CBC Pension Plan

Investing for YOUR future

2023 Annual Report

CBC Pension Board of Trustees

CBC Radio-Canada

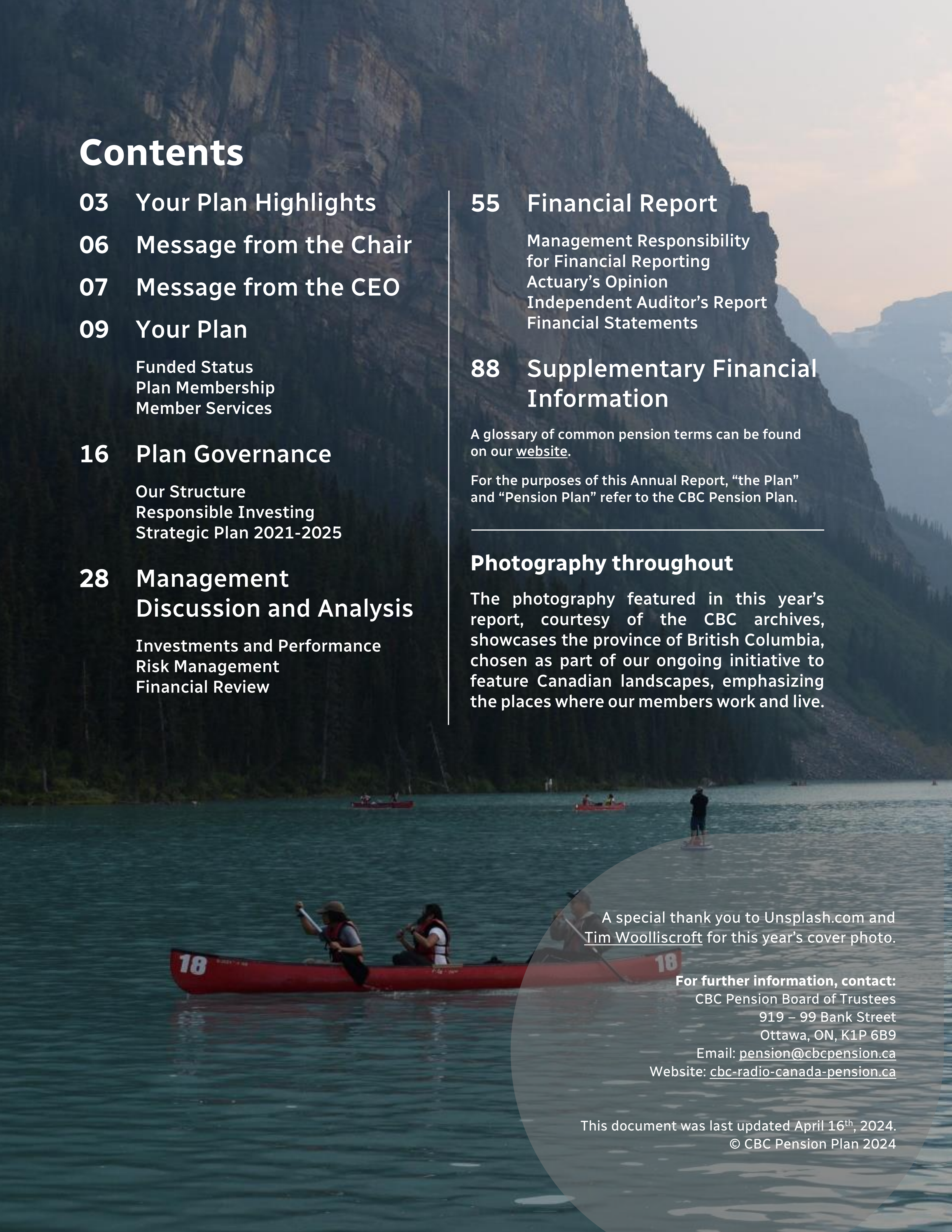
What does it mean to be a member of the CBC Pension Plan?

Simple: Members have a stable, sustainable, and secure lifetime pension benefit.

The CBC Pension Board of Trustees understands the importance of pension benefit security of members. Our vision is to be a high performing sustainable Pension Plan that is valued by you, our members and CBC/Radio-Canada.

In this year's Annual Report, you will find details about the CBC Pension Plan activities and performance for 2023.

We are investing for your future to ensure you receive the pension benefits you've worked hard for and earned.



Contents

A glossary of common pension terms can be found on our website.

For the purposes of this Annual Report, "the Plan" and "Pension Plan" refer to the CBC Pension Plan.

Photography throughout

The photography featured in this year's report, courtesy of the CBC archives, showcases the province of British Columbia, chosen as part of our ongoing initiative to feature Canadian landscapes, emphasizing the places where our members work and live.

A special thank you to Unsplash.com and Tim Woolliscroft for this year's cover photo.

For further information, contact:
CBC Pension Board of Trustees
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Ottawa, ON, K1P 6B9
Email: pension@cbcpension.ca
Website: cbc-radio-canada-pension.ca

This document was last updated April 16th, 2024.

2023 Plan Highlights
Financial Overview

Our Funded Status
December 31st, 2023

Going Concern
Funding Ratio

145.1%

Solvency
Funding Ratio

116.8%

$7.9 billion
net assets available for benefits

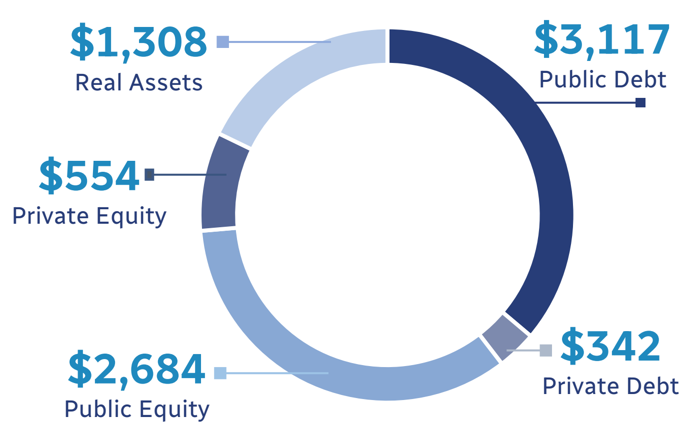
Rate of Return
(annualized)

7.8%
2023 Rate of Return

3.3%
4-year total-fund net return

7.8%
10-year total-fund net return

Asset Allocation
(in millions)



Total pensions paid over the last 10 years **$3.1 billion**

2023 Plan Highlights
Membership Overview

Total Membership
20,173
December 31st, 2023

10,283
Retired members (51%)
Average age: 75

7,641
Active members (38%)
Average age: 46

2,249
Deferred members (11%)
Average age: 49

5.5%
Growth in membership since 2013

1.3 to 1
Retired to active member ratio

$328M
Total pensions paid in the year

61.7
Active members' average age at retirement

297
New retirements

34%	64%	2%
59 and under	Age 60-69	Age 70+

Longest pension in payment is over
55 years

Retired members
19 age 100 and over
686 age 90 and over


Investing for
YOUR Future

Message from the Chair

On behalf of the CBC Pension Board of Trustees, I am pleased to present the CBC Pension Plan 2023 Annual Report. The Plan continues to be fully funded on both a going concern and solvency basis, two key measures used to assess the overall financial health of the Plan. We remain focused on delivering a high-performing sustainable pension plan that is valued by our members and CBC/Radio-Canada.

A strategy that continues to work

Our commitment, as Trustees, is to provide sound guidance and governance around pension administration, investments, and risks to protect the benefits security of our members. We achieve this by having a robust strategic plan that drives our short- and long-term priorities. In 2023, the Board of Trustees undertook a mid-cycle review to ensure our 2021-2025 Strategic Plan remains relevant and captures the most critical developments evolving in the pension landscape. We believe that the current plan continues to be appropriate and a good overall roadmap for the Plan to achieve its mission and purposes.

"The Plan remains in a strong financial position and on track to achieve its objectives."

An evolving and independent Plan

Good governance involves adopting practices that prioritize transparency, accountability, and fiduciary responsibility. In 2023, the Board of Trustees conducted an in-depth governance review that concluded our structure and processes continue to meet best practices and are appropriate for our Plan size. The Board of Trustees continues to focus on the Plan's responsible investing activities with a focus on integrating climate change related risks and opportunities into the Plan's investment approach.

In 2023, the Board of Trustees bid farewell to Alain Pineau who retired after serving as Trustee for 6 years. I would like to personally thank Alain for his commitment, integrity, and dedication to Plan members. Joining the Board of Trustees during the year was Jon Soper. We look forward to having Jon's insight and experience on the Board.

Trustees have full confidence that the CBC Pension Plan is positioned for continued success under Duncan Burrill and the team. I also want to take this opportunity to thank my fellow board members for their commitment, engagement, and their expertise, which allow us to confidently make the best decisions for the Plan. Finally, on behalf of the entire Board of Trustees, I would like to thank all Plan members for the trust that they have placed in us.

Message from the CEO

"I am pleased to report the Plan ended 2023 with a going concern funded status of 145.1% and a solvency funded status of 116.8%. Member benefit security continues to be strong."

Strong Funding Ratios

The CBC Pension Plan's "all weather" investment approach provided strong returns in 2023 as it benefited from more normal equity and fixed income markets. Our investment teams were able to successfully navigate the Plan's investments through significant market volatility as well as considerable market, economic and geopolitical risks. As a result, the Plan ended the year in a strong financial position, with a going concern funded status of 145.1% and a solvency funded status of 116.8%. Member benefit security continues to be strong.

The Plan achieved a 7.8% rate of return in 2023, which is above our long-term targeted rate of return. As markets can fluctuate significantly in any given year, we primarily assess the Plan's success against longer-term measures. The Plan's 4-year return of 3.3% was below our target rate of return due to the sell off in markets in 2022. Our 10-year return of 7.8% remains strong and continues to meet our long-term return objectives. Total assets in the pension fund increased by $187 million in 2023 to $7.9 billion.

Member benefit security remains our main priority. The Plan made over $328 million in pension payments and transfers to members this year. We anticipate that the Plan will be making a surplus distribution to members in 2024. This will be a milestone event and an indication of our ability to earn strong returns over the long term.

Higher Interest Rates

After years of struggling against the tide of lower and lower interest rates, defined benefit pension plans have benefited over the past three years from a reversal in these trends. Higher bond yields (i.e. the return we receive on our fixed income investments) have increased defined benefit pension plans expected future returns.

As a result, the going concern funded status of pension plans have improved, enhancing member benefit security. This has led to a growing number of defined benefit pension plans being more than 100% funded with some, including ours, now on contribution holidays.

It is our belief that the low interest rates that arose during the depths of the Covid-19 pandemic are unlikely to return, making the future for defined benefit pension plans much brighter than it has been for a number of years. While markets can be volatile in the shorter-term, we are excited about the potential to build on this positive backdrop to enhance benefit security going forward.

We continue to invest for your future

We know how important a secure and affordable pension benefit is to our members. With a remarkable track record of over 60 years in delivering secure pension benefits to members, we are commited to continual improvement and innovation with the goal of creating a sustainable and high performing pension plan. In a world of immense uncertainty, there is a lot we can't control, but we will continue to focus on what we can control—building a strong, resilient Plan where member benefit security is our highest priority.

The year 2023 represented a year of investment challenges but it also was marked by several key strategic achievements and activities outlined in this year's report. These results were accomplished through the hard work and dedication of the entire team who are passionate about achieving our mission for our members. I look forward to reporting to you again next year on our continual progress on providing a secure pension benefit to you, our members.

"We work hard as a team to secure a solid future for our members."

Achievements

Duncan Burrill was named **Investment Officer of the Year 2022** by the **Canadian Investment Review Pension Leadership Awards** announced in 2023.

Your Plan

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

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

serving

20,173 total members

December 31st, 2023

7,641 **active**

10,283 **retired**

2,249 **deferred**

Your Plan

Funded Status

The funded status is the most important measure of the Plan's financial health. It measures the dollars the Plan has received and invested compared to the pension payments it needs to make.

At December 31, 2023, the Plan continues to be fully funded on both a going concern and solvency basis for the 6th consecutive year. Your pension remains secure.

2023 Funded Status

145.1%
GOING CONCERN BASIS
2022: 143.9%

Fully Funded since 2018
on both a going concern and solvency basis.

116.8%
SOLVENCY BASIS
2022: 119.4%

The Plan's current financial health is measured by comparing the amount of pension plan assets to pension plan liabilities, which is otherwise known as the funded ratio. A funded ratio of 100% or higher means the Plan has enough assets to meet its pension obligation to members.

The Plan measures its financial health on both a going concern basis and a solvency basis, two different perspectives:

Going Concern Basis
measures the ability of the Plan to fund its pension liabilities over the long term, assuming the Plan continues indefinitely into the future.

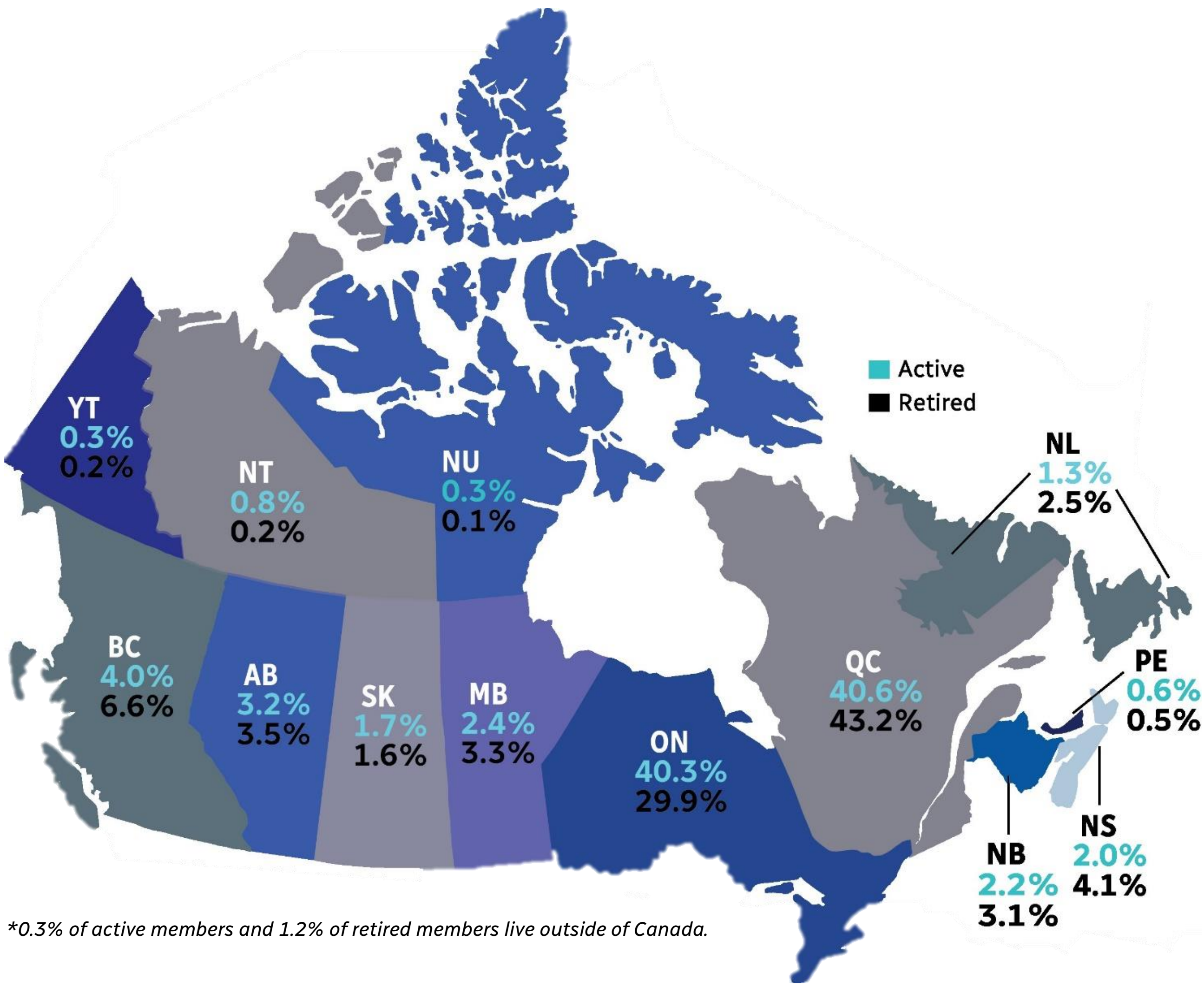
Solvency Basis
measures the ability of the Plan to fund its pension liabilities if the Plan were to windup immediately.

More information on the methodology and key assumptions used to calculate the Plan's funded status and pension obligations can be found in the Financial Review section of the Annual Report.

In 2023, the Plan welcomed 678 new active and 297 newly retired members.

Our Members across Canada

Distribution of active and retired members



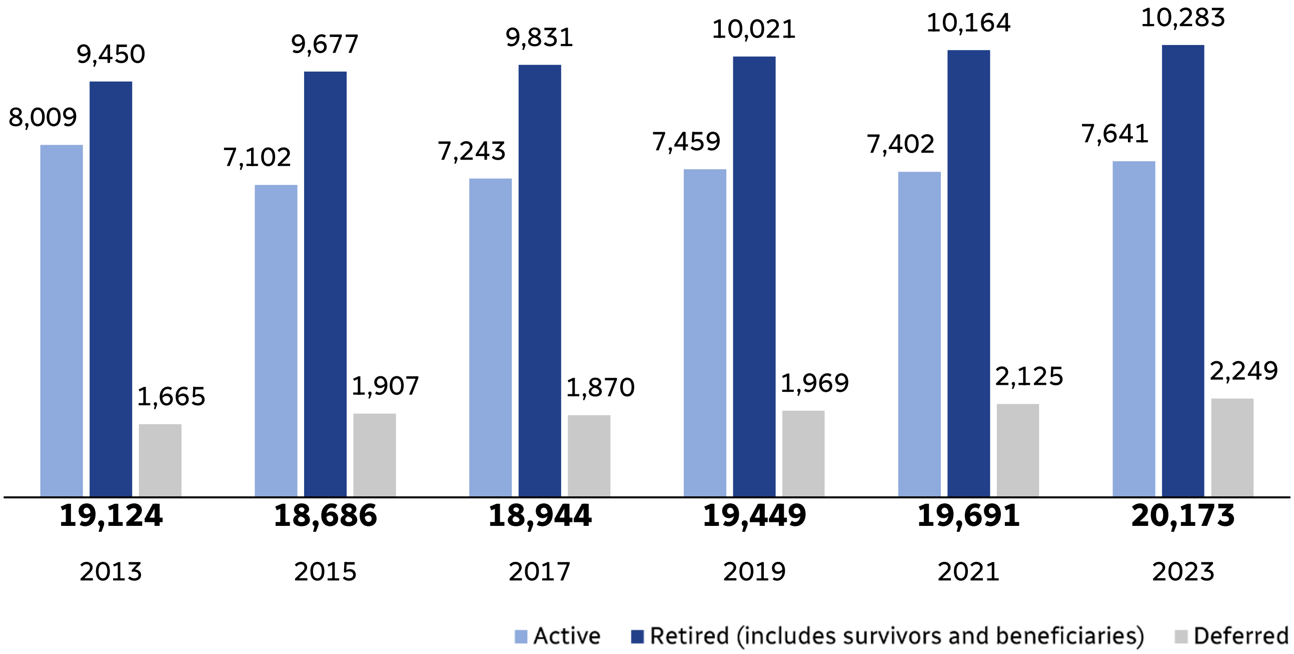
**0.3% of active members and 1.2% of retired members live outside of Canada.*

Did you know?

We hit a real milestone as the Plan now serves over 20,000 members. We're committed to ensuring all members receive the pension benefits they've worked hard for and earned.

Let's take a closer look at our Plan Membership

at December 31st, 2023

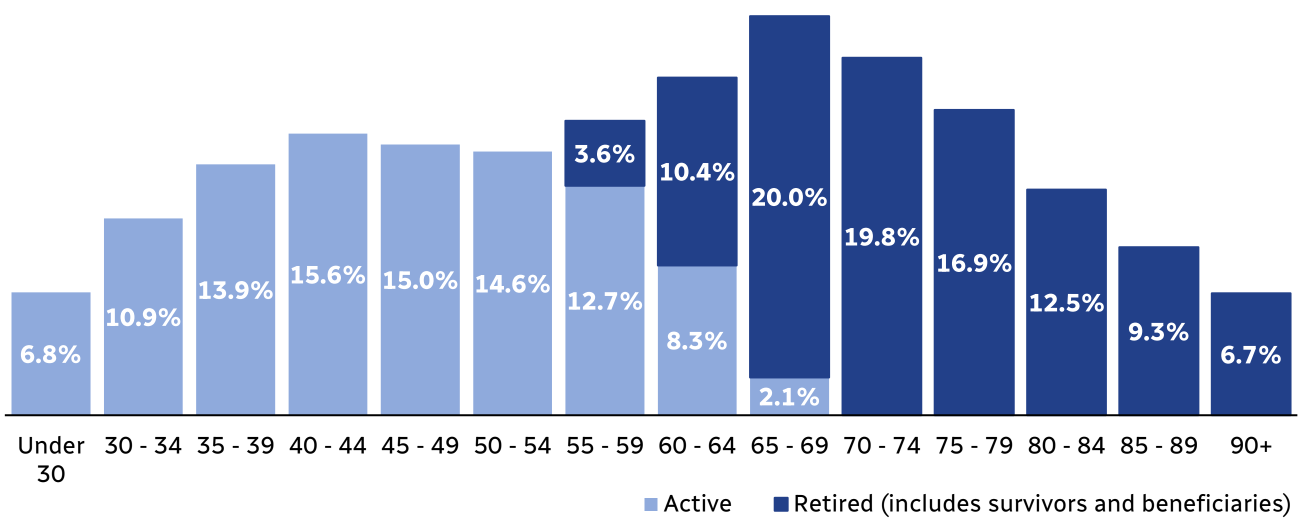


Did you know?

The Plan is considered a mature pension plan because the number of retired members is greater than the number of active members.

Active and Retired Members by Age

at December 31st, 2023



**0.1% of active members are between the ages of 70-74.*
**0.8% of retired members are under the age of 55.*

Your Pension

Your Plan is a contributory defined benefit pension plan (DB) that offers a stable and secure lifetime pension that is "defined" ahead of time. Your pension benefits are determined using a formula based on your average pensionable salary, pensionable service, and yearly maximum pensionable earnings (YMPE).

Member Contributions

Annually, the Plan's actuary determines the cost of pension benefits for the upcoming year – this is called the current service cost. Current service costs are adjusted from year to year and are translated into pension contribution rates based on a percentage of pay. Your pension contributions are automatically deducted from your pay by CBC/Radio-Canada and then invested by the Plan until you retire. Over the last few years, your member contribution rate has decreased, providing greater affordability, and enhancing the value of your retirement benefit.

	2021	2022	2023
Member Contributions at July 1st	**9.20%**	**8.95%**	**8.45%**
Calculated as % of pay			
Salary up to YMPE	8.44%	8.19%	7.72%
Salary above YMPE*	11.10%	10.77%	10.16%
YMPE	$61,600	$64,900	$66,600

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

Did you know?

A defined benefit pension plan (DB), like ours, offers a secure lifetime pension benefit. In contrast, a defined contribution plan (DC) depends solely on investment performance and contributions, leaving members uncertain about their future pension income. With our DB plan, you can have peace of mind, knowing your pension benefit is in capable hands.

Pension Benefits

Once you retire and start receiving a pension, these benefits are adjusted each January 1 for inflation up to a maximum of 2.70% a year. This adjustment is called the annual pension indexation.

	2022	2023	2024
Indexation Rate	**2.41%**	**2.70%**	**2.70%**

Did you know?

54.0% of our retired members are helping us **GO GREEN** by receiving timely pension updates via e-mail. Are you interested in going green? Send an email with your full name and CBC ID to **pension@cbc.ca**. Your annual pension statement will still be sent by mail.

Member Services

Our objective is to provide members with high-quality services in a cost-effective manner and we do this by partnering with the firm *TELUS Health* (formerly LifeWorks). They deliver services to Plan members through the Pension Administration Centre (PAC).

Active and retired members can use the **PAC website** (www.pensionadmin-cbc-src.ca) for all their pension-related needs. It is an excellent source for pension plan information, providing resources and tools you need to make the most out of your Plan. It remains the most efficient and cost-effective method for active and retired members to access their personal pension information.

Did you know?
Active or retired members can get a copy of their Annual Pension Statement from the PAC website. The Annual Pension Statement page of the website received **8,741 visits** in 2023.

5,186	123,781	1,450
Calls from Members to PAC	**Pension Payments**	**Pension/Buy-Back Calculations**

Active and retired members can log into the PAC website to access their personal pension information.

Members logged in 28,224 times.

Active members are also using the online tools available:

Pension Projection Tool	Retirement Income Calculator	Buy-Back Calculator
11,173	4,772	5,530
projections	simulations	calculations

Service Levels

Minimum and target service levels are set for the Plan's member services and these levels are monitored closely to ensure members receive the best service possible.

Minimum service levels were met throughout the year with one exception. The minimum service level of sending 99% of all retirement packages within 10 business days fell slightly short in 2023, with an average of 94%. Changes in team members and several special projects put a strain on resources. We continue to work with our external service provider to enhance processes, so that the minimum services levels are met.

Services provided	Target service levels	Average annual results
On-going pension payments	On the first of the month	All payments made on time
Retirement packages	95% sent within 5 business days	57.0%
Web based tools / system availability	Available 99% of the time	99.6%
Telephone inquiries	98% resolved on first call	99.7%
Annual statements	Sent by June 30th	Mailed four weeks early
Member experience survey	93% or higher	95.6%

Did you know?

The Pension Administration Centre (PAC) received over **5,186 calls** in 2023. At the end of each call, members are invited to stay on the line to complete a short survey on their experience and the service they received. Over **2,000 members** took time to provide feedback and the results show high levels of satisfaction with the service and support received.

Plan Governance

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

PENSION BOARD REPORT CARD

- ☑ **7** board members
- ☑ **4** meetings held in 2023
- ☑ **100%** attendance

Thanked retiring Trustee Alain Pineau.

Welcomed new board member Jon Soper, the 98th Trustee since Plan inception.

BOARD EDUCATION

Held education sessions that focused on regulatory updates, governance best practices and attended the Association of Canadian Pension Management (ACPM) Conference.

Plan Governance

Pension plan governance refers to the processes and structures adopted by the CBC Pension Board of Trustees (Board of Trustees) to oversee and manage the Plan to achieve its strategic objectives. This includes the division of responsibilities among the Board of Trustees, Plan management, and Plan sponsor. The impact of decisions on stakeholders such as Plan members and CBC/Radio-Canada is always considered.

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 (the Pension Fund) and administering pension benefits to members.

We are
independent from the Sponsor

We owe
a fiduciary duty to Plan members

We ensure
proper oversight

In discharging their fiduciary responsibilities, Trustees must exercise the care, diligence, as well as skill in the administration and the investment of the Plan that a person of ordinary prudence would exercise in dealing with the property of another. These duties oblige Trustees to invest the Pension Fund in a prudent manner considering all factors that could affect the funding and solvency of the Plan while also meeting its financial obligations.

Good Governance Practices

Following good governance practices allows the Board of Trustees to fulfill their fiduciary obligations and supports the objective of delivering a secure pension benefit to members. Trustees adopted the Canadian Association of Pension Supervisory Authorities (CAPSA) Pension Plan Governance Guidelines as its governance framework in its on-going commitment to good governance practices.

Independence and Structure

The Board of Trustees administers the Plan as a trustee for the employer, members of the Plan, former members, and any other persons entitled to pension benefits or refunds under the Plan. Trustees are required to act independently and not as a representative of any interest, whether CBC/Radio-Canada, active employees, or retired members. The Plan’s Bylaws include a Plan responsibility chart, which defines the responsibilities of the participants in the governance, management, as well as operations of the Plan.

The Trust Deed defines the Board of Trustees as comprising 7 members who are appointed by CBC/Radio-Canada.

CBC/Radio-Canada

Plan Sponsor

Trust Deed

CBC Pension Board of Trustees

Pension Plan Administrator

Managing Director/CEO

CBC Pension Plan

Investment Management and Plan Operations

Member Services

What does the Sponsor do?

CBC/Radio-Canada establishes the benefits to be provided through the Plan and determines eligibility as outlined in the Plan text.

Decides the funding policy, contribution levels and surplus matters.

Appoints Trustees to serve on the Board of Trustees.

Receives assurance reporting from the Board of Trustees.

Guarantees pension payments.

What about the Board of Trustees?

The Board of set the investment policy, investment structure and monitor performance.

Administer pension benefit payments in accordance with the Plan text.

Approve appointment of auditors, actuaries, and pension benefit administration provider.

Review processes and monitor activities delegated to the Managing Director/CEO and Pension Plan Management.

Provides disclosure on the Plan's activities to members, as well as to the Plan sponsor such as the CBC Pension Plan Annual Highlights, the Annual Report, and the Quarterly Communiqués.

What about Management?

Management administers the Plan in compliance with all regulatory requirements.

Manages the operations and investments of the Trust on day-to-day basis.

Ensures the provision of quality member pension benefit administration.

Objective is to generate investment returns to support the long-term viability of the Plan.

Board of Trustees

at December 31, 2023

Sandra Mason
Appointed Sep 16, 2020
Chair of the Board of Trustees and Member of the CBC/Radio-Canada Board of Directors

The Board functions as a single independent body addressing benefit administration, investment, and risk management, as well as financial and regulatory reporting.

François Roy
Appointed May 9, 2018
Member of the CBC/Radio-Canada Board of Directors

Carol Najm
Appointed Mar 8, 2021
Vice-President and CFO

Marco Dubé
Appointed Jul 1, 2019
Vice-President, People and Culture

Calum McLeod
Appointed Apr 1, 2018
Employee Representative

Marie-Andrée Charron
Appointed Apr 1, 2017
Employee Representative

Jon Soper
Appointed Aug 29, 2023
Retiree Representative

The Code of Conduct

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. It addresses issues such as conflicts of interest, personal trading, confidentiality, business conduct, gifts, and other benefits guidelines. In addition, the Plan's Code of Ethics, Standards of Professional Conduct, and Personal Investment Policy applies to designated Plan investment personnel. Annually, Trustees and personnel attest to compliance with these policies.

Board Effectiveness

In their oversight role, Trustees should, as a collective, possess a diverse knowledge base allowing 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 formal orientation and continuing education programs to help Trustees perform their fiduciary and governance duties. The programs include sessions on legal responsibilities, governance practices, investment management, finance, actuarial concepts, and approaches. In 2023, the Board of Trustees met four times.

Governance Review

The Board of Trustees conducts an annual governance self-assessment focused on governance best practices. This assessment is designed to enhance the Board of Trustee's performance to identify strengths in the Board of Trustee's operations and areas where its operations could be more effective. Every ten years, the Board of Trustees, with the assistance of an external party, conducts an in-depth governance review to ensure that the current governance structure and processes continue to meet best practices. Good governance practices contribute to improved investment performance, efficient use of Plan personnel, and enhanced member benefit security. An in-depth governance review was conducted in 2023. The review found that the Board of Trustees' governance processes were robust and appropriate for the size and structure of the Plan.

Key Findings of the 2023 Governance Review:

Our governance framework is robust and appropriate for the size and structure of the Plan. Our current structure and mechanisms are appropriate for the effective management of the Plan and consistent with industry best practice.

We are particularly strong in the following areas:

- ☑ Strong understanding of fiduciary obligations, roles and of the issues surrounding the governance of the Plan in general;
- ☑ No areas of conflict or non-alignment were identified; and
- ☑ Onboarding and Trustee education is effective and performance monitoring is rigorous.

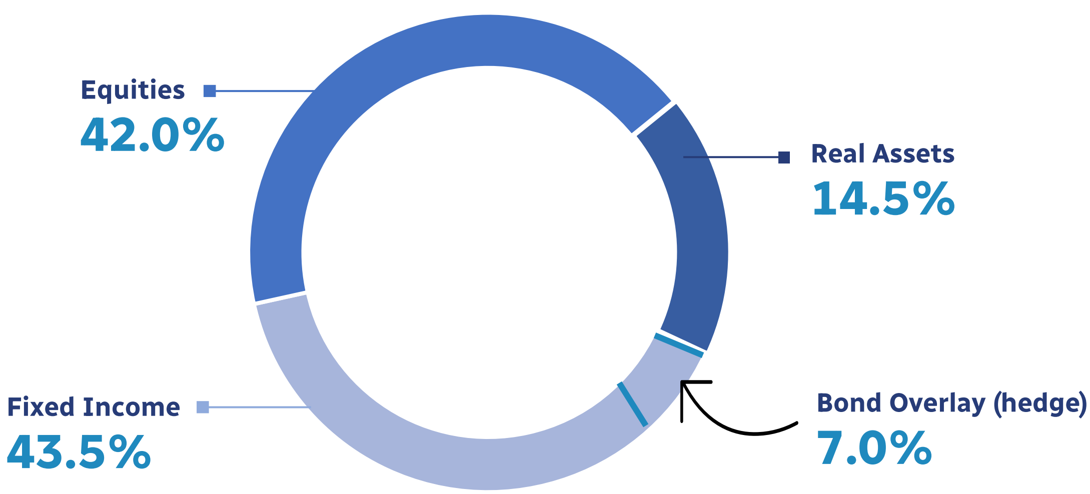
The Pension Fund

The Board of Trustees is responsible for investing the Plan's assets, the Pension Fund, and in doing so, identify and pursue investment opportunities in accordance with the *Pension Benefits Standards Act*, *1985,* the Regulations to the Act, as well as other applicable laws and regulations.

As required by legislation, the Board of Trustees has established a Statement of Investment Policies and Procedures (SIP&P), which is reviewed and approved annually. The SIP&P defines the investment principles, performance objectives, and risk tolerances for investing the Pension Fund to meet the Plan's pension obligations. It defines the Plan's strategic asset allocation, which includes the types of investments that can be held, and the allocation between the different kinds of investments.

The Plan's Strategic Asset Allocation (SAA) is the single most important driver of investment performance and risk. The Fixed Income allocation (the matched assets) is sensitive to changes in interest rates and inflation comparable to the Plan's pension obligations. This also includes a "Bond Overlay" consisting of derivatives used to hedge interest rate and inflation changes. The allocation to Equities and Real Assets (the return-seeking assets) provides a higher expected rate of return over the long-term but are generally more volatile.

2023 Strategic Asset Allocation (SAA)



The Plan's assets are actively managed by a group of internal and external investment managers with the objective of delivering strong risk adjusted returns.

Trustees strive to uphold a tradition of good governance in service, fiduciary responsibility and accountability through a dedicated trust entity staffed with a professional workforce, i.e., Plan Management.

Plan Management

The Board of Trustees has defined management responsibility for the planning, operating, and reporting activities of the Plan. The investment management, administration of Plan benefits, human resources, communications, operations, and control, have been delegated by the Board of Trustees 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, compensation, operations as well as administration. In accordance with these policies, management develops and implements the investment program, develops service quality standards, and ensures Plan members receive services that meet these standards. Management regularly reports to the Board of Trustees regarding compliance with applicable policies.

Management

Duncan Burrill
Managing Director/CEO

Julie Murphy
Secretary/Treasurer

Investment Management

Patrizia Cappelli
Portfolio Manager, Domestic Bonds

Koblavi Fiagbedzi
Portfolio Manager, Real Assets

Edward Golding
Portfolio Manager, Private Investments

Laura Hurst
Portfolio Manager, Global Equities

Bob VandenBygaart
Portfolio Manager, US Equities

Operations

Francesca Adibe
Senior Manager, Risk Management

Carole Bélanger
Senior Director, Pension Administration

Sheldon Sullivan
Senior Manager, Accounting Operations

Responsible Investment

The Plan recognizes the significant influence that environmental, social, and governance (ESG) factors can exert on the risk and return dynamics of an investment. Integrating ESG considerations into our investment processes is not only in line with our fiduciary duty but also contributes to the enhanced long-term risk-return profile of the Fund.

Responsible Investment Policy and Implementation

Our Responsible Investment Policy outlines the following key principles:

- ESG factors 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.

Our Approach to Responsible Investing:

ESG Integration

Responsible Investing

Active Ownership

ESG Integration - We will integrate 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.

Active Ownership - 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 voting our shares, monitoring the companies' activities, and engaging with managers. This helps us to better manage risk and contributes to strong long-term investment performance. 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 achieved through membership in associations and through collaboration with other investors that have a shared focus.

2023 Responsible Investing Activities

We undertook the following activities in 2023 to integrate environmental, social and governance (ESG) principles in our investment strategies:

- **Active Ownership** – After revising our proxy voting guidelines in 2022, we conducted an evaluation of our external active public equity investment managers. This assessment focused on their adherence to the Plan's proxy voting guidelines, including environmental, social, and governance (ESG) factors.

- **Investor Climate Action Plan** – In collaboration with SHARE (Shareholder Association for Research and Education), the Plan created our inaugral Investment Climate Action Plan. This high-level roadmap is designed to address both the risks and opportunities associated with climate change within the Plan's investment portfolio.

- **ESG Exposures** – We continue to monitor and evaluate ESG exposure information for our publicly trades assets.

- **Internal ESG Knowledge** – The Plan continues to advance our internal responsible investing knowledge and capabilities through research, participating in responsible investing organizations, as well as attending seminars and conferences. The Plan is a member of the Canadian Responsible Investment Association (RIA).

Our Strategic Plan 2021-2025

Our vision is to be a high performing sustainable pension plan that is valued by our members and CBC/Radio-Canada.

Our Mission Statement

- As stewards of the CBC Pension Fund, our mission is to prudently invest the pension fund assets to support the financial viability of the Plan by seeking risk appropriate returns;
- To provide timely and accurate pension payments and quality pension administration services to members at a reasonable cost; and
- To uphold a tradition of good governance in service, fiduciary responsibility and accountability through a dedicated Trust entity staffed with a professional workforce.

To deliver on our mission, the Board of Trustees and management have set out a Strategic Plan for 2021 to 2025. We regularly monitor, measure, and review the progress we are making while also sharing quarterly updates with our members through the **communiqué.**

OUR STRATEGIC GOALS

1. **Deliver risk adjusted net returns** to support the financial viability and liquidity needs of the Plan.
2. **Provide quality and efficient member pension services** while continuously improving our communications with both members and stakeholders.
3. **Maintain effective governance** and organizational structures to meet fiduciary obligations and business requirements
4. **Support a culture of diversity,** innovation, continuous learning, and accountability.

Our Desired Outcomes by 2025

1. The CBC Pension Plan maintains fully funded status.

2. Deliver cost effective services that meet member expectations.
Members receive timely, comprehensive, and
clear communications through their preferred medium.

3. Advanced organizational systems and processes
and a highly capable management team.
Achieve best practices in plan governance and oversight.

4. Attract and retain a highly motivated and diverse team
that seeks innovative strategies that add value over the long-term.

What have we achieved together so far

In 2023, we made meaningful progress on our four strategic objectives with a continued focus of ensuring the Plan can deliver secure and stable pension benefits to members over the long-term.

Following the completion of the Strategic Asset Allocation (SAA) review in 2022, the Plan implemented further changes to its strategic asset allocation. The new strategic asset allocation reflects an evolution in our approach to liability driven investing with a better balance between the Plan's solvency and going concern funded status objectives. At the end of the year, both measures remained well above 100% indicating the Plan has more than enough assets to meet its pension obligations. We are committed to ensuring that the Plan's investment strategy meets the primary objective of delivering benefit security to our members.

Having strong governance practices has long been a key contributor to the Plan's success. In 2023, we engaged an independent party to review our governance framework and practices to ensure that we continue to maintain the highest possible governance standards in overseeing the Plan. The review concluded that our framework is robust and appropriate for the size and structure of the Plan. The current structure and mechanizes provide effective management and oversight of the Plan and are consistent with industry best practice.

To ensure that our 2021-2025 Strategic Plan remains relevant and captures the key factors impacting the current landscape with respect to investments, the regulatory environment, and Plan membership, we undertook a mid-cycle update of the Strategic Plan. This allowed us to incorporate the findings of the 2022 SAA review and the fact that the Plan's funded status has improved significantly over the first half of the period.

We believe the existing strategic goals remain aspirational but achievable and we remain focused on the right priorities for the Plan to be positioned for success over the long-term.

One of the primary duties of the Plan is to earn strong risk-adjusted returns so that it can deliver benefit security to members and funding stability to CBC/Radio-Canada. This fiduciary duty requires the Plan to maintain robust investment processes that assess both traditional investment factors as well as environmental, social and governance (ESG) factors in managing our investments. Under the umbrella of environmental issues (E), we recognize that climate change presents a systemic risk to the Plan along with investment opportunities. We are actively developing a Climate Action Plan to provide a clear roadmap for addressing climate change-related risks and opportunities in our investment activities.

Looking Forward to 2024

While significant work has been done on the Plan’s Strategic Asset Allocation (SAA) over the past three years, it is critical that we continue to evaluate and reassess it to ensure member benefit security over the long-term. The Plan, the economic situation and capital markets continue to evolve, and we need to adjust our strategic asset allocation for these changes on a regular basis. A key strategic asset implementation priority was the expansion of our private markets exposure with a focus on building out of the Plan’s private debt asset class. This has been a multi-year effort that we expect to continue in 2024.

Strong governance and risk management are critical components of a high performing pension plan. The Plan incorporates risk management in the oversight of all investment activities and in pension administration. This includes managing the Plan’s strategic and investment risks, compliance, and regulatory risks, as well as managing operational processes, including information technology to protect the Plan from operational risks and ensure business resiliency. The Plan maintains a Risk Register to identify key risks and undergoes biennial updates to ensure new risks are identified and appropriate risk management processes are in place.

Delivering timely, comprehensive, and clear communications to Plan members through their preferred channels is a key component of our member services. To enhance our communication approach, we will conduct a thorough update to our communication strategy, seeking input directly from you, our members. Our goal is to present the information members need in an engaging and transparent manner.

Management Discussion and Analysis

Investment Highlights

$7.9B
net assets

7.8%
annual net rate of return

The Management and Discussion Analysis (MD&A) offers members an in-depth look into the Plan's financial performance, providing insights that go beyond the figures presented in the financial statements.

Investments and Performance

Dive into how we prudently invest to ensure the long-term financial viability of the Plan as we review this year's performance results.

Risk Management

Learn how we manage risks to safeguard the financial health of the Plan and ensure business resiliency.

Financial Review

Gain additional insight into the Plan's financial results as we uncover what influenced this year's performance.

Investments and Performance

Global and Economic Landscape

The global economy proved to be far more resilient in 2023 than many investors expected. While monetary policy remained in restrictive territory throughout the year, developed economies surprised investors with positive real GDP growth, historically low unemployment, and resilient consumer spending.

A steady and persistent decline of inflation (otherwise known as disinflation) permeated across global economies throughout 2023. While peak inflation within developed economies occurred in the latter half of 2022, disinflation continued throughout 2023.

Within Canada and the United States, the year over year change in inflation dropped from 6.3% and 6.5% respectively at the end of 2022 to 3.4% in both economies at the end of 2023. Lower inflation normally allows central banks to introduce a more accommodative monetary policy through lower interest rates, which benefits equities and fixed income investments. The disinflationary environment of 2023 led to strong returns for the Plan's investments in public equities and public fixed income for the year.

Positive returns for the Plan's public equities and fixed income.

While developed economies managed to post tepid growth in 2023, China's economic malaise from 2022, carried over into 2023. The Chinese economy faced hurdles on several fronts including a demographic decline, soaring local government debt and a continuing real estate downturn. While the MSCI All Country World Index was up 17.2% in 2023, investors sentiment towards China's weaker than expected recovery was evident as the Hang Seng Index (Hong Kong) and the CSI 300 Index (Shanghai) both declined by -15.9% enduring the year.

In closing, 2023 showcased the global economy's resilience with developed economies exceeding expectations. Global inflation declined, prompting most developed world central banks to stabilize interest rates at higher levels. Notably, both fixed income and public equity markets rebounded with positive returns, reclaiming ground lost in 2022.

Total Index Returns (CAD$)	**2023**	**2022**
FTSE Canada Bond Universe Index	6.7%	-11.7%
S&P TSX Composite Index	11.8%	-5.8%
S&P 500 Index	23.2%	-12.4%
MSCI All Country World Index	19.9%	-12.2%

Fund Performance

The most important measure of the Plan's financial health is its funded statuses and at December 31st, 2023, the Plan continues to have healthy funding surpluses on both a Going Concern and a Solvency basis.

145.1%
GOING CONCERN BASIS
Funding Surplus
+$2.5 billion

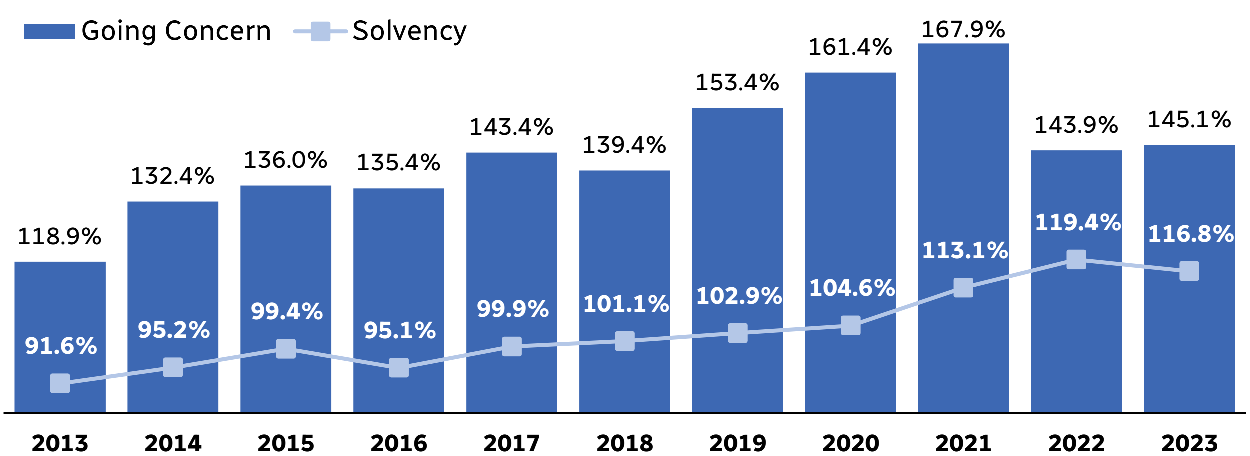
The Plan's robust funded status shows the security of YOUR pension benefit.

116.8%
SOLVENCY BASIS
Funding Surplus
+$1.1 billion

The Plan's primary investment objective is focused on ensuring the Plan's 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, which targets an optimal balance between funded status stability and earning acceptable rates of return to meet its pension obligations over the long-term.

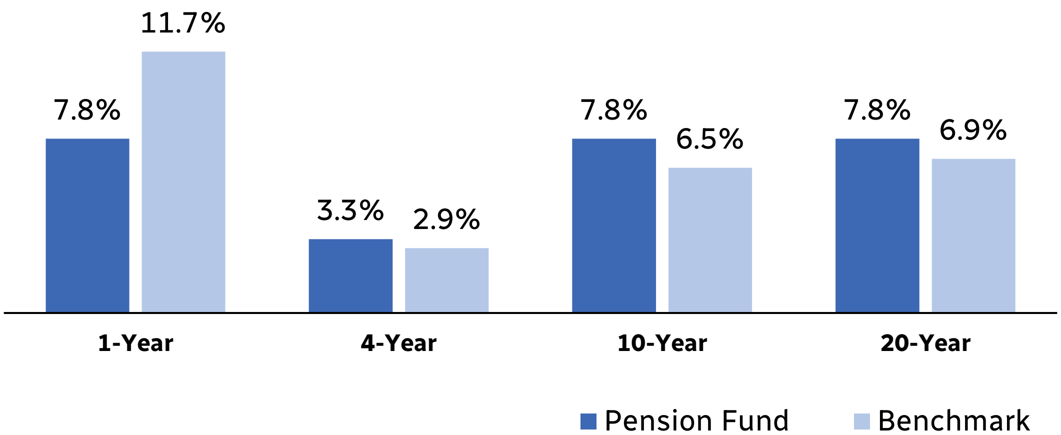
Over a four-year period, the Plan's annual rate of return exceeded its long-term Solvency Objective but underperformed its Going Concern objective. The sell off in fixed income markets experienced in 2022 had a negative impact on the Plan's performance relative to its Going Concern objective. Nonetheless, over a ten-year period, both objectives were met.

The chart below shows the Plan's funding surplus position on a Going Concern and Solvency basis over the last 10 years. The Plan has been in a strong funded position for several years.



The Plan's total 2023 return was 7.8%, a significant improvement over the losses experienced in 2022. Our focus remains on the long-term and we manage our investments to ensure we can pay pensions now and into the future.

The chart below shows the Plan's investment performance for 2023, as well as our longer-term measures of 4-year, 10-year, and 20-year investment performance:



Over the short to mid-term, the Plan relies on a benchmark portfolio to evaluate investment performance and each asset class is measured against its own relevant benchmark.

The Plan's total rate of return in 2023 was 7.8%, compared to its benchmark return of 11.7%. While most of the Plan's asset classes posted positive returns in the year, both the public equity and private investments underperformed their respective benchmarks on a short-term basis. On a 4-year basis, the total Plan return of +3.3% was higher than the overall reference asset benchmark return of +2.9%.

Over the long-term, the Plan's total returns on a 10-year and 20-year basis remained steady at 7.8% exceeding the benchmark return of 6.5% and 6.9% for the same time periods. The Plan's record of outperformance relative to its benchmark remains positive.

In the next section, we will explore in more depth how our asset classes performed in 2023.

Our Plan Assets

The Plan diversifies its investments across a range of asset classes to mitigate risk, optimize returns and to ensure we can provide long-term benefit security for Plan members. The Plan's investments are allocated to **three main asset classes**:

Fixed Income

Fixed income assets typically provide a steady stream of income through interest payments and the repayment of principal at maturity. Fixed income investments are sensitive to changes in interest rates and inflation, like the pension liabilities, helping to minimize volatility in the Plan's solvency funded status.

Our fixed income investments include short-term investments, Canadian bonds, and private debt.

Equity

Equity investments represent ownership interests in both publicly traded and privately owned companies. Equity investments help reduce funding risk over the long term by yielding higher rates of returns than fixed income investments but can display higher volatility in the short-term.

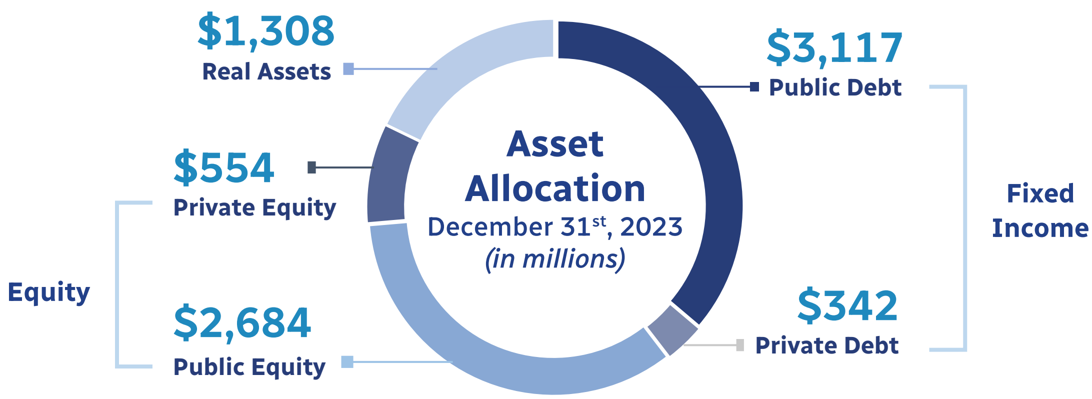
Our equity investments include Canadian, international, public, and private equities.

Real Assets

Real assets are tangible, physical properties or resources. Real asset values are influenced by economic factors in a different way compared to financial assets like stocks and bonds. Real assets have the potential for long-term growth and can act as a hedge against inflation.

Our real assets investments include real estate, infrastructure, timberland, and farmland.

Asset Performance



Fixed Income

Public Debt Highlights

Market Value

$3.1 billion

December 31st, 2023

38.8% of Total Plan Assets

Return	**Benchmark**
1-yr	**1-yr**
8.7%	8.4%
4-yr	**4-yr**
-0.9%	-1.2%

Public Debt

Public Debt is comprised of Canadian dollar short-term fixed income investments and long-term bonds. The short-term portfolio is largely invested in high quality money market instruments and bank savings accounts to provide income and to meet the cash demands of the Plan. The return of the FTSE Canada 91 Day Treasury Bill Index was 4.7%. The long-term bond investments include investment-grade nominal and real return securities with underlying characteristics that are in line with the Plan's liabilities. The return of the FTSE Canada Long Term Overall Bond and FTSE Canada Real Return Bond indices were 9.5% and 2.0%, respectively.

The combined performance of the Plan's Public Debt of 8.7% outperformed the benchmark's 8.4%, mainly due to the Plan holding more long maturity corporate bonds, the best performing fixed income asset class in 2023 with a return of over 12.0%.

2023 was a tale of two markets for bonds marked by high interest rate volatility. Through late October the fixed-income market was on pace for a third-consecutive year of losses. Major developed market central banks continued to hike policy rates and reduce their balance sheets to fight inflation. The Bank of Canada raised its key overnight rate by 75 bps to 5.0%, pausing in July. Yields rose to multi-year highs with the Canada government 10-year yield reaching 4.3% in early October, the highest since November 2007. Sentiment turned in the last two months of the year spurred mainly by more subdued Consumer Price Index (CPI) data. The market started to price in that short-term interest rates had reached their peaked for the current cycle, anticipating a higher likelihood of additional cuts in 2024 than previously expected.

Market expectations of global central banks shifting toward more accommodative monetary policy persisted through the year end, resulting in a significant decrease in bond yields. Specifically, the Canada 10-year bond yield decreased more than 1.0% from its October highs and credit spreads experienced noticeable tightening as a result.

In addition to Public Debt, the Plan also utilizes a bond overlay of public fixed income derivative instruments to reduce solvency funded status volatility.

Private Debt Highlights

Market Value

$342 million

December 31st, 2023

4.3% of Total Plan Assets

Return	**Benchmark**
1-yr 3.4%	**1-yr** 9.4%
4-yr 7.1%	**4-yr** 2.4%

Private Debt

The Private Debt portfolio holds private fixed income investments, which provide a higher expected return than public fixed income investments and diversifies the Plan's fixed income holdings between private and public markets. 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 2023, the Private Debt portfolio made several strategic additions. Exposure to floating rate loans for US large-cap companies increased with a new investment in broadly syndicated loans. Later in the year, the portfolio committed to a new investment in private placements in the Canadian investment grade space, enhancing diversification and liquidity.

In 2023, the Private Debt portfolio yielded an annual return of 3.4%, compared to the benchmark return of 9.4%. Initially, rising base rates increased income returns, with the Secured Overnight Financing Rate (SOFR) climbing from 3.8% in December 2022 to 5.4% in December 2023, resulting in a 1.6% rise in annual interest income.

This trend also positively affected our European investments. Investments in senior direct lending and broadly syndicated loans positively impacted performance, while Infrastructure debt enhanced portfolio resilience with inflation-protected cash flows.

Despite these positive aspects, a significant portion of the portfolio is composed of floating rates loans and did not benefit from the strong drop-in interest rates in the fourth quarter of the year. Additionally, unhedged exposures to foreign currencies and an underperformance in our Real Estate lending investment, contributed to the negative performance gap relative to the benchmark.

Since its inception in 2020, the portfolio has delivered a return of 7.1%, surpassing the benchmark return of 2.4%. The Private Debt portfolio is currently in the build out phase, targeting to be fully invested by the end of 2024. Investments will include Direct Lending, Broadly Syndicated Loans, Infrastructure and Real Estate Debt, and a material allocation to investment grade private debt.

Equity

Public Equity Highlights

Market Value

$2.7 billion

December 31st, 2023

33.4% of Total Plan Assets

Return	Benchmark
1-yr 14.7%	**1-yr** 18.1%
4-yr 8.5%	**4-yr** 8.8%

Public Equity

Canadian Equities

After a weak 2022, the S&P/TSX Capped Composite Index total return was 11.7% in 2023 as global public markets benefited from disinflation, resilient consumer spending, and better than expected corporate earnings. Oil prices drifted lower in the year as supply and demand concerns weighed on the commodity, while Gold ended the year at an all time high as the market started to price in future interest rate cuts. Interest rates hit a high in the third quarter not seen since 2007, however rates moved materially lower in November and December, which led to an extraordinary gain in global equity markets.

In 2023, nine out of eleven sectors contributed positively to the total return of the S&P/TSX Capped Composite Index. The Information Technology (IT) sector was the strongest performer rebounding from an exceptionally weak performance in 2022.

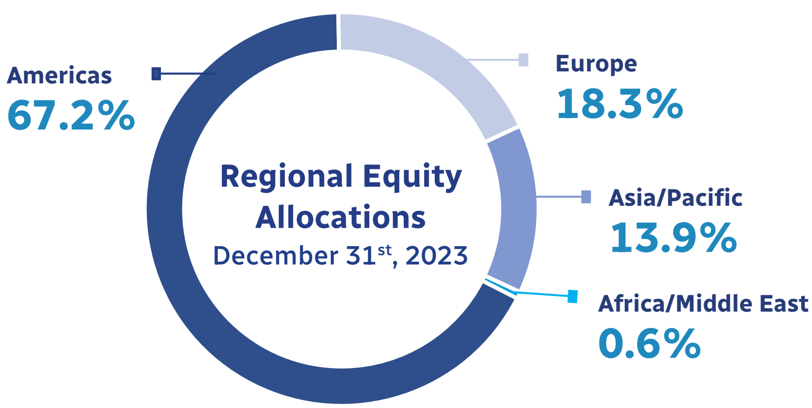
The Healthcare sector was the second strongest performer with an 18.3% gain while the Communication Services sector showed the weakest performance with a decline of -4.0% for the year.

While the Plan's Canadian equity portfolio generated returns of 10.5%, it underperformed the benchmark return of 11.8% due to an under-weight position in Financials and IT. Since its inception in 2022, the portfolio has outperformed the S&P/ TSX Composite by annualized 1.1% net.

Global Equities

Global equity markets enjoyed strong returns in 2023, with the MSCI All-Country World ex-Canada Index rising 19.1% in Canadian dollar terms (including dividends), closing the year near all-time highs. The year had its share of ups and downs, including periods of volatility around a series of US regional banking failures, surging bond yields, and ongoing inflation concerns. Concerns around these headwinds eased as the year wore on, as better than expected corporate earnings, exuberance around the growth potential for artificial intelligence and increasing optimism of a soft economic landing supported strong gains in the latter part of the year.

While the Plan's Global Equity performance generated an aggregate return of 15.4% in Canadian dollar terms, this performance fell short of the benchmark return of 19.1%. A key detractor to performance was the narrow leadership of mega cap tech stocks (the so-called "Magnificent Seven") which had an outsized impact on active returns in the US region, with stock selection in China also a factor in relative performance. On a four-year rolling average basis, the Global Equity return of 8.6% is roughly in line with the benchmark return of 8.8%.



US Equities

US equity markets delivered among the strongest returns globally in 2023, with the S&P 500 Index rising 22.9% in Canadian dollars.

The first quarter got off to a rocky start, with the collapse of a handful of regional banks (Silicon Valley, Signature and First Republic) in March and April, which fueled fears of broader contagion risks for the banking sector. The rapid actions of the Federal Reserve and other large banks to provide additional liquidity helped to stem the crisis and the markets swiftly recovered, helped by easing inflation and resilient earnings.

As the banking crisis eased, mega-cap technology stocks surged on the back of rising optimism about the growth potential for artificial intelligence. While rising bond yields caused some renewed volatility in September and October, further evidence of easing inflation and the Federal Reserve's cautious and accommodative statements in early November led to a powerful equity rally that carried through until the end of the year.

Europe, Australasia, and the Far East (EAFE)

Outside of the US, developed equities also had solid returns in 2023, rising 15.1% in Canadian dollar terms. The performance was notable given the smaller weight of technology stocks in Europe, Australasia, and the Far East (EAFE) Index (9.0% vs over 29.0% for the US). Among the markets, leadership came from Europe, with Italy, Spain, Denmark, and the Netherlands enjoying the strongest returns.

Japan was also a key market of focus in 2023 as the economy shifted out of its extended period of deflation and a softer yen also boosted sentiment for exporters. For the year, Japan market rose 18.0% in Canadian dollar terms but 29.0% on a local currency basis, the fastest expansion in a decade. On the weaker end of the spectrum, Hong Kong significantly underperformed amid growth concerns around China, while Finland and Singapore also lagged the broader EAFE Index.

Emerging Market Equities

Emerging market equities underperformed developed markets in 2023, rising 6.9% in Canadian dollar terms. Within that result there was a wide dispersion in returns between countries. China had the weakest performance and endured its third consecutive year of negative returns as disappointment over an underwhelming recovery from the severe Covid-19 restrictions in 2022 were paired with ongoing turmoil in the real estate sector.

Financial markets in Southeast Asia like Thailand and Malaysia underperformed in sympathy with China weakness, while soft energy markets held back equity returns in the Middle East. On the positive side, technology-driven exuberance boosted returns in markets like South Korea and Taiwan. Latin America also enjoyed strong returns across most regions, led by Mexico, Peru, and Brazil.

Private Equity Highlights

Market Value

$554 million

December 31st, 2023

6.9% of Total Plan Assets

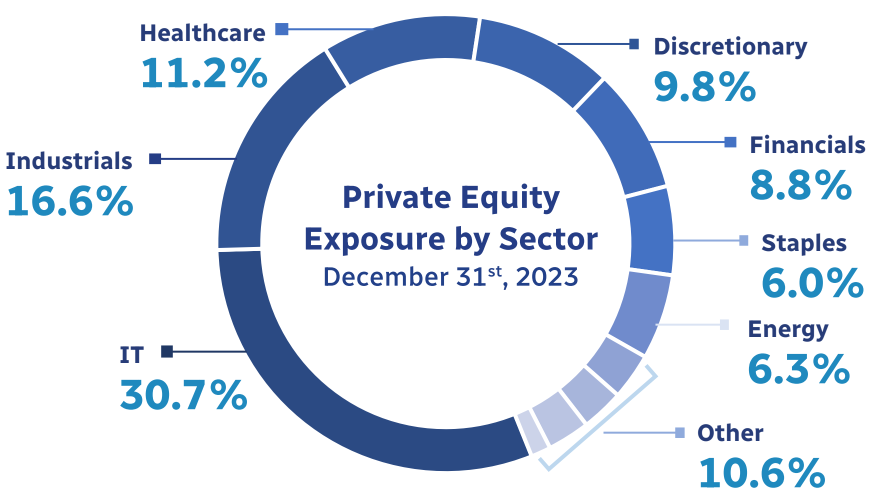
Return	Benchmark
1-yr	**1-yr**
-2.8%	9.6%
4-yr	**4-yr**
8.8%	9.6%

Private Equity

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. On a portfolio basis, these investments offer the potential for high returns over the long term. Investments in the Private Equity portfolio are illiquid, so a typical investment is held for 5 to 15 years.

Deal volume across Private Equity was markedly lower in 2023 compared to 2022, reflecting an uncertain macroeconomic outlook and more challenging lending markets relating to higher interest rates that persisted throughout the year. As inflation came down from its highs in 2022 and the cycle of interest rate increases had peaked, there was a notable improvement in deal volume both in terms of acquisitions and exits of private equity investments towards the end of 2023.

In 2023, the Private Equity portfolio yielded an annual return of -2.8% compared to the benchmark return of 9.6%. The convergence of macroeconomic factors weighed on the valuations of private companies in 2023, as fears around private companies' future earnings growth persisted. While higher interest rates put pressure on valuation multiples, earnings themselves have not yet been tested by the weak economic conditions in this cycle. Leveraged buyout strategies were somewhat insulated from a valuation standpoint, while the higher risk-return strategies of growth equity and venture capital were the most negatively impacted. Valuations were also negatively impacted by currency movements, whereby the Canadian dollar strengthened relative to the US dollar over the year.



On a four-year basis, the Private Equity portfolio has generated returns of 8.8%, underperforming the benchmark return of 9.6%. Due to the lagged nature of private equity reporting, the positive uplift in valuations seen in public markets through 2023 had not yet filtered through to private equity valuations.

Real Assets

Real Assets Highlights

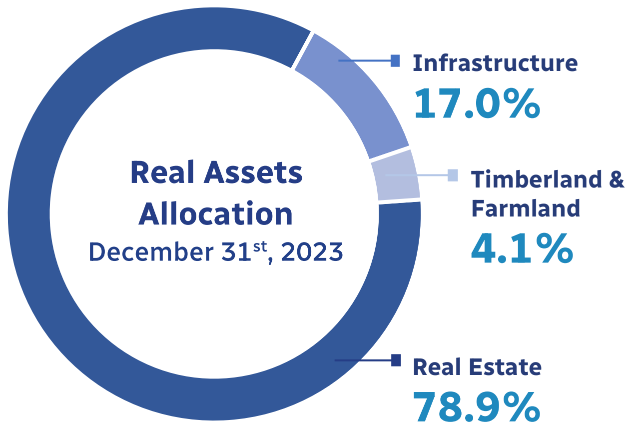
Market Value

$1.3 billion

December 31st, 2023

16.3% of Total Plan Assets

Return	Benchmark
1-yr	**1-yr**
-3.4%	6.0%
4-yr	**4-yr**
6.7%	6.0%



Real Estate

Since 2018, the real estate sector has experienced significant structural changes. There have been pronounced shifts away from the office and retail sectors into the industrial and multifamily sectors. Indeed, greater exposure to either of these two buckets have largely explained differences in investor return and risk profiles. In 2023, a rapid interest rate tightening cycle, alongside increased compensation for investment risks assumed has filtered into all segments of the private real estate market.

For the year, there was a narrowing of returns across all segments. This was the case, even amongst the industrial and multifamily sectors, which had been mostly excluded from significant repricing effects. The office sector continues to be an outlier in terms of headwinds. The retail sector, after years of negative sentiment, is showing early shoots of recovery with signs of modest rental growth, positive absorption, and improving occupancy.

In terms of returns and volatility, the impact of limited but lower transactional prices and lagged appraisals are filtering into portfolio valuations for 2023, including our own. Whilst we cannot control external pricing influences, the portfolio remains strongly positioned to navigate uncertain conditions. When considering metrics such as occupancy, rental growth, leverage, and net cashflow generation, the portfolio continues to be healthy and growing. Our strategic focus on demonstrable cycle resilience has served us well over the past several years.

Infrastructure, Timberland, and Farmland

The Plan's infrastructure portfolio is in a build-out stage. Our strategy calls for increased exposure to infrastructure as part of the real asset portfolio. We favour investments in renewable energy, transportation, telecommunications, data, and social assets.

The Plan's timberland and farmland investments continue to progress from a life-cycle perspective. As the investments have matured, investment returns are slowly moving up towards our target. This segment of the portfolio acts both as a diversifier and dampener for the larger real asset portfolio. The holdings are uncorrelated with investment markets over the longer term; over that horizon, returns for these assets tend to be driven by natural physical growth which is independent of valuation changes in financial markets.

In 2023, the Real Assets portfolio yielded an annual return of -3.4% compared to the benchmark return of 6.0%. Real asset investment returns are interest rate sensitive with the sharp rise in global interest rates acting a material headwind lowering overall investment values. Notwithstanding this fact, our investment return of 6.7% on a four-year basis continues to outperform the benchmark return of 6.0%.

Risk Management

The Plan maintains a robust risk management framework that employs proactive measures and strategies to identify, assess and mitigate potential risks, thereby safeguarding the overall financial health of the Plan.

Aligned with our fiduciary duties and complying with regulations, the Plan integrates risk management in the oversight of all investment activities and pension administration. This encompasses overseeing strategic and investment risks, ensuring compliance with regulations, and managing operational processes, including information technology to shield the Plan from operational risks and enhance business resiliency.

Strategic Asset Allocation

The Plan conducts periodic reviews of its Strategic Asset Allocation (SAA) to assess the risk/reward profile associated with the existing, and potential alternative strategic asset allocations. The reviews also consider the impact of various economic environments on both the assets and liabilities (pension obligations). An asset/liability management process is used to set the risk-efficient strategic asset allocation, designed to improve the sustainability and soundness of the Plan.

The latest SAA review reaffirmed the Plan's overarching Liability-Driven Investment (LDI) strategy while also identifying areas for improvement. It showed that an LDI strategy continues to provide the Plan with an optimal balance between funded status stability and expected rate of return. The 2022 SAA review led to a revised strategic asset allocation and a decrease in the target interest rate hedge ratio. The Plan's updated strategic asset allocation achieved a more favorable balance between solvency and going concern funding volatility. This adjustment also resulted in decreased asset drawdowns, reduced leverage, and improved liquidity throughout 2023.

Strategic Asset Allocation (SAA) is a fundamental investment strategy that divides investment capital across various asset classes to achieve an optimal balance between risk and return over the long term.

The Plan’s objective is to select eligible investments that produce acceptable rates of return to meet its pension 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. On the other hand, an aggressive portfolio, such as one heavily invested in equities, could yield potentially higher returns but with increased volatility due to elevated investment risk. Although lower contributions might result from high returns, a significant and prolonged contraction in equity markets could lead to substantially higher contributions.

The Statement of Investment Policies and Procedures (SIP&P) defines the investment principles, performance objectives, and risk tolerances for investing the Pension Fund to meet the Plan's pension obligations. This includes the strategic asset allocation, specifying the exposure to each asset class. Recognizing varying risk levels among asset classes (e.g., equities having higher risk than government bonds), the Board of Trustees views the Plan's Strategic Asset Allocation (SAA) as presenting moderate risk. However, the Board deems it the most suitable asset mix for addressing the Plan's future pension obligations.

Risk Appetite

The Plan's risk appetite statements, in both qualitative and quantitative terms, are based on the organization's risk philosophy and attitude towards risk taking. To this end, the investment risk appetite has been quantified via a risk budget at a total fund level. The Plan primarily measures its funding risk against the risk appetite level.

Funding risk, or the likelihood that the market value of the Plan's assets is insufficient to cover its liabilities, is the key risk measure of a pension fund. For Plan members, reduced funding risk enhances benefit security; for the CBC/Radio-Canada, it provides contribution stability. The Plan manages its funded status risk and pension contribution levels through its SAA.

Risk Governance and Oversight Structure

Strong governance and risk management are critical components of a high-performing pension plan. Risk governance delineates accountability, authorities, information flow, and roles among constituent groups engaged in the Plan's risk management. The Board of Trustees oversees the risk management framework, management executes it, and personnel at all levels manage risks within their domains. The Plan employs the three lines of defence model, as illustrated in the subsequent table, to establish a robust governance structure for effective risk management.

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; reporting of risk against approved policies and risk 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 as well as management on the effectiveness of risk-management practices.**

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.

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 biennial update of the risk register involves identifying and capturing key Plan risks, followed by a thorough assessment based on their potential impact and likelihood. These risks are categorized into five areas aligning with organizational objectives: strategic, investment, operational, compliance and regulatory, and reporting. Key risks within these categories undergo a control self-assessment process on a rotational basis, with results reported to the Board of Trustees.

Strategic Risk

Strategic risk involves uncertainties tied to long-term decision-making. The Plan mitigates this risk through processes including a 5-year strategic plan, annual Board of Trustees' review and approval of the SIP&P, external asset-liability modeling for strategic asset allocation validation and managing funding volatility within established risk budget. Quarterly meetings between management and the Board of Trustees assess Plan progress and address risks related to approved strategic goals.

Investment Risk

Investment risks encompass the potential for the Plan's diverse investments to fall short of anticipated rates of return. These risks include market, credit, and liquidity risks.

<u>Market Risk</u>

This is the risk of a significant decline in the value of investments (fixed income, equity and real assets) arising from movements in market prices.

The Plan mitigates market risk by employing a Strategic Asset Allocation (SAA), allowing for investments across various asset classes and strategies. This approach aims to earn a diversified set of risk premiums over the long term, aligning with prescribed risk limits outlined in the SIP&P.

The types of market risk facing the Plan are as follows:

> **(a) Interest Rate Risk:** This relates to the risk that fluctuations in interest rates will directly affect the value of Plan assets and liabilities. Changes in nominal and real interest rates affect the value of the Plan's fixed income investments.

Additionally, the Plan's pension obligations are sensitive to variations in assumptions regarding 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. Lower assumed rates of return result in increased current service costs, thereby raising costs for both active Plan 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 through its LDI investment strategy. Thus, a decrease in interest rates, which would typically lead to an increase in the Plan's pension obligations, is offset by an anticipated rise in the value of the Plan's fixed income investments.

(b) Volatility Risk: As of December 31, 2023, the Plan's total assets stood at $7.9 billion at fair value. Notably, $2.7 billion of this total was allocated to publicly traded equity investments. The substantial exposure to public equities exposes the Plan to domestic and foreign equity market volatility. To navigate this volatility, the Plan employs a strategy of diversification across industry sectors, market capitalizations, and international equity markets. The long-term performance expectation for publicly listed equities outweighs the risks of short-term volatility. Furthermore, the inherent volatility is actively managed by incorporating alternative assets such as real assets and private equity, which are characterized by more extended investment horizons. This diversification across various asset classes, investment strategies, and managers serves as a key management tool to reduce overall volatility and risk. For additional insights into the management of the Plan's volatility risk, refer to Note 3e(ii)(c) in the Financial Statements.

(c) Currency Risk: The Plan strategically allocates investments in non-Canadian securities, exposing it to potential fluctuations in fair value due to changes in both the market price of the security and 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. To actively manage this currency risk, the Plan employs on occasion forward currency contracts. 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 fulfill its obligations, leading to financial losses for the other party. The Plan's primary exposure to credit risk comes from its investments in bonds, private debt and over-the-counter derivatives. When the Plan invests in fixed income securities, there is inherent exposure to the risk of default by the security issuer, whether it be a government or a corporation. To mitigate this credit risk, the Plan employs several risk management measures. These include restrictions on the amount of holdings in low-quality issuers, rigorous credit analysis, diversification across various investments, and effective collateral management. The Plan's SIP&P provides guidelines and restrictions for eligible investments that consider credit ratings, maximum investment exposure, and other controls to limit the impact of this risk. Note 3e(iii) to the Financial Statements provides more detail on the Plan's credit risk.

Liquidity Risk

Liquidity relates to the Plan's ability to sell investments to fulfill pension payments, cover operating costs, address mark-to-market losses on derivative positions, and meet other long-term capital commitments. Liquidity risk refers to the risk that the Plan will be unable to meet its financial obligations as they become due. In 2023, the total of benefit payments and administration costs for the Plan amounted to $371.5 million. These payments were partially offset by active member contributions to the Plan of $59.4 million. The remaining cash flow requirement for the benefit payments was generated through investment income and proceeds from asset sales. To effectively mitigate liquidity risk, the Plan maintains a portfolio of highly liquid short-term notes and bank deposits that allows the Plan to meet its short-term liquidity needs. 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

Operational risk involves the potential for direct or indirect losses arising from deficiencies or failures in internal processes, personnel, or systems, as well as external events. Operational risk comprises a broad range of risks, including the loss of key management capabilities and experience; inadequate internal controls leading to fraud or financial loss; personnel misconduct resulting in illegal or unethical practices; challenges related to information technology and cybersecurity; business interruptions; and service disruptions caused by 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 and 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 lead to financial penalties or portfolio losses, and reputational damage. To mitigate compliance and regulatory risk, the Plan has established comprehensive compliance processes. The Plan also monitors emerging legal and regulatory issues as well as proposed regulatory changes, and actively participates in discussions with and seeks input from external consultants and regulatory bodies.

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.

Reporting Risk

This is the risk that the financial statements and regulatory reports may be incomplete, inaccurate, or untimely. It also includes the risk that internal performance attribution and risk information may not be 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.

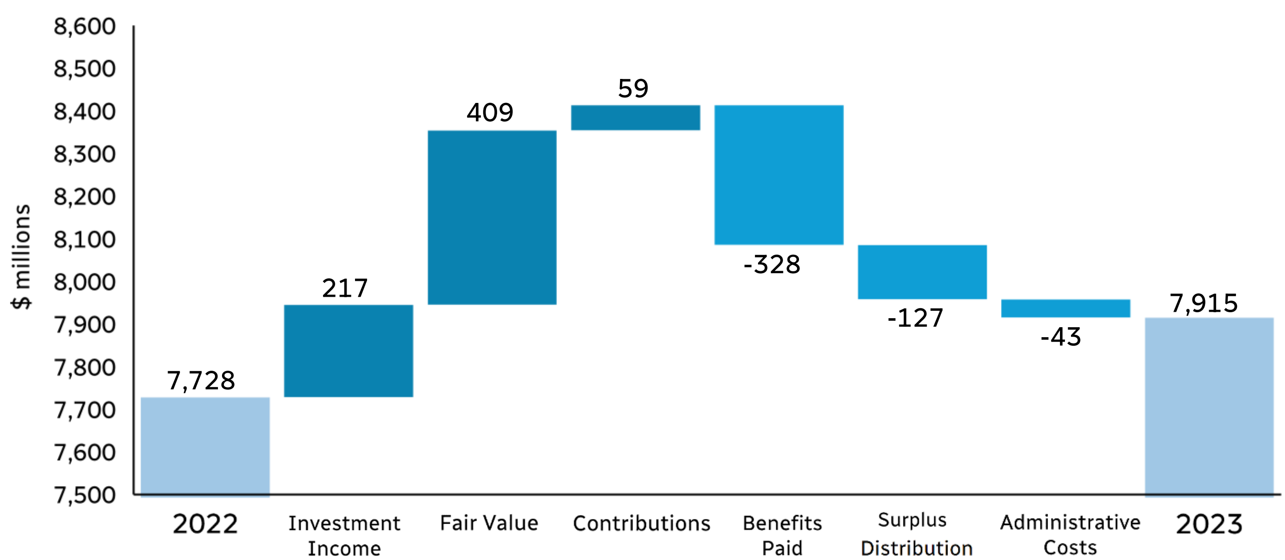
Financial Review

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. Continuous reassessment 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 (pension obligations) and reflect the 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.

Changes in net assets available for benefits

The Plan's net assets available for benefits saw an increase of $187 million, reaching $7.9 billion as of December 31, 2023. In the sections that follow we review the factors that contributed to the increase in more detail.



Investment income includes interest and dividends earned during the year, as well as distributions from the Plan's private investments.

Investment Income

Investment income is one of the sources of cash flow used by the Plan to meet the monthly pension payments. Investment income includes interest and dividends earned during the year, as well as distributions from the Plan's private investments.

In 2023, the Plan's investment income was $217.2 million, a decrease of $87.9 compared to the prior year. Fixed income investments contributed $80.0 million, a decrease of $3.3 million, primarily due to a lower allocation to fixed income securities throughout most of 2023. Equity investments generated income of $93.1 million, a decrease of $26.2 million, driven by a challenging market environment for private equity, resulting in fewer distributions during the year. The Plan's real assets investments saw a decrease in distributions as the high interest rate environment reduced cashflows and supressed valuations limiting the opportunity for property dispositions. Real assets distributions declined by $58.4 million in 2023 to $44.1 million.

Change in Fair Value of Investments

The change in the fair value of the Plan's investment reflect both realized and unrealized gains and losses during the year.

The value of the Plan's investments increased in 2023 as the fixed income and public equity markets rebounded from the negative returns experienced in 2022. The Plan's fixed income investments earned a robust 7.3% return, contributing positively to overall positive performance. Public equity markets also posted favorable returns, generating a 14.7% overall gain for the Plan in 2023. Private equity and real assets faced challenges amid heightened interest rates and global economic uncertainty, resulting in -2.8% and -3.4% returns respectively. The Plan's overall return for 2023 was 7.8%, a notable improvement from the -12.6% return experienced in 2022.

The fair value of the Plan's investments saw an overall increase of $409.1 million in 2023. Fixed income investments increased by $199.8 million, public equity increased by $330.6 million, while private equity and real assets decreased $53.5 million and $67.8 million, respectively. 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". The current service cost represents the amount of contributions required to fund estimated future pension benefits earned in the current year.

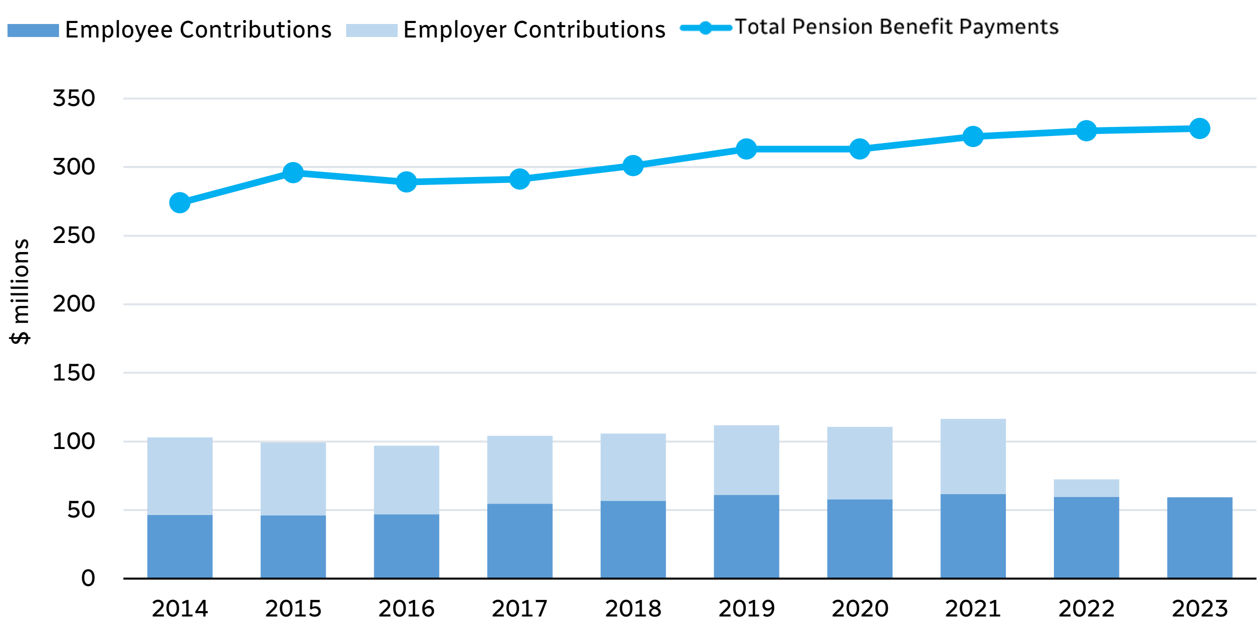
This cost is shared equally (50%/50%) between CBC/Radio-Canada as the Sponsor (employer) and provider of the Plan and employees (active members). In 2023, the current service cost decreased to 16.9% of payroll (8.45% for each of the employees and the employer) from 17.9% in 2022. The 1% decline was primarily due to an increase in the actuarially estimated future returns on the Plan's investments.

In April 2022, upon filing of the 2021 actuarial valuation, CBC/Radio-Canada had to suspend making any employer contributions because the Plan's funded status had exceeded the allowable limits based on the Income Tax Act (Canada). The Plan's funded status remained above the allowable limits at the end of 2022, extending the contribution holiday into 2023. Total contributions to the Plan decreased from $72.3 million in 2022 to $59.4 million in 2023. Employee contributions remained stable at $54.2 million for the year. The decrease in the current service cost was offset by an increase in the number of employees contributing to the Plan. Due to the contribution holiday, no employer contributions were received in 2023, compared to $12.6 million received in 2022.

Contribution holiday:
A period during which a pension plan sponsor suspends its contributions to the plan. Usually initiated when the plan's funding levels exceeds certain thresholds or regulatory requirements.

Past service contributions (buy-backs) increased marginally to $5.0 million, and transfers to the Plan from other pension plans totaled $0.2 million. The chart below shows a 10-year history of contributions compared to pension benefit payments. The Plan's contribution history illustrates its maturity, with benefits payments consistently surpassing contribution levels.

Contributions v. Pension Benefit Payments



Pension Benefits Paid

The Plan paid $328.1 million in pension benefits during 2023, a $1.7 million increase from 2022. Pension benefit payments rose by $6.7 million to $276.8 million in 2023 primarily due to the 2.70% annual cost-of-living adjustment. 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. The number of pensions being paid increased by 31, bringing the total number of pensioners to 10,283 as of December 31, 2023, compared to 10,252 at the end of 2022. Death benefit payments increased to $39.4 million and refunds of contributions and transfers to other plans were $11.7 million. Pension benefits purchased through FlexPen withdrawals were $0.2 million.

Pension benefits paid increased by $1.7 million in 2023.

Surplus Distribution

The results of the Plan's 2021 and 2022 actuarial valuations met the excess surplus rules requiring the Sponsor (employer) to take a contribution holiday beginning April 2022. Under the terms of a 2009 Memorandum of Agreement (MOA) between the Sponsor and Plan members, eligible members are entitled to share in any excess surplus available for a contribution holiday. The terms of the MOA were confirmed in 2023 after review, and the Sponsor initiated steps required to seek approval to share a portion of the Plan's surplus for the years 2021 and 2022 with eligible members.

The Pension Board must administer the Plan in accordance with the Pension Plan Text, the *Pension Benefits Standards Act, 1985 (PBSA)* and its regulations, the Income Tax Act and its regulations, and other applicable legislation. The PBSA allows for a refund of surplus to the employer of an on-going pension plan if a series of requirements have been met and the Office of the Superintendent of Financial Institutions (OSFI) has consented to the refund. At December 31, 2023, the Sponsor had completed the necessary requirements under the PBSA to submit an application to OSFI for a refund surplus to share with eligible Plan members.

The amount of surplus to be refunded for 2021 and 2022 as determined by the Plan's actuaries calculated as at December 31, 2023 amounts to $72.2 million and $54.9 million, respectively. A total refund amount of $127.1 million has been recorded in the Plan's financial statements and will be distributed upon receipt of approval from OSFI. The initial surplus distributions from the Plan for the years 2021 and 2022 are anticipated to occur in 2024.

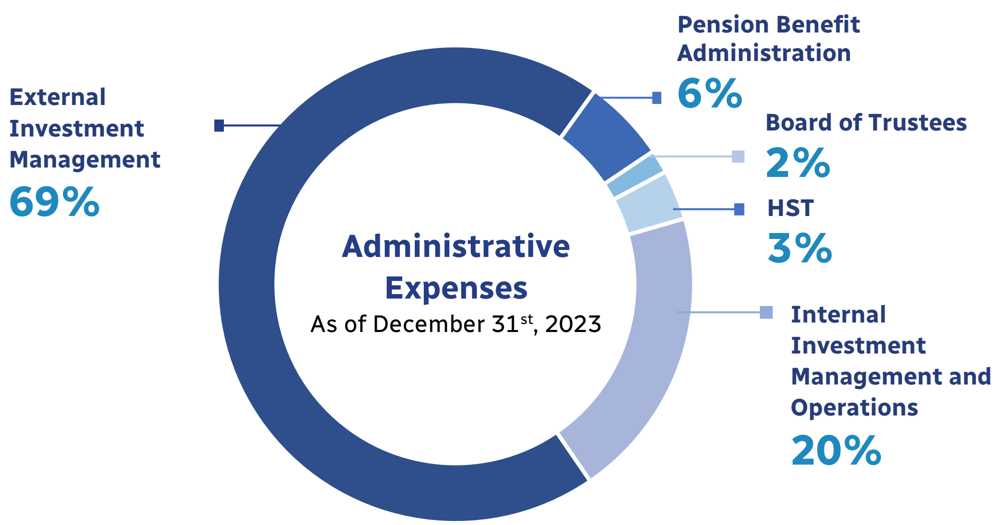
Administrative Expenses

In accordance with the Trust Deed, the expenses relating to investment operations and pension benefit administration are paid by the Plan.

Administrative expenses decreased by $12.3 million in 2023.

Administrative expenses for 2023 totaled $43.3 million, a decrease of $12.3 million from the previous year. The decrease in expenses is mainly due to the negative investment returns of some of the Plan's private investments, leading to significantly lower performance fees earned by external investment managers. Total administrative expenses represented a cost of 55.2 cents per $100 of average assets under management in 2023, compared to 68.7 cents per $100 in 2022.

Performance fees paid to external asset managers declined to $0.7 million in 2023 ($14.4 million in 2022), as returns continue to lag their benchmark returns. Performance fees are used in the investment industry to align the interests of asset managers with a pension plan's objectives. In 2023, performance fees made up 0.9 cents of the 55.2 cents (2% of the total 2023 costs) whereas in 2022, performance fees were 17.8 cents of the 68.7 cents (26% of the total 2022 costs).



Internal management costs saw a slight increase of $91 thousand in 2023, mainly due to annual salary increases which were partially offset by lower professional fees and trading costs. Pension benefit administration costs decreased by $35 thousand, while the Board of Trustee costs increased by $89 thousand primarily due to the governance review conducted during in the year. Non-performance-related expenses amounted to 54.3 cents per $100 in average Plan assets in 2023 as compared to 50.9 cents in 2022 as despite overall lower costs, the average Plan asset value decreased during the year.

The Plan participates in an annual external benchmarking study that focuses on the asset management portion of its administrative expenses. The most recent study, conducted for the 2022 fiscal year, calculated that the Plan’s investment-related costs are closely aligned with the Canadian average. The Plan relies on this annual survey to ensure its costs remain within industry standards. Over the past several years, the Plan’s costs have consistently remained near the benchmark costs.

An actuarial valuation is 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.

Pension Obligations

Annually, an actuarial valuation is conducted to estimate the Plan’s pension obligations. 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 following sections provide details on the valuation results and the reasons for calculating the pension obligations under each basis.

Going Concern

The methodology and key assumptions underlying the actuarial valuation and projections are detailed in Note 8 to the Financial Statements. The primary long-term economic assumptions used in the 2023 going concern projection remained consistent with those used in the 2022 actuarial valuation. The long-term expected rate of return on the Plan’s assets, set at 5.95% per annum for 2023, is determined by the actuary based on the expected long-term rates of return of the Plan’s strategic asset allocation outlined in its SIP&P, and is subject to the maximums set by the Office of the Superintendent of Financial Institutions (OSFI).

The going concern valuation estimates 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, 2023, the Plan's going concern pension obligations were projected at $5.5 billion, an increase of $84.7 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 the Plan's regulator, OSFI.

The Plan has $1.45 in assets for every dollar it owes to members at the end of the year. (2022: $1.44)

For regulatory reporting purposes, the Plan reports its going concern funded position on a smoothed asset value basis. The asset smoothing approach recognizes the Plan's investment gains and losses over a 4-year period which reduces the effect of any one year's performance on the Plan's funded position.

For financial reporting purposes, the Plan presents the going concern funded position on an accounting basis, which does not include an asset smoothing adjustment. The going concern calculated on an accounting basis will vary more year-to-year than the smoothed asset value basis.

The table below outlines the Plan's funding status under each approach:

(Canadian $ thousands) at December 31, 2023	Accounting (GAAP)	Regulatory (OSFI)
Net Assets Available for Benefits	$ 7,915,699	$ 7,915,699
Asset Smoothing Adjustment *(defer net losses)*	n/a	304,000
Net Asset Available for Benefits *(adjusted)*	7,915,699	8,219,699
Pension Obligations *(going concern basis)*	5,453,673	5,453,673
Fund Surplus	$ 2,462,026	$ 2,766,026
Funding Ratios: 2023	145.1%	150.7%
Funding Ratios: 2022	143.9%	156.6%

Funded Status
at Dec. 31st, 2023

145.1%

Going Concern

116.8%

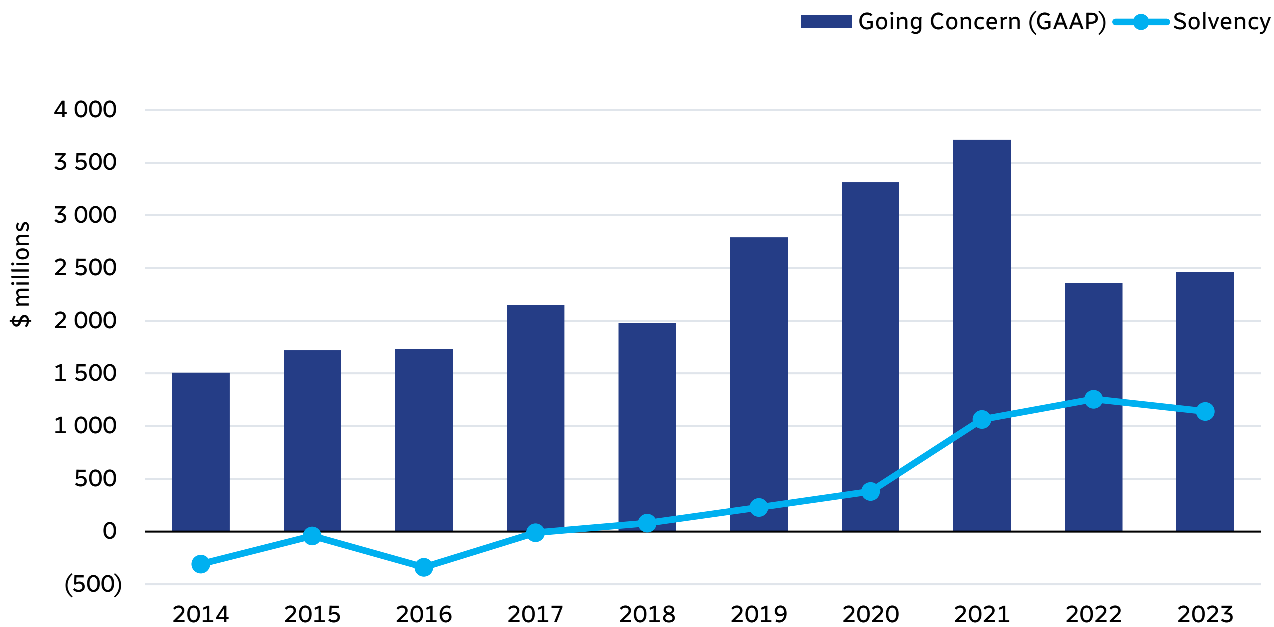
Solvency

Solvency

The solvency valuation estimates the pension obligations under the assumption that the Plan will wind up and simulates the creation of annuities to ensure that all future benefits owed to members will be met. Required under the *Pension Benefits Standards Act*, *1985* and for reporting purposes to OSFI, the solvency valuation is a regulatory reporting measure and is not required for financial reporting purposes. As of December 31, 2023, the Plan's estimated pension obligations under the solvency method are $6.8 billion, resulting in a projected solvency surplus of $1.1 billion, equivalent to a solvency funded ratio of 116.8%. The discount rate assumption used to calculate the solvency liabilities decreased in 2023, primarily due to slightly lower expected future fixed income returns. These lower expected returns increased the liability more than the increase in the Plan's assets, leading to the Plan's net solvency position decreasing by $116.7 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.

Funding Surplus / (Deficit) at December 31



CBC Pension Plan has been fully funded since 2018, under both the going concern and solvency basis (key measures of financial health).

When funded status is 100% or greater, the Plan is said to be fully funded.

Financial Report

CBC Pension Plan

December 31, 2023

Management Responsibility for Financial Reporting

The financial statements of the CBC Pension Plan for the year ended December 31, 2023, and all other information presented in the 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 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 (the "Board") is responsible for overseeing management and has overall responsibility for approving the financial statements and the 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 TELUS Health, 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 Board. 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 26, 2024 - Ottawa, Ontario

Actuary’s Opinion

TELUS Health 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, 2023, for inclusion in the Plan’s financial statements.

The Plan’s obligations under the going concern basis as at December 31, 2023 are based on the results of the actuarial valuation as at December 31, 2023, and take into account:

- The membership data provided by CBC/Radio-Canada as at December 31, 2023;
- 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, 2023.

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, 2023:

- 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

Yves Plourde
Fellow of the Canadian
Institute of Actuaries

TELUS Health
March 26, 2024 - Ottawa, Ontario

Independent Auditor's Report

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To 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, 2023, 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 notes to the financial statements, including 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 CBC Pension Plan as at December 31, 2023, 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 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

March 26, 2024

Statement of Financial Position

$ thousands

As at December 31	2023	2022
ASSETS		
Investment assets *(Note 3)*	**$ 8,030,076**	$ 7,735,088
Accrued investment income	**18,486**	17,498
Contributions receivable		
Employee	**6,165**	6,379
FlexPen investments *(Note 6)*	**2,996**	2,919
Due from brokers	**526**	-
Other assets	**307**	290
	8,058,556	7,762,174
LIABILITIES		
Investment liabilities *(Note 3)*	**1,021**	25,244
Accounts payable and accrued liabilities *(Note 7)*	**13,303**	7,110
Due to brokers	**1,414**	1,455
Surplus distribution *(Note 10)*	**127,119**	**-**
	142,857	33,809
NET ASSETS AVAILABLE FOR BENEFITS	**7,915,699**	7,728,365
PENSION OBLIGATIONS *(Note 8)*	**5,453,673**	5,369,020
FUNDING SURPLUS *(Note 11)*	**$ 2,462,026**	$ 2,359,345

The accompanying notes are an integral part of the financial statements.

Approved by the Board of Trustees

Sandra Mason, Chair
Trustee

Carol Najm, Vice-Chair
Trustee

Approved by Management

Duncan Burrill
Managing Director/CEO

Julie Murphy
Secretary/Treasurer

Statement of Changes in Net Assets Available for Benefits

$ thousands Year ended December 31	**2023**	2022
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	**$ 7,728,365**	$ 9,191,740
Investment Activities		
Investment income *(Note 3)*	**217,191**	305,085
Change in fair value of:		
Investments *(Note 3)*	**409,059**	(1,458,411)
FlexPen investments *(Note 6)*	**288**	(277)
Net investment activities	**626,538**	(1,153,603)
Member Service Activities		
Contributions *(Note 5)*		
Employee	**59,158**	58,131
Employer	**-**	12,609
Transfers	**232**	1,526
	59,390	72,266
Benefits *(Note 9)*		
Pensions	**(316,199)**	(308,431)
Refunds and transfers	**(11,946)**	(17,998)
	(328,145)	(326,429)
Surplus distribution *(Note 10)*	**(127,119)**	-
Net member service activities	**(395,874)**	(254,163)
Administrative Expenses *(Note 12)*	**(43,330)**	(55,609)
Increase/(Decrease) in Net Assets Available for Benefits	**187,334**	(1,463,375)
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	**$ 7,915,699**	$ 7,728,365

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Pension Obligations

$ thousands Year ended December 31	2023	2022
PENSION OBLIGATIONS, BEGINNING OF YEAR	**$ 5,369,020**	$ 5,474,114
Increase in Pension Obligations		
Interest on pension obligations	**319,457**	309,287
Benefits earned	**110,661**	112,396
Net experience losses	**-**	4,095
FlexPen investments *(Note 6)*	**288**	(277)
	430,406	425,501
Decrease in Pension Obligations		
Benefits *(Note 9)*	**328,145**	326,429
Changes in actuarial assumptions	**-**	204,166
Net experience gains	**17,608**	-
	345,753	530,595
Net Increase/(Decrease) in Pension Obligations	**84,653**	(105,094)
PENSION OBLIGATIONS, END OF YEAR	**$ 5,453,673**	$ 5,369,020

Statement of Changes in Funding Surplus

$ thousands Year ended December 31	2023	2022
FUNDING SURPLUS, BEGINNING OF YEAR	**$ 2,359,345**	$ 3,717,626
Increase/(Decrease) in Net Assets Available for Benefits	**187,334**	(1,463,375)
Net (Increase)/Decrease in Pension Obligations	**(84,653)**	105,094
FUNDING SURPLUS, END OF YEAR *(Note 11)*	**$ 2,462,026**	$ 2,359,345

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. Active members 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 service. 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. The Plan provides survivor benefits for a member's eligible spouse upon the death of the member, or for the beneficiary, on the death of an active or deferred member, if there is no eligible spouse. Upon termination of employment, a Plan member who is not eligible for an immediate pension has the option of taking a deferred pension for service rendered or of transferring the value of the benefit to a locked-in retirement vehicle.

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, 2023 to June 30, 2023 was 8.19% of earnings up to the maximum public pension plan earnings of $66,600 and 10.77% of earnings in excess of such maximum. The employee contribution rate was changed to 7.72% of earnings up to the maximum public pension plan earnings and 10.16% in excess of such maximum from July 1, 2023 to December 31, 2023. From January 1, 2022 to June 30, 2022 the rate was 8.44% of earnings up to the maximum public pension plan earnings of $64,600 and 11.10% of earnings in excess of such maximum. The employee contribution rate was changed to 8.19% of earnings up to the maximum public pension plan earnings and 10.77% in excess of such maximum from July 1, 2022 to December 31, 2022. The Corporation provides the balance of the funding, as required, based on actuarial valuations. Effective April 21, 2022, upon the filing of the December 31, 2021 actuarial valuation, and effective April 28, 2023 upon filing of the December 31, 2022 actuarial valuation, the Corporation was not permitted to contribute further to the Plan as the Plan's funding positions on a going concern and solvency basis both exceeded the threshold prescribed under subsection 147.2(2) of the *Canadian Federal Income Tax Act* (ITA) and in conformity with the Federal *Pension Benefits Standards Act, 1985*. The most recent actuarial valuation of the Plan was performed as of December 31, 2023. The 2023 actuarial valuation will be filed subsequent to these financial statements and stipulates that the Plan's funding positions on a going concern and solvency basis continue to exceed the prescribed surplus threshold and therefore the Corporation is not permitted to contribute to the Plan until the next actuarial valuation is filed.

d) Income tax status

The Plan is a Registered Pension Trust as defined in the 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 Corporation 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 Canadian 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, 2023 (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.

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.

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

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 of foreign currency-denominated investments 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 table below shows the fair value and the cost of the investments at year-end.

As at December 31	**2023**		2022	
$ thousands	**Cost**	**Fair Value**	Cost	Fair Value
INVESTMENT ASSETS				
Fixed Income				
Public Debt				
Cash and short-term investments	**$ 393,219**	**$ 393,218**	$ 292,585	$ 292,580
Canadian bonds	**2,315,088**	**2,678,104**	2,308,071	2,498,494
Derivatives				
Bond forwards	**-**	**25,107**	-	14,513
Total return swaps	**-**	**21,889**	-	5,484
Private Debt	**346,375**	**342,119**	255,617	263,554
	3,054,682	**3,460,437**	2,856,273	3,074,625
Equities				
Public Equity				
Canadian	**395,919**	**421,653**	401,716	398,239
International	**1,440,899**	**2,262,646**	1,568,467	2,228,739
Private Equity	**443,646**	**554,076**	486,254	657,345
	2,280,464	**3,238,375**	2,456,437	3,284,323
Real Assets	**1,074,635**	**1,308,415**	1,025,969	1,370,090
Currency forwards	**-**	**22,849**	-	6,050
TOTAL INVESTMENT ASSETS	**6,409,781**	**8,030,076**	6,338,679	7,735,088
INVESTMENT LIABILITIES				
Fixed Income				
Derivatives				
Bond forwards	**-**	**-**	-	(8,350)
Total return swaps	**-**	**(1,021)**	-	(13,664)
Currency forwards	**-**	**-**	-	(3,230)
TOTAL INVESTMENT LIABILITIES	**-**	**(1,021)**	-	(25,244)
TOTAL NET INVESTMENTS	**$ 6,409,781**	**$ 8,029,055**	$ 6,338,679	$7,709,844

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) 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.

v) 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 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.

vi) 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.

vii) 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 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 counterparties 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 followings table summarize the notional amounts and fair value of the Plan's derivatives contracts:

As at December 31	2023		2022	
$ thousands	**Notional Value**	**Net Fair Value**	Notional Value	Net Fair Value
INVESTMENT ASSETS				
Fixed Income				
Bond forwards	**$ 303,381**	**$ 25,107**	$ 284,412	$ 14,513
Total return swaps	**192,712**	**21,889**	155,607	5,484
	496,093	**46,996**	440,019	19,997
Currency forwards	**647,524**	**22,849**	632,013	6,050
TOTAL	**$ 1,143,617**	**$ 69,845**	$ 1,072,032	$ 26,047

As at December 31	2023		2022	
$ thousands	**Notional Value**	**Net Fair Value**	Notional Value	Net Fair Value
INVESTMENT LIABILITIES				
Fixed Income				
Bond forwards	**$ -**	**$ -**	$ 124,241	$ (8,350)
Total return swaps	**95,054**	**(1,021)**	294,406	(13,664)
	95,054	**(1,021)**	418,647	(22,014)
Currency forwards	**-**	**-**	36,891	(3,230)
TOTAL	**$ 95,054**	**$ (1,021)**	$ 455,538	$ (25,244)

All derivative contracts held at December 31, 2023, and 2022 have a term to maturity less than one year.

d) Securities Lending

The Plan participates in securities lending programs whereby it lends securities 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 105% of the value of the securities lent. As of December 31, 2023, securities with an estimated fair value of $72.4 million (2022: $1.9 million) were loaned out, while cash and securities contractually receivable as collateral had an estimated fair value of $77.2 million (2022: $2.0 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 Board. It defines eligible investments, asset mix ranges and diversification requirements. Compliance with the SIP&P is evaluated and reported to the Board monthly. 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 most of the Plan's investments expose the Plan to some form of market risk, the degree of risk varies considerably by investment. The Plan manages market risk 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 50%, 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:

As at December 31		**2023**		2022
$ thousands		Foreign Currency Exposure		
United States dollar	**$**	**2,409,932**	$	2,381,477
Euro		**233,536**		247,419
Japanese yen		**93,023**		88,436
British pound sterling		**53,517**		46,898
Hong Kong SAR dollar		**35,544**		49,507
Swiss franc		**28,873**		33,196
Swedish krona		**26,242**		22,015
Danish krone		**24,569**		14,551
Mexican peso		**18,032**		16,468
Singapore dollar		**13,371**		15,007
Indonesian rupiah		**11,389**		11,102
South Korean won		**8,804**		8,732
India rupee		**6,963**		7,092
New Taiwan dollar		**6,341**		6,882
Australian dollar		**5,824**		3,597
Israeli shekel		**4,963**		5,727
Brazilian real		**4,115**		-
Chinese renminbi		**2,455**		-
Philippine peso		**-**		1,171
Other		**3,298**		2,046
TOTAL	**$**	**2,990,791**	$	2,961,323

As at December 31, 2023, a 1% increase in the Canadian dollar against all other currencies would decrease the value of the Plan's net investments by $29.9 million or 0.4% (2022: $29.6 million or 0.4%). A 1% decrease in the Canadian dollar against all other currencies would increase the value of the Plan's net investments by $29.9 million or 0.4% (2022: $29.6 million or 0.4%). This calculation is based on the Plan's direct foreign currency holdings and does not include secondary impacts of exchange rate changes.

3. INVESTMENTS *(cont'd)*

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

ii) Market Risk *(cont'd)*

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, 2023, 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 $488.1 million or 6.1% (2022: $493.7 million or 6.4%) of the Plan's assets. A 1% reduction in nominal interest rates would increase the value of the fixed income investments and derivatives by $488.1 million or 6.1% (2022: $493.7 million or 6.4%) of the Plan's assets. This is based on the duration of the holdings and does not include other variables such as convexity.

With respect to pension obligations, as at December 31, 2023 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 13.1% (2022: 13.2%). 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 10.6% (2022: 10.7%).

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.

3. INVESTMENTS *(cont'd)*

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

ii) Market Risk *(cont'd)*

The overall equity market exposure limits as a percentage of Plan assets as at December 31, 2023, and 2022 were as follows:

(% of category)	Minimum	Long-term Target	Maximum
Canadian Equities	3	5	9
International Equities	21	29	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:

As at December 31	**2023**		2022	
EQUITIES	**Canadian**	**International**	Canadian	International
(% of category)				
Communication Services	**5.4**	**8.2**	7.3	7.0
Consumer Discretionary	**4.0**	**9.9**	5.3	10.7
Consumer Staples	**4.0**	**6.5**	3.6	7.5
Energy	**15.6**	**3.6**	16.4	4.2
Financials	**30.6**	**17.9**	29.8	15.4
Health Care	**0.0**	**12.5**	0.0	14.4
Industrials	**13.8**	**15.1**	15.6	12.8
Information Technology	**9.8**	**20.4**	6.5	20.8
Materials	**11.6**	**3.3**	12.0	4.1
Real Estate	**2.4**	**1.5**	2.1	1.5
Utilities	**2.8**	**1.1**	1.4	1.6
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.

As at December 31 $ thousands	**2023**	2022
Canadian Equity		
Market Value	**$ 421,653**	$ 398,239
+ / - 1% change in S&P/TSX	**3,813**	3,675
U.S Equity		
Market Value	**931,522**	899,124
+ / - 1% change in S&P 500	**8,205**	8,440
Global Equity		
Market Value	**1,331,124**	1,329,615
+ / - 1% change in MSCI ACWI ex-Canada	**$ 13,068**	$ 13,271

3. INVESTMENTS *(cont'd)*

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

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 (the Corporation). The credit risk to the Plan arises from the possibility that the Corporation 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, 2023 and December 31, 2022 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- ". 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 most 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, 2023 the Plan received $52.3 million (2022: $9.6 million) of collateral in the form of Government of Canada bonds and provincial bonds from its various derivative counterparties and provided $nil (2022: $14.4 million) of collateral to its derivative counterparties.

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:

As at December 31	**2023**		2022	
$ thousands	**Fair Value**	**%**	Fair Value	%
CASH AND SHORT-TERM INVESTMENTS				
Cash	**$ 277,853**	**70.6**	$ 197,060	67.4
Short-term investments				
Provincial	**4,130**	**1.1**	-	-
Corporate	**111,235**	**28.3**	95,520	32.6
	115,365	**29.4**	95,520	32.6
TOTAL	**$ 393,218**	**100.0**	$ 292,580	100.0
Cash	**$ 277,853**	**70.6**	$ 197,060	67.4
Short-term investments				
R-1 (high)	**105,245**	**26.8**	70,890	24.2
R-1 (middle)	**9,120**	**2.3**	1,473	0.5
R-1 (low)	**1,000**	**0.3**	23,157	7.9
	115,365	**29.4**	95,520	32.6
TOTAL	**$ 393,218**	**100.0**	$ 292,580	100.0

As at December 31	**2023**		2022	
$ thousands	**Fair Value**	**%**	Fair Value	%
CANADIAN BONDS				
Government of Canada	**$ 683,704**	**25.5**	$ 622,680	24.9
Provincial	**1,083,942**	**40.5**	1,031,684	41.3
Corporate	**910,458**	**34.0**	844,130	33.8
TOTAL	**$ 2,678,104**	**100.0**	$ 2,498,494	100.0
AAA to AA-	**$ 1,471,633**	**55.0**	$ 1,313,222	52.5
A+ to A-	**767,994**	**28.7**	786,236	31.5
BBB+ to BBB-	**438,477**	**16.3**	399,036	16.0
TOTAL	**$ 2,678,104**	**100.0**	$ 2,498,494	100.0

The above table does not include derivative or derivative counterparty exposure. The Plan's fixed income derivative exposure of $0.6 billion (2022: $0.9 billion) as at December 31, 2023 is 100.0% (2022: 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 13) 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 daily 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:

As at December 31 $ thousands	Due 2023	Due 2022
Derivatives *(Note 3 c)*	**$ 1,021**	$ 25,244
Accounts payable and accrued liabilities *(Note 7)*	**13,303**	7,110
Due to brokers	**1,414**	1,455
Surplus distributions	**127,119**	-
TOTAL	**$ 142,857**	$ 33,809

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).

3. INVESTMENTS *(cont'd)*

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

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.

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, 2023 and 2022:

As at December 31, 2023

$ thousands	Level 1	Level 2	Level 3	Total
INVESTMENT ASSETS				
Fixed Income				
Public Debt				
Cash and short-term investments	$ 393,218	$ -	$ -	$ 393,218
Canadian bonds	-	2,652,773	25,331	2,678,104
Derivatives				
Bond forwards	-	25,107	-	25,107
Total return swaps	-	21,889	-	21,889
Private Debt	-	-	342,119	342,119
	393,218	2,699,769	367,450	3,460,437
Equities				
Public Equity				
Canadian	421,653	-	-	421,653
International	2,122,618	140,028	-	2,262,646
Private Equity	-	-	554,076	554,076
	2,544,271	140,028	554,076	3,238,375
Real Assets	-	-	1,308,415	1,308,415
Currency forwards	-	22,849	-	22,849
TOTAL INVESTMENT ASSETS	2,937,489	2,862,646	2,229,941	8,030,076
INVESTMENT LIABILITIES				
Fixed Income				
Derivatives				
Total return swaps	-	(1,021)	-	(1,021)
TOTAL INVESTMENT LIABILITIES	-	(1,021)	-	(1,021)
TOTAL NET INVESTMENTS	**$ 2,937,489**	**$ 2,861,625**	**$ 2,229,941**	**$ 8,029,055**

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)*

As at December 31, 2022

$ thousands	Level 1	Level 2	Level 3	Total
INVESTMENT ASSETS				
Fixed Income				
Public Debt				
Cash and short-term investments	$ 292,580	$ -	$ -	$ 292,580
Canadian bonds	-	2,473,234	25,260	2,498,494
Derivatives				
Bond forwards	-	14,513	-	14,513
Total return swaps	-	5,484	-	5,484
Private Debt	-	-	263,554	263,554
	292,580	2,493,231	288,814	3,074,625
Equities				
Public Equity				
Canadian	398,239	-	-	398,239
International	2,080,148	148,591	-	2,228,739
Private Equity	-	-	657,345	657,345
	2,478,387	148,591	657,345	3,284,323
Real Assets	-	-	1,370,090	1,370,090
Currency forwards	-	6,050	-	6,050
TOTAL INVESTMENT ASSETS	2,770,967	2,647,872	2,316,249	7,735,088
INVESTMENT LIABILITIES				
Fixed Income				
Derivatives				
Bond forwards	-	(8,350)	-	(8,350)
Total return swaps	-	(13,664)	-	(13,664)
Currency forwards	-	(3,230)	-	(3,230)
TOTAL INVESTMENT LIABILITIES	-	(25,244)	-	(25,244)
TOTAL NET INVESTMENTS	**$ 2,770,967**	**$ 2,622,628**	**$ 2,316,249**	**$ 7,709,844**

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)*

The following tables present the change in fair value of Level 3 investments.

2023 Investments

$ thousands	Balance at Dec 31, 2022	Purchases	Sales	Realized gain/(loss)	Change in unrealized gain/(loss)	Balance at Dec 31, 2023
Fixed Income						
Canadian bonds	$ 25,260	$ -	$ (246)	$ (41)	$ 358	$ 25,331
Private debt	263,554	141,960	(51,074)	(128)	(12,193)	342,119
	288,814	141,960	(51,320)	(169)	(11,835)	367,450
Private equity	657,345	59,703	(109,439)	7,128	(60,661)	554,076
Real Assets	1,370,090	129,710	(108,325)	27,281	(110,341)	1,308,415
TOTAL	**$ 2,316,249**	**$ 331,373**	**$(269,084)**	**$ 34,240**	**$(182,837)**	**$ 2,229,941**

2022 Investments

$ thousands	Balance at Dec 31, 2021	Purchases	Sales	Realized gain/(loss)	Change in unrealized gain/(loss)	Balance at Dec 31, 2022
Fixed Income						
Canadian bonds	$ 30,303	$ -	$ (212)	$ (20)	$ (4,811)	$ 25,260
Private debt	123,548	152,585	(20,766)	-	8,187	263,554
	153,851	152,585	(20,978)	(20)	3,376	288,814
Private equity	668,568	45,936	(38,815)	93	(18,437)	657,345
Real Assets	1,217,278	170,176	(107,335)	36,767	53,204	1,370,090
TOTAL	**$ 2,039,697**	**$ 368,697**	**$(167,128)**	**$ 36,840**	**$ 38,143**	**$ 2,316,249**

Total net unrealized gains for Level 3 instruments held at the end of 2023 amounts to $341.2 million (2022: $524.0 million).

3. INVESTMENTS *(cont'd)*

g) Investment Activities

The following table presents 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.

	2023			2022		
$ thousands	**Change in Fair Value(1)**	**Investment Income**	**Total**	Change in Fair Value(2)	Investment Income	Total
Fixed Income						
Public Debt						
Cash and short-term investments	**$ (1,520)**	**$ 11,983**	**$ 10,463**	$ 1,307	$ 5,049	$ 6,356
Canadian bonds	**177,563**	**49,039**	**226,602**	(742,142)	62,159	(679,983)
Derivatives						
Bond forwards	**20,421**	**-**	**20,421**	(218,054)	-	(218,054)
Total return swaps	**16,065**	**-**	**16,065**	(218,866)	-	(218,866)
Private Debt	**(12,754)**	**18,999**	**6,245**	122	16,151	16,273
	199,775	**80,021**	**279,796**	(1,177,633)	83,359	(1,094,274)
Equities						
Public Equity						
Canadian	**28,736**	**11,526**	**40,262**	(20,414)	11,495	(8,919)
International	**301,883**	**34,038**	**335,921**	(295,034)	37,075	(257,959)
Private Equity	**(53,517)**	**47,500**	**(6,017)**	(18,430)	70,696	52,266
	277,102	**93,064**	**370,166**	(333,878)	119,266	(214,612)
Real Assets	**(83,158)**	**44,106**	**(39,052)**	46,024	102,460	148,484
Options - equity	**-**	**-**	**-**	159	-	159
Currency forwards	**15,340**	**-**	**15,340**	6,917	-	6,917
TOTAL INVESTMENT ASSETS	**$ 409,059**	**$ 217,191**	**$ 626,250**	$ (1,458,411)	$ 305,085	$ (1,153,326)

(1) *Includes $248.1 million of change in unrealized market gains and $160.9 million of realized gains.*
(2) *Includes $1,103.3 million of change in unrealized market losses and $355.1 million of realized losses.*

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 Board oversees the preparation of funding valuations and monitors the Plan's funded status. The Corporation 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 Board 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 Board in monitoring the Plan's capital. The most recent projection of the actuarial valuation and funding position are disclosed in Notes 8 and 11. There have been no major changes to the Plan's capital requirements and its overall strategy with respect to capital remains unchanged from 2022.

5. CONTRIBUTIONS

The following are the contributions for the year:

$ thousands		**2023**		2022
Employee				
Current Service	**$**	**54,183**	$	54,310
Past Service		**4,975**		3,821
		59,158		58,131
Employer		**-**		12,609
Transfers		**232**		1,526
TOTAL	**$**	**59,390**	$	72,266

6. FLEXIBLE PENSION (FLEXPEN)

The Plan includes a flexible component, FlexPen, under which members were able to make additional contributions to the Plan, up to limits within the ITA. The FlexPen closed to new contributions on January 1, 2019. Existing FlexPen 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.

$ thousands		**2023**		2022
Investment, Beginning of Year	**$**	**2,919**	$	3,594
Change in fair value		**288**		(277)
Purchase of additional pension benefits and transfers out *(Note 9)*		**(211)**		(398)
Investment, End of Year	**$**	**2,996**	$	2,919

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

As at December 31 $ thousands		**2023**		2022
Benefits	**$**	**4,688**	$	3,953
Administrative expenses		**8,615**		3,157
TOTAL	**$**	**13,303**	$	7,110

8. PENSION OBLIGATIONS

Under the PBSA actuarial valuations are required at least annually. The latest actuarial valuation was performed at December 31, 2023 by TELUS Health. 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's 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	
As at December 31	**2023**	2022
Asset rate of return	**5.95%**	5.95%
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 2023, there were net experience gains of $17.608 million (2022: net experience losses of $4.095 million) with respect to plan membership, retirement and termination settlements compared to the assumptions used in the actuarial valuation conducted as at December 31, 2023.

The PBSA requires that the Plan also be valued on a solvency basis, which simulates a plan wind-up. As of December 31, 2023 the date of the last actuarial valuation, the Plan's solvency liabilities were estimated at $6.768 billion (2022: $6.464 billion) with estimated wind-up costs of $7.5 million (2022: $7.3 million).

9. PENSION BENEFITS

The following are the pension benefits for the year:

$ thousands	2023	2022
Pensions		
Retirement benefits	**$ 276,766**	$ 270,056
Death benefits	**39,433**	38,375
	316,199	308,431
Refunds and transfers		
Refunds and transfers to other plans	**11,735**	17,600
FlexPen – purchase of additional pension benefits and transfers out *(Note 6)*	**211**	398
	11,946	17,998
TOTAL	**$ 328,145**	$ 326,429

10. SURPLUS DISTRIBUTION

In accordance with the Memorandum of Agreement (MOA) dated May 22, 2009 between the Corporation and the Plan's members, eligible members are entitled to share in the Plan's funding surplus. The funding surplus to be distributed for the years 2021 and 2022, as determined by the Plan's actuaries, amounts to $72.2 million and $54.9 million, respectively. Therefore, a total refund of surplus of $127.1 million has been accrued in these financial statements. This surplus will be distributed subsequent to the year end upon receipt of approval from OSFI, as prescribed by the PBSA and the Pension Benefit Standards Regulations.

As at December 31

$ thousands	2023	2022
Refund of surplus contributions	**$ 127,119**	$ -

The amount includes interest accrued and payable as of December 31, 2023.

11. FUNDING POSITION

The last actuarial valuation of the Plan was performed as at December 31, 2023 and determined that the Plan had a funding excess of $2.462 billion (2022: $2.359 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, 2023 of $1.140 billion (2022: $1.257 billion) 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 116.5% (2022: 3-year average surplus of 112.4%).

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

12. 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:

$ thousands		**2023**		2022
Fund Administration				
Internal Management				
Salaries and employment costs	**$**	**6,650**	$	6,159
Professional fees		**224**		412
Data processing / technology		**1,111**		1,202
Custodial fees and transaction costs		**133**		279
Office rent		**412**		421
Other		**88**		54
Total Internal Management		**8,618**		8,527
External Management				
Management fees and performance fees		**29,329**		41,182
Custodial fees and transactions costs		**779**		928
Total External Management		**30,108**		42,110
Total Fund Administration		**38,726**		50,637
Pension Benefit Administration				
External administration		**1,538**		1,601
Salaries and employment costs		**503**		554
Professional fees		**23**		27
Data processing / technology		**92**		82
Other		**293**		220
Total Pension Benefit Administration		**2,449**		2,484
Board of Trustees' Expenses				
Professional fees		**560**		492
Other		**135**		114
Total Board of Trustees Expenses		**695**		606
Harmonized sales tax		**1,460**		1,882
TOTAL	**$**	**43,330**	$	55,609

13. COMMITMENTS AND CONTINGENCIES

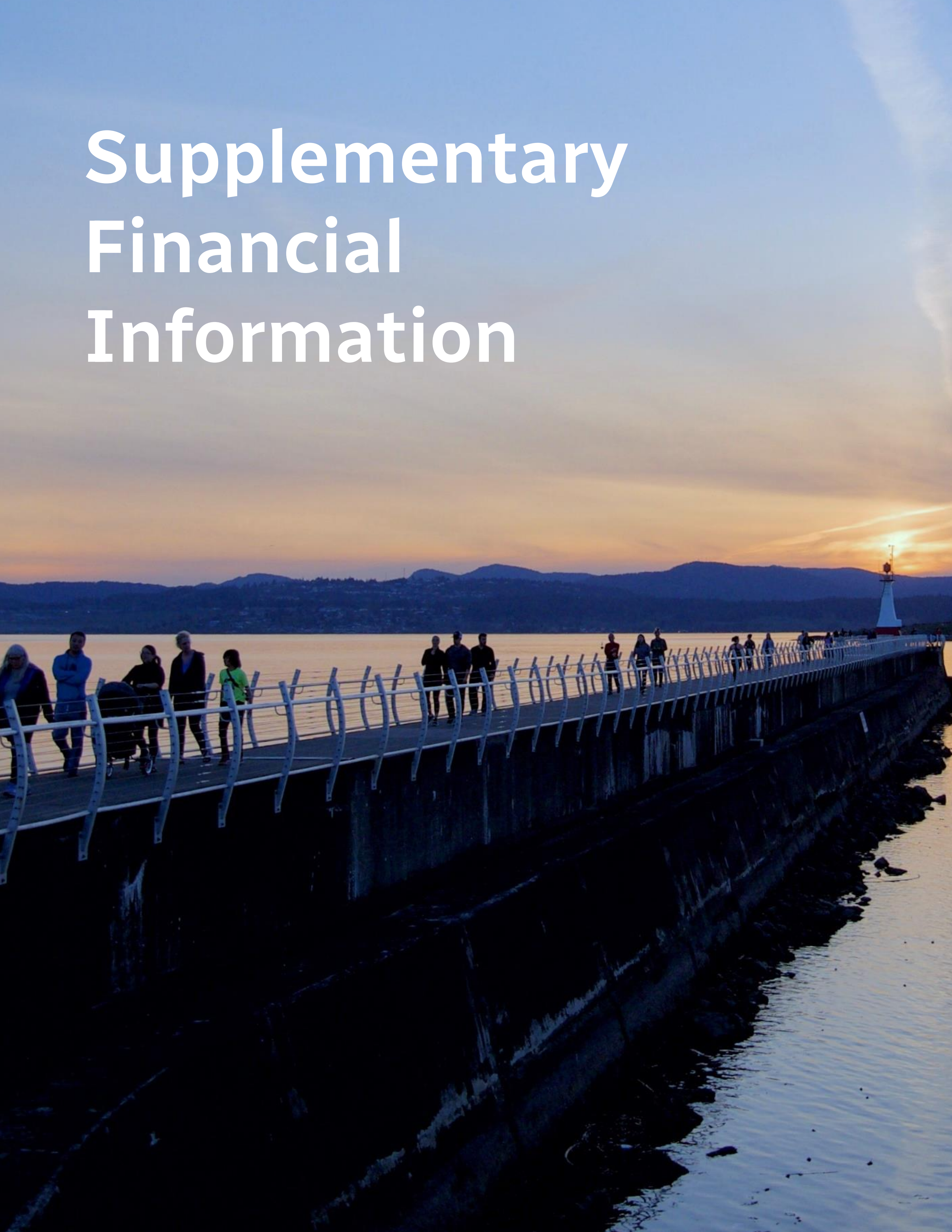
The Plan has committed to enter into investment transactions, which may be funded over the next several years in accordance with the terms and conditions agreed to. As at December 31, 2023, these potential unfunded commitments totaled $537.8 million (2022: $679.8 million). The Plan has sufficient liquidity 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.

In accordance with the MOA as explained further in Note 10, the Plan's funding surplus as at December 31, 2023 meets the criteria for the Corporation to request a refund of surplus from the Plan to share with the eligible Plan members. However, several requirements must be completed for the distribution to be approved, which as of the date of the financial statements have not been completed. If the requirements are met to claim a refund of surplus, the Plan's actuaries have estimated the amount to be approximately $55 million and would be payable in 2024.

14. GUARANTEES AND INDEMNIFICATIONS

The Plan provides that the Board, 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, 2023 and 2022, the amount recorded as a liability for claims under these indemnifications is $nil.

Supplementary Financial Information



Supplementary Financial Information

Investments greater than $30 million

at December 31, 2023
(unaudited)

Fixed Income

Issuer	Coupon	Maturity Date	Fair Value ($ millions)
Public Debt			
Blackrock Canada CorePlus Long Bond Fund	n/a	n/a	$ 970
Government of Canada	4.00%	01-Dec-2031	$ 205
Government of Canada	2.00%	01-Dec-2041	$ 78
Government of Canada	3.00%	01-Dec-2036	$ 70
Province of Ontario	2.80%	02-Jun-2048	$ 51
Government of Canada	1.75%	01-Jun-2053	$ 39
Government of Canada	1.50%	01-Dec-2044	$ 39
Province of Quebec	4.40%	01-Dec-2055	$ 36
Province of Ontario	2.55%	02-Dec-2052	$ 32
Province of Quebec	2.85%	01-Dec-2053	$ 31
Private Debt			
Ares Real Estate Secured Income Fund			$ 96
KKR US Syndicated Loan Fund			$ 53
Pemberton Mid-Market Debt Fund III			$ 49
Deerpath Capital			$ 44
Bentall Kennedy High Yield Canadian Property Fund			$ 37

Equity

Issuer	Fair Value ($ millions)
Public Equity	
International Equity	
SPDR S&P 500 ETF Trust	$ 376
Wellington Emerging Markets Research Equity Fund	$ 140
Alphabet Inc.	$ 74
Microsoft Corp.	$ 71
Berkshire Hathaway Inc.	$ 64
Apple Inc.	$ 61
Mastercard Inc.	$ 50
UnitedHealth Group	$ 35

Equity

Issuer	Fair Value ($ millions)	
Private Equity		
Brookfield Capital Partners V	$	60
GS Vintage VIII Offshore LP	$	49
North Haven Tactical Value Feeder Fund	$	43
Ashbridge Transformational Secondaries Fund II	$	40
Lexington Capital Partners LCP VIII (Offshore), LP	$	39
Brookfield Techology Partners II	$	33
GS Vintage VII Offshore LP	$	32

Real Assets

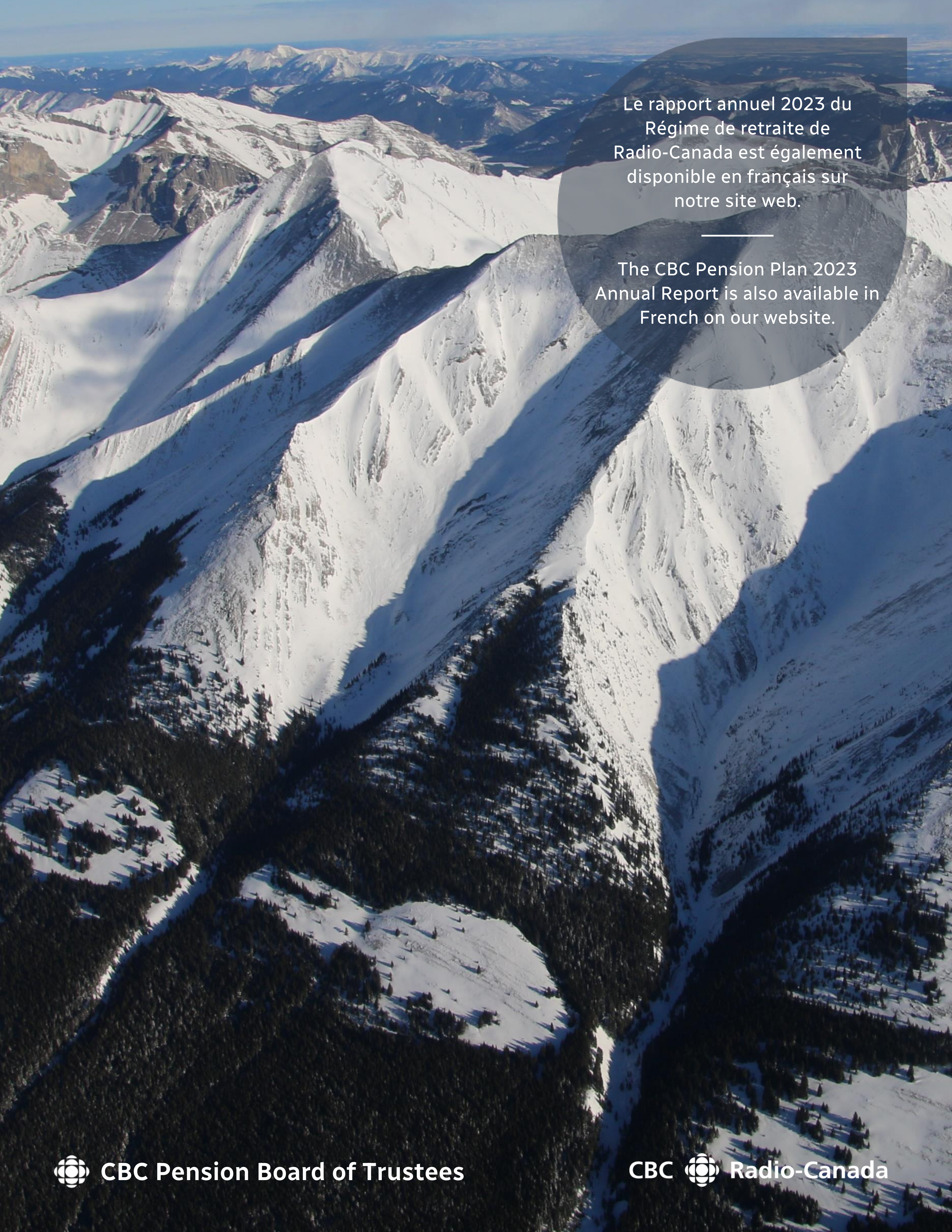
Issuer	Fair Value ($ millions)	
Real Estate		
BentallGreenOak Prime Canadian Property Fund	$	99
Brookfield Premier Real Estate Partners	$	77
Bridge Multifamily IV International Fund	$	75
Manulife US Real Estate Fund	$	70
Airdrie Flex Canadian Urban Industrial	$	62
AEW Core Property Trust	$	61
TD Greystone Real Estate Fund	$	57
Minto Properties Multi-Residential Income	$	46
Realstar Apartment Partnership II	$	44
Brookfield Strategic Real Estate Partners III	$	43
Strathallen Retail Property Fund 4	$	42
Sankofa Industrial Limited Partnership	$	41
Morguard Investment Ltd. Laval Industrial	$	38
CanFirst Industrial Realty Fund VII	$	34
Redbourne Realty Fund IV	$	34
Realstar Apartment Partnership 4	$	33
Infrastructure		
Brookfield Super-Core Infrastructure Fund	$	68
Brookfield Infrastructure Fund II	$	40
Brookfield Infrastructure Fund III	$	35
Timberland & Farmland		
Hancock Timberland and Farmland LP	$	53

Top 10 Public Equity Holdings

at December 31, 2023
(unaudited)

As a percentage of net assets available for benefits

	Company	Sector	%
1	SPDR S&P 500 ETF Trust	Broad Index	4.8%
2	Alphabet Inc	Communication Services	0.9%
3	Microsoft Corp.	Information Technology	0.9%
4	Berkshire Hathaway Inc	Financials	0.8%
5	Apple	Information Technology	0.8%
6	MasterCard Inc.	Financials	0.6%
7	Unitedhealth GRP	Healthcare	0.4%
8	Royal Bank of Canada	Financials	0.4%
9	Danaher Corp.	Healthcare	0.3%
10	Canadian National Railway	Industrials	0.3%
		Top 10 Public Equity Holdings Total	**10.3%**



Le rapport annuel 2023 du Régime de retraite de Radio-Canada est également disponible en français sur notre site web.

The CBC Pension Plan 2023 Annual Report is also available in French on our website.

CBC Pension Board of Trustees

CBC Radio-Canada