measurement to determine the fair value of its investment portfolio. The Plan's financial statement disclosures with regards to its investment portfolio are based on the provisions of CPA Canada Section 4600 which includes compliance with the disclosure requirements of IFRS 7, Financial Instruments: Disclosures.

e) Current year change in fair value of investments

The current year change in fair value of investments is the difference between the fair value and the cost of investments at the beginning and end of each year adjusted for realized gains and losses in the year.

f) Pension obligations

Pension obligations related to the defined benefit portion of the Plan are based on a going concern basis actuarial valuation prepared by a firm of independent actuaries. The value of the pension obligations is based on the results of the formal valuation completed for December 31, 2021 (see Note 8). Accrued pension benefits related to the flexible pension provisions are reported at the fair value of the investments associated with the contributions.

2. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

g) Contributions

Contributions for current service are recorded in the year in which the related payroll costs are incurred. Contributions for past service are recorded in the year received. Cash contributions related to the flexible pension provisions are recorded in the year received.

h) Foreign currency translation and forward currency agreements

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates in effect at year-end. Income and expenses are translated at the rate of exchange prevailing at the time of the transactions. Forward currency agreements are fair valued at the reporting date. Gains and losses from translation and forward currency agreements are included in the current year change in fair value of investments.

i) Measurement uncertainty

The preparation of financial statements in conformity with ASPP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. The major estimates used by management in preparing the financial statements relate to the valuation and classification of investments particularly those classified as Level 3 in Note 3 f) as well as assumptions used in the calculation of the pension obligations. Actual results could differ from those estimates.

j) Securities lending

The Plan may enter into securities lending transactions. These securities lending activities are fully collateralized by securities, and the securities loaned continue to be accounted for as investments on the Statement of Financial Position. Lending fees earned by the Plan on these transactions are included in investment income.

3. INVESTMENTS

a) Schedule of investments

The tables below show the fair value and the cost of the investments at year-end as well as the current year change in fair value of investments and related income. Investment income includes interest and dividends earned during the year as well as income from real estate properties which is net of operating and interest expense.

2021 INVESTMENTS

(Canadian $ thousands)	Fair Value	Cost	Change in Fair Value of Investments[1]	Investment Income	Total Return
INVESTMENT ASSETS					
Fixed Income					
Public Debt					
Cash and short-term investments	$ 356,894	$ 356,894	$ (455)	$ 2,071	$ 1,616
Canadian bonds	3,611,866	2,776,615	(173,471)	72,972	(100,499)
Derivatives					
Bond forwards	32,835	-	(104,024)	-	(104,024)
Total return swaps	37,197	-	(60,216)	-	(60,216)
Private Debt	123,548	123,797	34	10,541	10,575
	4,162,340	3,257,306	(338,132)	85,584	(252,548)
Equities					
Public Equity					
Canadian	535,973	498,784	111,722	3,722	115,444
International	2,536,087	1,486,429	438,156	44,643	482,799
Private Equity	668,568	479,039	126,413	79,908	206,321
	3,740,628	2,464,252	676,291	128,273	804,564
Real Assets	1,242,743	945,576	144,679	85,542	230,221
Options - equity	-	-	650	-	650
TOTAL INVESTMENT ASSETS	9,145,711	6,667,134	483,488	299,399	782,887
INVESTMENT LIABILITIES					
Currency forwards	(4,097)	-	(10,657)	-	(10,657)
TOTAL INVESTMENT LIABILITIES	(4,097)	-	(10,657)	-	(10,657)
TOTAL NET INVESTMENTS	**$ 9,141,614**	**$ 6,667,134**	**$ 472,831**	**$ 299,399**	**$ 772,230**

[1] *Includes $235.7 million of change in unrealized market gains and $237.1 million of realized gains.*

3. INVESTMENTS *(cont'd)*

a) Schedule of investments *(cont'd)*

2020 INVESTMENTS (Canadian $ thousands)	Fair Value	Cost	Change in Fair Value of Investments[1]	Investment Income	Total Return
INVESTMENT ASSETS					
Fixed Income					
Public Debt					
Cash and short-term investments	$ 446,504	$ 446,494	$ 1,005	$ 4,482	$ 5,487
Canadian bonds	3,609,470	2,565,524	339,171	67,868	407,039
Derivatives					
Bond forwards	33,399	-	165,771	-	165,771
Total return swaps	21,228	-	105,786	-	105,786
Private Debt	59,597	59,238	314	5,000	5,314
	4,170,198	3,071,256	612,047	77,350	689,397
Equities					
Public Equity					
Canadian	506,624	461,312	(42,218)	17,499	(24,719)
International	2,564,113	1,709,983	208,392	38,502	246,894
Private Equity	518,123	453,250	(27,219)	31,609	4,390
	3,588,860	2,624,545	138,955	87,610	226,565
Real Assets	956,433	788,285	(47,659)	55,770	8,111
Hedge Funds	-	-	(3,568)	649	(2,919)
Currency forwards	7,431	-	11,162	-	11,162
TOTAL INVESTMENT ASSETS	8,722,922	6,484,086	710,937	221,379	932,316
INVESTMENT LIABILITIES					
Fixed Income					
Securities sold under agreements to repurchase	(52,168)	(52,168)	-	-	-
Options - equity	(461)	(362)	794	-	794
TOTAL INVESTMENT LIABILITIES	(52,629)	(52,530)	794	-	794
TOTAL NET INVESTMENTS	**$ 8,670,293**	**$ 6,431,556**	**$ 711,731**	**$ 221,379**	**$ 933,110**

[1] *Includes $389.2 million of change in unrealized market gains and $322.5 million of realized gains.*

3. INVESTMENTS *(cont'd)*

b) Determination of Fair Values

Fair values of investments are determined as follows:

i) Cash and short-term investments, which include bank deposits, treasury bills, bankers' acceptances, commercial paper and short-term bonds, are valued at cost, including accrued interest, which due to their short term-to-maturity approximates fair value. Cash and short-term investments also include bonds with maturity dates due within 12 months of the year-end and are recorded at closing mid-market quotes.

ii) Bonds consisting of both nominal and real return are valued based on quoted mid-market prices or if not available, estimated using discounted cash flow techniques.

iii) Private debt includes investments through ownership in limited partnership funds and are valued based on the most recent financial information provided by the fund's General Partners under limited partnership agreements adjusted for cash flows and foreign currency, as applicable which approximates fair value.

iv) Securities sold under agreements to repurchase are accounted for as collateralized borrowing transactions and are recorded at cost, including accrued interest, which due to their short term-to-maturity approximates fair value.

v) Public equity consisting primarily of listed securities are recorded at prices based on quoted market closing prices or if not available, estimated using valuation techniques as described below under Private Equity.

vi) Real assets include investments held directly and through ownership in limited partnership funds. Direct investments in real estate projects when in development are valued at the lower of cost and estimated realizable value, as a proxy for fair value. Investments in income producing properties are recorded at estimated fair values determined by using appropriate industry valuation techniques and best estimates by property managers and/or independent appraisers who hold professional appraiser designations. In periods between appraisals, valuations are reviewed and updated for changes in market and property specific parameters. Real estate investments through ownership in limited partnership funds and are valued based on the most recent financial information provided by the fund's General Partners under limited partnership agreements adjusted for cash flows and foreign currency, as applicable which approximates fair value. The limited partnership funds' investments are valued using similar valuation methods described above as applicable.

vii) Private equity includes investments through ownership in limited partnership funds and are valued based on the most recent financial information provided by the fund's General Partners under limited partnership agreements adjusted for cash flows and foreign currency, as applicable which approximates fair value. The limited partnership funds' investments consist primarily of unlisted securities and the fair values are estimated using one of the following methods: earnings multiple, discounted cash flows or earnings, available market prices and price of recent investments. These values are reviewed by management and are methods that reflect generally accepted industry valuation practices.

viii) Hedge Funds and similar alternative investment funds are recorded at fair value based on net asset values obtained from each of the fund's administrators.

ix) Derivative financial instruments:

a) Exchange-traded derivatives are valued based on quoted closing market prices.
b) Over-the-counter derivatives are valued based on market valuation techniques, primarily pricing models using observable market prices and other financial inputs to estimate fair value.

3. INVESTMENTS *(cont'd)*

c) Derivative Financial Instruments

Derivative financial instruments are financial contracts whose values are derived from the value of underlying assets, indexes, interest rates or currency exchange rates. The Plan uses fixed income derivative instruments (bond forwards and total return swaps) as part of its liability driven investment strategy which hedges the interest rate and inflation risk mismatch in the Plan's assets and liabilities. The Plan uses a covered call writing strategy for its equity portfolio to obtain additional investment income from the premiums received. The Plan may also, from time to time, manage some of its foreign currency exposure based on economic fundamentals by entering into currency forwards.

Notional values represent the face amount of the contract to which a rate or price is applied in order to calculate the exchange of cash flows. Notional values do not represent the potential gain or loss associated with the market or credit risk of such transactions. Rather, these values serve as the basis upon which the returns and the fair value of, the contracts are determined. Accordingly, notional values are not recorded as assets and liabilities in the financial statements.

The Plan has master netting arrangements in place for its fixed income derivative instruments. In the normal course of business, the Plan settles its derivative contracts on a net basis. The Plan's recognized financial instruments are presented in Note 3 a) and summarized further on the following page.

Forwards
The Plan's forward contracts are negotiated agreements between two counterparties where one counterparty agrees to buy a financial instrument, and the other agrees to sell a financial instrument at an agreed future date, but at a price established at the start of the contract. The Plan uses fixed income and currency forward contracts.

Swaps
The Plan's total return swap contracts are negotiated agreements between two counterparties where one agrees to pay the total return (interest payments and any capital gains or losses) from a specified reference asset or group of assets and the other counterparty agrees to pay a specified fixed or floating cash flow. The reference assets for the Plan's total return swaps are various fixed income indexes or a group of four to six government bonds.

Options
The Plan's call options are standardized equity contracts listed on regulated exchanges. The Plan has sold (written) contracts to a counterparty under which they have the right, but not an obligation, to buy an underlying equity instrument at a fixed price prior to a future specified date. The Plan receives a premium from the purchasing counterparty for this right.

3. INVESTMENTS *(cont'd)*

c) Derivative Financial Instruments *(cont'd)*

The following table summarizes the notional amounts and fair value of the Plan's derivatives contracts:

(Canadian $ thousands)

As at December 31	2021		2020	
	Notional Value	**Net Fair Value**	Notional Value	Net Fair Value
Fixed Income				
Bond forwards	**$ 821,075**	**$ 32,835**	$ 1,592,332	$ 33,399
Total return swaps	**1,258,803**	**37,197**	1,269,823	21,228
	2,079,878	**70,032**	2,862,155	54,627
Options - equity	**-**	**-**	(1,973)	(461)
Currency forwards	**248,535**	**(4,097)**	227,170	7,431
TOTAL	**$ 2,328,413**	**$ 65,935**	$ 3,087,352	$ 61,597

The net fair value of derivative contracts is represented by:

(Canadian $ thousands)

As at December 31	**2021**	2020
Derivative - related receivables	**$ 70,032**	$ 62,138
Derivative - related payables	**(4,097)**	(541)
TOTAL NET	**$ 65,935**	$ 61,597

All derivative contracts held at December 31, 2021 and 2020 have a term to maturity less than one year.

d) Securities Lending

The Plan participates in securities lending programs whereby it lends securities in order to enhance portfolio returns. Any such securities lending requires cash or high-quality non-cash collateral with a fair value equal to no less than 102% of the value of the securities lent. As of December 31, 2021, securities with an estimated fair value of $9.9 million (2020: $31.1 million) were loaned out, while cash and securities contractually receivable as collateral had an estimated fair value of $10.7 million (2020: $32.5 million).

3. INVESTMENTS *(cont'd)*

e) Financial Risk Management

i) Overview

The Plan invests in assets that expose the Plan to a range of investment risks. The Plan invests in riskier assets to earn a higher rate of return than would be achieved through the investment in a minimum risk portfolio (MRP). The MRP is the portfolio that would minimize the Plan's overall risk. The Plan has strategies, policies and processes in place to manage these risks and to ensure it is being properly compensated for the risks it is taking. The Plan's objective is not to minimize risk, but to optimize risk relative to the Plan's risk tolerance.

The Plan follows a Liability Driven Investment (LDI) strategy that focuses on reducing the interest rate and inflation risk mismatch between the Plan's assets and liabilities. The Plan's Statement of Investment Policies and Procedures (SIP&P) sets out the Plan's investment framework and risk limits. The SIP&P, which is prepared in accordance with applicable legislation, is updated and approved annually by the Plan's Board of Trustees. It defines eligible investments, asset mix ranges and diversification requirements. Compliance with the SIP&P is evaluated and reported to the Plan's Board of Trustees on a monthly basis. The Plan's processes for selecting and evaluating portfolio managers, as well as the Plan's investment security selection processes are key components of the Plan's financial risk management system. Derivatives are also used to manage certain risk exposures.

ii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Plan is exposed to market risk through its investments in various types of assets. While the vast majority of the Plan's investments expose the Plan to some form of market risk, the degree of risk varies considerably by investment. One of the key ways that the Plan manages market risk is by diversifying its investments across asset classes, industry sectors, countries, currencies, investment strategies and individual companies.

a) Currency Risk — Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Plan is exposed to currency risk through its investment in financial instruments denominated in currencies other than the Canadian dollar. Changes in the value of foreign currencies relative to the Canadian dollar can increase or decrease the fair value and future cash flows of these investments. Currency risk is managed through SIP&P defined limits on maximum currency exposures, diversification among currencies and through the active hedging of foreign currency exposures. The SIP&P defined minimum and maximum exposure limits on foreign currencies are 15% and 40%, respectively, of the market value of the Plan's assets.

3. INVESTMENTS *(cont'd)*

e) Financial Risk Management *(cont'd)*

ii) Market Risk *(cont'd)*

The Plan had investment exposure to foreign currencies as set out below:

(Canadian $ thousands) As at December 31	Foreign Currency Exposure **2021**	 2020
United States dollar	**$ 2,724,846**	$ 2,328,531
Euro	**171,083**	183,235
Japanese yen	**81,158**	82,645
Hong Kong SAR dollar	**48,400**	44,272
Swedish krona	**30,828**	33,164
British pound sterling	**27,325**	37,452
Swiss franc	**23,521**	33,016
Mexican peso	**15,061**	12,570
South Korean won	**13,319**	15,047
Indonesian rupiah	**10,792**	9,073
Singapore dollar	**9,900**	8,846
Chinese renminbi	**8,562**	9,835
New Taiwan dollar	**7,696**	7,618
India rupee	**6,841**	-
Australian dollar	**4,856**	5,756
Danish krone	**3,033**	2,935
Brazilian real	**1,792**	2,483
Norwegian krone	**1,473**	2,534
Philippine peso	**1,353**	1,350
Czech koruna	**-**	3,786
Other	**1,498**	1,779
TOTAL	**$ 3,193,337**	$ 2,825,927

As at December 31, 2021, a 1% increase in the Canadian dollar against all other currencies would decrease the value of the Plan's net investments by $31.9 million or 0.4% (2020: $28.3 million or 0.3%). A 1% decrease in the Canadian dollar against all other currencies would increase the value of the Plan's net investments by $31.9 million or 0.4% (2020: $28.3 million or 0.3%). This calculation is based on the Plan's direct foreign currency holdings and does not include secondary impacts of exchange rate changes.

b) Interest Rate Risk — Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Pension obligations also contain a significant component of interest rate risk. The Plan's interest rate risk exposure arises due to any mismatches between the interest rate sensitivity of the assets and the liabilities. The Plan's LDI strategy is designed to manage the Plan's interest rate risk as it relates to both the Plan's assets and liabilities. The Plan's overall asset mix, fixed income duration and interest rate derivatives are all used to hedge the Plan's interest rate risk. As interest rate risk is one of the key risks facing the Plan, the Plan conducts a significant amount of interest rate sensitivity and scenario analysis. The Plan closely monitors its overall interest rate risk exposure and interest rate risk hedging effectiveness through a detailed set of performance report cards and dashboards.

Changes in interest rates directly affect the value of the Plan's fixed income investments, including fixed income derivative instruments and also have a significant influence on the value of equity investments and foreign exchange rates. As at December 31, 2021, and after giving effect to derivative contracts, an increase of 1% in nominal interest rates would result in a decline in the value of the fixed income investments and derivatives of approximately $922.7 million or 10.1% (2020: $1,066.1 million or 12.3%) of the Plan's assets. A 1% reduction in nominal interest rates would increase the value of the fixed income investments and derivatives by $922.7 million or 10.1% (2020: $1,066.1 million or 12.3%) of the Plan's assets. This is based on the duration of the holdings and does not include other variables such as convexity.

3. INVESTMENTS *(cont'd)*

e) Financial Risk Management *(cont'd)*

ii) Market Risk *(cont'd)*

With respect to pension obligations, as at December 31, 2021 and holding inflation and salary escalation assumptions constant, a 1% reduction in the assumed long-term rate of return would result in an increase in the pension obligations, which are measured on a going concern basis, of approximately 13.5% (2020: 13.8%). A 1% increase in the assumed long-term rate of return would result in a decrease in the pension obligations, which are measured on a going concern basis, of approximately 10.9% (2020: 11.0%).

c) Other Price Risk — Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. The Plan's exposure to other price risk results primarily from its holdings of domestic and foreign equities, as well as through its investments in real estate and other strategic investments. Other price risk is managed through SIP&P defined maximum and minimum exposure limits on regions, countries, economic sectors and single securities.

The overall equity market exposure limits as a percentage of Plan assets as at December 31, 2021 and 2020 were as follows:

(% of category)	Minimum	Long-term Target	Maximum
Canadian Equities	3	6	9
International Equities	21	28	35
TOTAL	24	34	44

Concentration of price risk exists when a significant portion of the portfolio is invested in securities with similar characteristics or subject to similar economic, market, political or other conditions. The following tables provide information on the Plan's price risk:

(% of category)	**2021**		2020	
EQUITIES	**Canadian**	**International**	Canadian	International
Communication Services	**3.4**	**7.6**	6.7	7.3
Consumer Discretionary	**6.1**	**11.2**	3.1	11.2
Consumer Staples	**3.3**	**7.3**	5.3	7.7
Energy	**12.5**	**3.0**	9.6	2.4
Financials	**35.1**	**15.3**	29.2	15.5
Health Care	**0.1**	**13.3**	0.9	13.1
Industrials	**11.2**	**12.5**	12.8	12.3
Information Technology	**11.6**	**22.3**	9.4	21.7
Materials	**11.7**	**4.2**	11.6	4.2
Real Estate	**3.2**	**2.1**	3.8	2.0
Utilities	**1.8**	**1.2**	7.6	2.6
TOTAL	**100.0**	**100.0**	100.0	100.0

3. INVESTMENTS *(cont'd)*

e) Financial Risk Management *(cont'd)*

ii) Market Risk *(cont'd)*

Price risk related to equity indices (i.e. S&P/TSX, S&P 500, MSCI EAFE, MSCI World ex-Canada) is calculated based on the Capital Asset Pricing Model (CAPM) and with the assumption of a constant risk-free interest rate. Portfolio betas are obtained through a third-party provider.

(Canadian $ thousands)	**2021**	2020
Canadian Equity		
Market Value	**$ 535,973**	$ 506,624
+ / - 1% change in S&P/TSX	**5,102**	4,854
U.S. Equity		
Market Value	**933,156**	937,226
+ / - 1% change in S&P 500	**8,418**	8,653
Global Equity		
Market Value	**1,602,931**	1,626,887
+ / - 1% change in MSCI ACWI ex-Canada	**$ 15,526**	$ 15,715

iii) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Plan's main exposure to credit risk comes from its receivables and its investment in debt instruments and over-the-counter derivatives, as described in Note 3 c).

The Plan's receivables are comprised of pension contributions due from employees (as deductions from payroll) and from the employer (Plan sponsor). The credit risk to the Plan arises from the possibility that the Plan sponsor fails to pay the employee salaries from which the employee contributions are deducted and fails to pay its own portion of the contributions due. The risk of non-payment is considered low, and all amounts due at December 31, 2021 and December 31, 2020 have subsequently been remitted to the Plan.

Debt instruments include both short-term investments and longer-term fixed income investments. The credit risk in over-the-counter derivatives arises when the Plan has mark-to-market gains and is therefore owed funds by the counterparty to the derivatives transaction. The Plan's SIP&P defines permitted investments, in accordance with the PBSA and provides guidelines and restrictions on acceptable investments which mitigate credit risk. The SIP&P limits include minimum credit rating requirements, limits on types of investments, limits on exposure to single sectors and limits on exposure to single securities. No more than 3% of the bond portfolio can be invested in securities with a bond credit rating lower than "BBB-". In order to minimize derivative contract credit risk, the Plan deals only with major financial institutions with a minimum credit rating of "A-".

The Plan also has International Swaps and Derivatives Association (ISDA) agreements, netting provisions and/or collateral posting requirements with the majority of its derivative counterparties. The Plan leverages the resources of a major Canadian bank to provide it with independent credit assessments of its derivative counterparties. At December 31, 2021 the Plan received $44.8 million (2020: $29.6 million) of collateral in the form of Government of Canada bonds and provincial bonds from its various derivative counterparties and provided $5.4 million (2020: $nil) of collateral to its derivative counterparties. The Plan has not provided any additional collateral to the counterparty for the securities sold under agreements to repurchase contracts as at December 31, 2020.

3. INVESTMENTS *(cont'd)*

e) Financial Risk Management *(cont'd)*

iii) Credit Risk *(cont'd)*

The maximum credit exposure of the Plan is represented by the fair value of the investments as presented in the Statement of Financial Position.

Concentration of credit risk exists when a significant proportion of the portfolio is invested in securities with similar characteristics or subject to similar economic, political or other conditions. The primary credit portfolio concentrations are as follows:

(Canadian $ thousands)		**2021**			2020	
CASH AND SHORT-TERM INVESTMENTS		**Fair Value**	**%**		Fair Value	%
Cash	**$**	**351,948**	**98.6**	$	413,457	92.6
Short-term investments						
Corporate		**4,946**	**1.4**		33,047	7.4
TOTAL	**$**	**356,894**	**100.0**	$	446,504	100.0
Cash	**$**	**351,948**	**98.6**	$	413,457	92.6
Short-term investments						
R-1 (high)		**2,147**	**0.6**		-	-
R-1 (low)		**2,799**	**0.8**		33,047	7.4
		4,946	**1.4**		33,047	7.4
TOTAL	**$**	**356,894**	**100.0**	$	446,504	100.0

(Canadian $ thousands)		**2021**			2020	
CANADIAN BONDS		**Fair Value**	**%**		Fair Value	%
Government of Canada	**$**	**1,278,706**	**35.4**	$	1,053,242	29.2
Provincial		**1,322,675**	**36.6**		1,476,468	40.9
Corporate		**1,010,485**	**28.0**		1,079,760	29.9
TOTAL	**$**	**3,611,866**	**100.0**	$	3,609,470	100.0
AAA to AA-	**$**	**2,157,746**	**59.7**	$	2,016,252	55.9
A+ to A-		**969,836**	**26.9**		1,079,110	29.9
BBB+ to BBB-		**484,284**	**13.4**		514,108	14.2
TOTAL	**$**	**3,611,866**	**100.0**	$	3,609,470	100.0

The above table does not include derivative or derivative counterparty exposure. The Plan's fixed income derivative exposure of $2.1 billion (2020: $2.9 billion) as at December 31, 2021 is 100.0% (2020: 100.0%) Provincial bonds; all the underlying bonds have a minimum credit rating of "A".

3. INVESTMENTS *(cont'd)*

e) Financial Risk Management *(cont'd)*

iv) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Plan is exposed to liquidity risk through its pension obligations (as described in Note 8), investment commitments (as described in Note 12) and the liabilities that might arise from mark-to-market of derivative positions. The Plan manages its short-term liquidity requirements through forecasting its cash flow requirements on a quarterly basis, monitoring of its cash flows on a daily basis and through its holdings of highly liquid short-term notes. These short-term notes, which generally mature over periods ranging from 1 day to 3 months, are managed so that their maturities cover the Plan's short-term outgoing cash flow requirements. The Plan aims to maintain minimum short-term note holdings equivalent to 3% of the Plan's value, which provides sufficient liquidity to meet contractual obligations as they come due. Over the medium to longer term, the Plan is also able to meet its liquidity requirements through its holdings of liquid investments such as publicly traded equities and fixed income instruments issued by the federal and provincial Canadian governments. The majority of the Plan's long-term fixed income instruments are held for trading purposes and are therefore not typically held to contractual maturity, and are thus considered to mature in less than one year.

The Plan has the following financial liabilities as at December 31:

(Canadian $ thousands)

As at December 31		**Due 2022**		Due 2021
Derivatives *(Note 3 c)*	**$**	**4,097**	$	541
Accounts payable and accrued liabilities *(Note 7)*		**9,198**		13,740
Due to brokers		**35**		28
TOTAL	**$**	**13,330**	$	14,309

f) Fair Value Measurement Disclosure

Financial instruments recorded at fair value on the Statement of Financial Position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

3. INVESTMENTS *(cont'd)*

f) Fair Value Measurement Disclosure *(cont'd)*

The following tables present the financial instruments recorded at fair value in the Statement of Financial Position, classified using the fair value hierarchy described above as at December 31, 2021 and 2020:

2021 INVESTMENTS	(Canadian $ thousands)	Level 1	Level 2	Level 3	Total
	INVESTMENT ASSETS				
	Fixed Income				
	Public Debt				
	Cash and short-term investments	$ 356,894	$ -	$ -	$ 356,894
	Canadian bonds	-	2,501,296	1,110,570	3,611,866
	Derivatives				
	Bond forwards	-	32,835	-	32,835
	Total return swaps	-	37,197	-	37,197
	Private Debt	-	-	123,548	123,548
		356,894	2,571,328	1,234,118	4,162,340
	Equities				
	Public Equity				
	Canadian	432,564	103,409	-	535,973
	International	2,129,808	406,279	-	2,536,087
	Private Equity	-	-	668,568	668,568
		2,562,372	509,688	668,568	3,740,628
	Real Assets	25,465	-	1,217,278	1,242,743
	TOTAL INVESTMENT ASSETS	2,944,731	3,081,016	3,119,964	9,145,711
	INVESTMENT LIABILITIES				
	Currency forwards	-	(4,097)	-	(4,097)
	TOTAL INVESTMENT LIABILITIES	-	(4,097)	-	(4,097)
	TOTAL NET INVESTMENTS	**$ 2,944,731**	**$ 3,076,919**	**$ 3,119,964**	**$ 9,141,614**

During the year, there have been no transfers of amounts between Level 1, Level 2 and Level 3.

3. INVESTMENTS *(cont'd)*

f) Fair Value Measurement Disclosure *(cont'd)*

2020 INVESTMENTS

(Canadian $ thousands)	Level 1	Level 2	Level 3	Total
INVESTMENT ASSETS				
Fixed Income				
Public Debt				
Cash and short-term investments	$ 446,504	$ -	$ -	$ 446,504
Canadian bonds	-	2,515,627	1,093,843	3,609,470
Derivatives				
Bond forwards	-	33,399	-	33,399
Total return swaps	-	21,228	-	21,228
Private Debt	-	-	59,597	59,597
	446,504	2,570,254	1,153,440	4,170,198
Equities				
Public Equity				
Canadian	80	506,544	-	506,624
International	2,128,792	435,321	-	2,564,113
Private Equity	-	-	518,123	518,123
	2,128,872	941,865	518,123	3,588,860
Real Assets	20,684	-	935,749	956,433
Currency forwards	-	7,431	-	7,431
TOTAL INVESTMENT ASSETS	2,596,060	3,519,550	2,607,312	8,722,922
INVESTMENT LIABILITIES				
Fixed Income				
Securities sold under agreements to repurchase	-	(52,168)	-	(52,168)
Options - equity	(461)	-	-	(461)
TOTAL INVESTMENT LIABILITIES	(461)	(52,168)	-	(52,629)
TOTAL NET INVESTMENTS	**$ 2,595,599**	**$ 3,467,382**	**$ 2,607,312**	**$ 8,670,293**

3. INVESTMENTS *(cont'd)*

f) Fair Value Measurement Disclosure *(cont'd)*

The following tables reconcile the fair value of financial instruments classified in Level 3 from the beginning balance to the ending balance:

2021 INVESTMENTS (Canadian $ thousands)	Balance at Dec 31, 2020	Purchases	Sales	Realized gain/(loss)	Change in unrealized gain/(loss)	Amortization	Balance at Dec 31, 2021
Fixed Income							
Canadian bonds	$ 1,093,843	$ 42,000	$ (219)	$ (21)	$ (25,017)	$ (16)	$ 1,110,570
Private debt	59,597	83,427	(18,867)	-	(609)	-	123,548
	1,153,440	125,427	(19,086)	(21)	(25,626)	(16)	1,234,118
Private equity	518,123	91,930	(67,419)	1,504	124,430	-	668,568
Real Assets	935,749	291,836	(139,431)	4,886	124,238	-	1,217,278
TOTAL	**$ 2,607,312**	**$ 509,193**	**$ (225,936)**	**$ 6,369**	**$ 223,042**	**$ (16)**	**$ 3,119,964**

2020 INVESTMENTS (Canadian $ thousands)	Balance at Dec 31, 2019	Purchases	Sales	Realized gain/(loss)	Change in unrealized gain/(loss)	Amortization	Balance at Dec 31, 2020
Fixed Income							
Canadian bonds	$ 996,993	$ -	$ (35,207)	$ 20,931	$ 111,143	$ (17)	$ 1,093,843
Private debt	38,431	60,022	(39,217)	313	48	-	59,597
	1,035,424	60,022	(74,424)	21,244	111,191	(17)	1,153,440
Private equity	517,528	52,574	(26,293)	(390)	(25,296)	-	518,123
Real Assets	917,518	109,386	(57,826)	6,696	(40,025)	-	935,749
Hedge funds	46,233	-	(42,665)	2,665	(6,233)	-	-
TOTAL	**$ 2,516,703**	**$ 221,982**	**$ (201,208)**	**$ 30,215**	**$ 39,637**	**$ (17)**	**$ 2,607,312**

Total net unrealized gains for Level 3 instruments held at the end of 2021 amounts to $1,125.4 million (2020: $902.4 million).

4. CAPITAL

The Plan's capital consists of the funding surpluses determined regularly in the funding valuations prepared by an independent actuary. The actuary's funding valuation is used to measure the financial well-being of the Plan. The objective of managing the Plan's capital is to ensure the Plan is fully funded to pay the plan benefits over the long term. The Pension Board of Trustees oversees the preparation of funding valuations and monitors the Plan's funded status. The Plan sponsor determines actions which may be taken to manage the funded position of the Plan. The actuary tests the Plan's ability to meet its obligations to all current Plan members and their survivors, using a set of economic and non-economic assumptions, the actuary projects the Plan's benefits on a going concern basis to estimate the current value of the liability, which it compares to the sum of the Plan assets. The result of the comparison is either a surplus or a deficit. As part of the funding valuation, the actuary also performs a measurement of the Plan's assets and liabilities on a solvency basis, which simulates the wind-up of the Plan. A funding valuation is required to be filed with the pension regulator annually. In addition, the Pension Board of Trustees obtains quarterly reports from the actuary and monthly reports from management which estimate the Plan's going concern and solvency financial positions, which assist the Pension Board of Trustees in monitoring the Plan's capital. The most recent projection of the actuarial valuation and funding position are disclosed in Notes 8 and 10. There have been no major changes to the Plan's capital requirements and its overall strategy with respect to capital remains unchanged from 2020.

5. CONTRIBUTIONS

The following are the contributions for the year:

(Canadian $ thousands)		**2021**		2020
Employee				
- Current Service	**$**	**52,836**	$	51,607
- Past Service		**7,674**		5,067
		60,510		56,674
Employer		**54,819**		52,860
Transfers		**1,199**		1,050
TOTAL	**$**	**116,528**	$	110,584

6. FLEXIBLE PENSION (FLEXPEN)

The Plan includes a flexible component, FlexPen, under which members can make additional contributions to the Plan, up to limits within the ITA. Members may choose from various pooled fund investments which are administered by external managers. Contributions and accrued investment income thereon are converted into additional benefits based upon market rates at the earliest of retirement, death or termination of employment. The liabilities of the Plan with respect to FlexPen are equal to the additional member contributions, plus investment income, plus or minus capital appreciation or depreciation thereon less purchases of additional pension benefits and transfers. This portion of the Plan benefits is funded entirely by members.

(Canadian $ thousands)		**2021**		2020
Investment, Beginning of Year	**$**	**3,833**	$	4,137
Capital appreciation		**404**		205
Purchase of additional pension benefits and transfers out		**(643)**		(509)
Investment, End of Year	**$**	**3,594**	$	3,833

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The following are the accounts payable and accrued liabilities at year-end:

(Canadian $ thousands)		**2021**		2020
Benefits	**$**	**3,783**	$	5,436
Administrative expenses		**5,415**		8,304
TOTAL	**$**	**9,198**	$	13,740

8. PENSION OBLIGATIONS

Under the PBSA actuarial valuations are required at least annually. The latest actuarial valuation was performed at December 31, 2021 by LifeWorks. Amounts reported in these financial statements are based on going concern results of this valuation. The actuarial assumptions used in determining the obligations for pension obligations reflect the Board of Trustees' best estimates of expected economic trends and involve both economic and non-economic assumptions. The non-economic assumptions include considerations such as mortality, withdrawal and retirement rates. The primary economic assumptions include the asset rate of return, salary escalation rate, indexation and inflation rate, which were as follows:

	Long-term assumptions	
	2021	2020
Asset rate of return	**5.65%**	5.50%
Salary escalation rate [1]	**2.50%**	2.50%
Indexation	**1.86%**	1.86%
Inflation rate	**2.00%**	2.00%
Mortality table	**CBC 2019 Pensioner Mortality (CPM-B projection scale)**	CBC 2019 Pensioner Mortality (CPM-B projection scale)

[1] Excluding merit and promotional salary increases

Select assumptions reflecting the short-term economic environment were also used.

In 2021, there were net experience losses of $16.982 million (2020: net experience gains of $24.465 million) with respect to plan membership, retirement and termination settlements compared to the assumptions used in the actuarial valuation conducted as at December 31, 2021.

The PBSA requires that the Plan also be valued on a solvency basis, which simulates a plan wind-up. As of December 31, 2021, the date of the last actuarial valuation, the Plan's solvency liabilities were estimated at $8.119 billion (2020: $8.318 billion).

9. BENEFITS

Benefits for the year-ended December 31 were as follows:

(Canadian $ thousands)	**2021**	2020
Retirement benefits	**$ 262,510**	$ 258,566
Death benefits	**35,902**	35,555
	298,412	294,121
Refunds and transfers to other plans	**23,232**	18,554
FlexPen – purchase of additional pension benefits and transfers out *(Note 6)*	**643**	509
	23,875	19,063
TOTAL	**$ 322,287**	$ 313,184

10. FUNDING POSITION

The last actuarial valuation of the Plan was performed as at December 31, 2021 and determined that the Plan had a funding excess of $3.718 billion (2020: $3.313 billion) on a going concern basis.

The PBSA also requires the actuarial valuation to determine the Plan's estimated liabilities on a solvency basis, which considers the value of the benefits earned if the Plan were to be wound up on the valuation date. The assumptions used in a solvency valuation are largely dictated by the Canadian Institute of Actuaries which requires using discount rates that are typically less than the rate of return earned by the Plan. The use of more conservative discount rates results in larger liabilities and creates a smaller funding surplus for the Plan as at December 31, 2021 of $1.065 billion (2020: $ 381 million) on a solvency basis. For solvency funding requirements, the Plan is required to determine its solvency funding position on the average of the current year balance and the two preceding year-end balances. This results in the Plan having a 3-year average funding surplus of 106.9% (2020: 3-year average surplus of 102.9%).

The actuarial report will be submitted to the Plan sponsor, as required under the Trust Deed, and to OSFI.

11. ADMINISTRATIVE EXPENSES

In accordance with the Trust Deed, all fees, charges and other costs incurred by the Trustees in the setting up and administration of the Plan and in the setting up and management of the Fund are to be paid by the Fund. Expenses for the years ended December 31, were as follows:

(Canadian $ thousands)		**2021**		2020
Fund Administration				
Internal Management				
Salaries and employment costs	**$**	**5,785**	$	6,679
Professional fees		**363**		579
Data processing / technology		**996**		1,065
Custodial fees and transaction costs		**340**		623
Office rent		**361**		403
Other		**15**		17
Total Internal Management		**7,860**		9,366
External Management				
Management fees and performance fees		**67,401**		33,172
Custodial fees and transactions costs		**744**		707
Total External Management		**68,145**		33,879
Total Fund Administration		**76,005**		43,245
Pension Benefit Administration				
External administration		**1,535**		1,562
Salaries and employment costs		**476**		430
Professional fees		**173**		22
Data processing / technology		**4**		32
Other		**223**		210
Total Pension Benefit Administration		**2,411**		2,256
Board of Trustees' Expenses				
Professional fees		**522**		514
Other		**122**		97
Total Board of Trustees Expenses		**644**		611
Harmonized sales tax		**2,028**		1,258
TOTAL	**$**	**81,088**	$	47,370

12. COMMITMENTS AND CONTINGENCIES

The Plan has committed to enter into investment transactions, which may be funded over the next several years in accordance with the terms and conditions agreed to. As at December 31, 2021, these potential unfunded commitments totaled $646.1 million (2020: $ 656.5 million). The Plan has sufficient liquidity to meet these commitments as they come due. The Plan is contingently liable to fund cash flow deficiencies and the obligations of its co-investors, including other pension funds, on certain real estate related investments. In addition, the Plan may have to provide financing on certain real estate related investments in the event of the non-availability of financing from other sources. The Plan has not been required to fund the obligations of its co-investors in the past and considers this contingent risk to be low.

13. GUARANTEES AND INDEMNIFICATIONS

The Plan provides that the Board of Trustees, employees and certain others are to be indemnified against the expenses related to proceedings against them. In addition, in the normal course of operations, the Plan may be required to compensate counter parties for costs incurred as a result of various contingencies such as legal claims or changes in laws and regulations. The number of such agreements, the variety of indemnifications and their contingent character prevents the Plan from making a reasonable estimate of the maximum amount that it would be required to pay all such counterparties. To date, no payments have been made under such indemnifications. As at December 31, 2021, the amount recorded as a liability for claims under these indemnifications is $nil (2020: $nil).

14. SIGNIFICANT EVENT

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus (“COVID-19”) as a pandemic, which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 are unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Plan in future periods.

SUPPLEMENTARY FINANCIAL INFORMATION

INVESTMENTS GREATER THAN $30 MILLION

AS AT DECEMBER 31, 2021
(unaudited)

FIXED INCOME

Issuer	Coupon	Maturity Date	Fair Value ($ millions)
Public Debt			
BlackRock Canada CorePlus Long Bond Fund	n/a	n/a	1,080
Government of Canada	2.00%	1-Dec-51	227
Government of Canada	4.00%	1-Dec-31	204
Government of Canada	1.25%	1-Dec-30	131
Government of Canada	2.75%	1-Dec-48	122
Government of Canada	2.00%	1-Dec-41	96
Government of Canada	0.50%	1-Dec-25	94
Government of Canada	3.00%	1-Dec-36	81
Province of Quebec	4.25%	1-Dec-31	80
Province of Ontario	2.80%	2-Jun-48	70
Government of Canada	1.50%	1-Dec-44	50
Government of Canada	1.25%	1-Dec-47	35
Province of Ontario	1.90%	2-Dec-51	34
Province of Ontario	2.00%	1-Dec-36	33
Province of Quebec	3.10%	1-Dec-51	32
Province of Ontario	2.90%	2-Dec-46	32
Province of Quebec	3.50%	1-Dec-48	30
Private Debt			
Ares Real Estate Secured Income Fund			63
BentallGreenOak High Yield Canadian Property Fund			31

EQUITY

Issuer	Fair Value ($ millions)
Public Equity	
Canadian Equity	
TD *Emerald* Canadian Equity Index Fund	103
Royal Bank of Canada	40
International Equity	
SPDR S&P 500 ETF Trust Units	281
Wellington Emerging Markets Research Equity Fund	163
TD *Emerald* Hedged Synthetic International Equity Pooled Fund	163
Apple Inc.	81
BlackRock CDN MSCI EAFE Equity Index	81
Berkshire Hathaway Inc.—Class B	77
Microsoft Corp.	77
Alphabet Inc.—Class A	66
MasterCard Inc.—Class A	48
Johnson & Johnson	46
UnitedHealth Group Inc.	33

INVESTMENTS GREATER THAN $30 MILLION (cont'd)

AS AT DECEMBER 31, 2021
(unaudited)

EQUITY (cont'd)

Issuer	Fair Value ($ millions)
Private Equity	
Natural Resources Fund	55
Secondary Fund	47
Buyout Fund	47
Secondary Fund	46
Buyout Fund	39
Global Growth Fund	39
Secondary Fund	38
Secondary Fund	35
Absolute Return	31
Buyout Fund	31

REAL ASSETS

Issuer	Fair Value ($ millions)
Real Estate	
BentallGreenOak Prime Canadian Property Fund Partnerships	99
Brookfield Premier Real Estate Partners LP	83
Manulife U.S. Real Estate Fund LP	83
AEW Core Property Trust (US) Inc	74
Morguard Residential Properties (1) Inc	68
Bridge Multifamily Fund IV International Fund	65
Airdrie Flex Industrial Fund	59
Triovest Realty Advisors Westhills Equities	59
Minto Multi-Residential Income Partners I LP	52
Strathallen Retail Property Fund LP No. 4	44
Realstar Apartment Partnership II	40
Bridge Multifamily Fund V International Fund	35
Realstar Apartment Partnership 4	33
Redbourne Realty Fund IV LP	32
Brookfield Strategic Real Estate Partners III	30
Infrastructure	
Brookfield Infrastructure Fund II	41
Timberland & Farmland	
Hancock Timberland and Farmland Fund LP	54

TOP 10 PUBLIC EQUITY HOLDINGS

AS AT DECEMBER 31, 2021
(unaudited)

AS A PERCENTAGE OF NET ASSETS AVAILABLE FOR BENEFITS

Company	Sector	%
SPDR S&P 500 ETF Trust Units	Broad Index	3.05%
Apple Inc.	Information Technology	0.89%
Berkshire Hathaway Inc.—Class B	Financials	0.84%
Microsoft Corp.	Information Technology	0.83%
Alphabet Inc.—Class A	Communication	0.72%
MasterCard Inc.—Class A	Financials	0.53%
Johnson & Johnson	Health Care	0.50%
Royal Bank of Canada	Financials	0.43%
UnitedHealth Group Inc	Health Care	0.36%
O'Reilly Automotive Inc	Consumer Discretionary	0.30%
	Top 10 Public Equity Holdings - Total	**8.45%**

CBC Pension Plan

BOARD OF TRUSTEES & MANAGEMENT

BOARD OF TRUSTEES

(as of December 31, 2021)

Sandra Mason
(Chair)

Director
CBC/Radio-Canada

Carol Najm

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

INVESTMENT MANAGEMENT TEAM

Patrizia Cappelli, CFA
Portfolio Manager
Domestic Bonds

Koblavi Fiagbedzi, CFA
Portfolio Manager
Real Assets

Edward Golding, CFA
Portfolio Manager
Private Investments

Laura Hurst, CFA
Portfolio Manager
Global Equities

Robert VandenBygaart, CFA
Portfolio Manager
US Equities

OPERATIONS

Francesca Adibe, CPA, CGA
Senior Manager
Risk Management

Carole Bélanger, ASA
Senior Director
Pension Administration

Sheldon Sullivan, CPA, CA
Senior Manager
Accounting Operations

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

Please address comments to:

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—active members: io.cbcrc.ca/#/pac
—pensioners: www.pensionadmin-cbc-src.ca

GLOSSARY

ACTIVE MANAGEMENT
An investment management style that aims to achieve returns above a chosen benchmark or market index. It is the opposite of passive management.

ACTUARIAL VALUATION
An analysis of the financial condition of a pension plan that calculates the plan's liabilities and the costs of providing plan benefits. An actuary prepares the valuation, and the pension plan must file the valuation with its pension regulator annually.

ACTUARY
A business professional who is a fellow of the Canadian Institute of Actuaries (CIA) and is responsible for preparing and signing actuarial valuations.

ASSETS
"Plan assets" refers to the property of the pension fund, primarily comprising the fair value of its investments.

ASSET MIX
The percentage of a portfolio or fund that is invested in each of the main asset types (i.e., short-term investments, fixed income, Canadian equity, international equity, and alternatives).

BASIS POINT
One one-hundredth of a percentage point (0.01 percentage point). For example, if the target for the overnight interest rate is raised from 2.75% to 3%, it has been increased by 25 basis points.

BENCHMARK
A standard against which the performance or characteristics of a portfolio or investment is evaluated. The S&P/TSX Equity Index and the FTSE TMX Universe Bond Index are widely used Canadian equity and Canadian fixed income benchmarks, respectively.

BETA
A quantitative measure of the sensitivity of an equity security or an equity portfolio to changes in its related benchmark index.

BOND FORWARDS
Contracts between two counterparties where one counterparty agrees to buy a bond and the other agrees to sell a bond at an agreed future date but at a price established at the start of the contract.

BOND OVERLAY PORTFOLIO
A portfolio of fixed income derivative instruments that are designed to hedge the Plan's interest rate and inflation risks without changing the Plan's physical asset mix. It is a key part of the Plan's liability-driven investment strategy.

BUYOUT INVESTMENTS
Investments in controlling interests of a company.

CANADIAN ASSOCIATION OF PENSION SUPERVISORY AUTHORITIES (CAPSA)
CAPSA is a national interjurisdictional association of pension supervisory authorities whose mission is to facilitate an efficient and effective pension regulatory system in Canada. It discusses pension regulatory issues of common interest and develops policies to further the simplification and harmonization of pension law across Canada.

CONSUMER PRICE INDEX (CPI)
An inflation measure computed by Statistics Canada that calculates the change in prices of a fixed basket of goods and services purchased by a typical Canadian consumer each month. The CPI is used to calculate annual cost-of-living increases for pension benefits, also referred to as "indexing."

CONTRIBUTION HOLIDAY
A period when the contributions to a pension plan are put on hold. The most common reason for a holiday is when a plan has a surplus above a regulatory prescribed amount.

CONTRIBUTORY DEFINED BENEFIT PENSION PLAN
A type of pension plan in which an employer promises a specified monthly benefit on retirement that is predetermined by a formula based on the employee's earnings, history, and years of service under the plan, rather than depending on investment returns. With a defined benefit plan, investment risk is borne by the employer. In a contributory plan, members must make contributions, usually by payroll deduction, to accrue benefits.

CONTROL SELF-ASSESSMENT (CSA)
A methodology used to review key business objectives, risks involved in achieving the objectives, and internal controls designed to manage those risks. A CSA allows managers and work teams directly involved in business units, functions, or processes to participate in assessing the organization's risk-management and control processes.

CONVEXITY
A measure of the sensitivity of the duration of a bond to changes in interest rates. It is used to measure a portfolio's exposure to interest rate risk.

CORPORATE PAPER
Short-term unsecured debt issued by a corporation.

CREDIT SPREAD
The difference in the yields between two different bonds due to different credit quality. The credit spread reflects the additional net yield an investor can earn from taking incremental credit risk. It is often quoted in relation to the yield on (federal) government bonds.

DEFICIT
A deficit exists in a pension plan when the actuarial valuation determines that the total value of the plan's assets is less than its total liabilities.

DERIVATIVES
Financial contracts, or financial instruments, whose values are derived from the value of something else (known as the underlying). The underlying on which a derivative is based can be an asset, (e.g., equities, bonds), an index (e.g., exchange rates, stock market indices), or other items. The main types of derivatives are: forwards (which if traded on an exchange are known as futures); options; and swaps. Derivatives can be used to hedge the risk of economic loss arising from changes in the value of the underlying.

DURATION
The weighted average term to payment of the cash flows on a bond. It measures a bond's price sensitivity to interest rate changes.

GLOSSARY

FAIR VALUE
An estimate of the amount of the consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act.

FIDUCIARY
An individual or institution occupying a position of trust. An executor, administrator, or trustee responsible for the assets belonging to another person.

FUNDED RATIO
The ratio of pension plan assets to pension plan liabilities as determined by the latest actuarial valuation. The funded ratio equals 100% when the value of the pension plan's assets and liabilities are equal. Can be measured on either a solvency or going-concern basis.

GOING-CONCERN VALUATION
A pension plan valuation that looks at the plan's funded status on the basis that the plan will continue to operate indefinitely.

GOVERNANCE
Pension plan governance refers to the structure, processes, and safeguards for overseeing, managing, and administering the plan to ensure the plan's fiduciary and other obligations are met.

HEDGING
Using one kind of security to protect against unfavourable movements in the price of another kind of security. Hedging is usually accomplished by the use of derivatives such as options, forwards, swaps, or futures.

INDEXING (OF PENSION BENEFITS)
The periodic cost-of-living adjustment of pension benefits usually based on a percentage or capped value of the Consumer Price Index.

LIABILITIES
The amount required by the plan to cover the cost of paying current and future pension benefits.

LIABILITY BENCHMARK
This benchmark serves as a market proxy to estimate the change in solvency pension obligations as inflation and interest rates change.

LIABILITY-DRIVEN INVESTMENT (LDI)
LDI, which is also known as asset/liability matching, is an investment strategy that manages a pension plan's assets relative to its liabilities with the intent to minimize pension surplus volatility. This is done primarily through hedging interest rate and inflation risk. Under LDI, pension plan assets are grouped into matched and unmatched assets. Matched assets (fixed income) have interest rate and inflation sensitivities that are similar to those of the pension plan's liabilities. Unmatched assets (equities and alternative investments) do not have the same interest rate and inflation sensitivities as the pension plan's liabilities.

MANAGEMENT FEE
A charge levied by an investment manager for managing an investment fund. The management fee is intended to compensate the managers for their costs and expertise.

MATURE PENSION PLAN
A pension plan where the number of retired members and employees near retirement is significantly greater than the number of younger plan members. Mature plans usually pay out more to retirees than they receive from members who are still working.

MEZZANINE INVESTMENTS
Investments in the subordinated debt of a company that contain an option to convert the debt to equity.

OFFICE OF THE SUPERINTENDENT OF FINANCIAL INSTITUTIONS (OSFI)
A federal agency established in 1987 under the *Office of the Superintendent of Financial Institutions Act* whose mandate is to supervise all federally regulated financial institutions and pension plans.

PASSIVE MANAGEMENT
An investment management style also known as "indexing" that seeks to achieve returns equal to the market or index returns. It is the opposite of active management.

PENSION BENEFITS STANDARDS ACT (1985)
Legislation outlining the rules regarding the registration, administration, and benefits of pension plans in Canada. The Office of the Superintendent of Financial Institutions ensures that pension plans are administered in accordance with the Act.

PENSION FUND
A pension fund is a pool of assets that are bought with the contributions made to a pension plan for the exclusive purpose of financing pension plan benefits.

PENSION OBLIGATIONS
The present value of the benefits payable to the members over their lifetime to which they are or will be entitled under the Plan.

PERFORMANCE ATTRIBUTION
The identification of the sources of portfolio returns relative to its benchmark. Used to explain why a portfolio outperformed or underperformed its benchmark.

PLAN SPONSOR
The organization or individual that establishes a pension plan.

PRIVATE EQUITY
The sale of equity or fixed income securities directly to institutional investors such as banks, insurance companies, hedge funds, and pension funds. As these sales are made to institutional investors only, the securities registration and information disclosure requirements are reduced relative to publicly traded securities.

REAL ESTATE INVESTMENT TRUST (REIT)
A security listed on a stock exchange that invests in real estate assets.

REPO RATE
The Repo rate is the discount rate at which a central bank repurchases government securities from the commercial banks.

RISK METRICS
Statistical measures that quantify the degree of uncertainty as to the realization of expected returns. They are used to help organizations understand the amount of risk they are currently taking or are planning to take.

GLOSSARY

STATEMENT OF INVESTMENT POLICY AND PROCEDURES (SIP&P)
The SIP&P defines the investment policies, principles, and eligible investments that are appropriate to the Plan's needs and objectives in a manner conforming to the requirements of the *Pension Benefits Standards Act* and the regulations thereof.

SOLVENCY BASIS VALUATION
A pension plan valuation that assumes that the plan stops operating as of the valuation date. It is intended to test whether the plan has sufficient assets to provide an immediate payout of all benefits that have been earned to that date.

SURPLUS
A surplus exists in a pension plan when the actuarial valuation determines that the assets available exceed the accrued benefit payments (liabilities) to be paid out.

TOTAL RETURN SWAPS
Contracts between two parties where one agrees to pay the total return (interest payments and any capital gains or losses) from a specified reference asset and the other party agrees to pay a specified fixed or floating cash flow.

US FEDERAL RESERVE BOARD
Created in 1913, The Federal Reserve System (also the Federal Reserve; informally the Fed) is the central banking system of the United States.

YIELD CURVE
The yield curve describes the relationship between the interest rate (rate of borrowing) and the time to maturity of the debt for a given borrower in a given currency.

VENTURE CAPITAL INVESTMENTS
Investments in start-up companies.