



# 2018 Annual Report

## Governance and Financial Update

July 2019



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**The International Centre for Pension Management (ICPM)** is a global network of pension organizations that stimulates leading-edge thinking and practice about pension design and management. ICPM brings together an influential community of pension industry professionals to share knowledge and interact with academics pursuing pension-related research.

ICPM organizes interactive Discussion Forums involving practitioners and researchers, and provides funding for objective and transformative research to support effective management and innovation in pension organizations. With its partner, the Rotman School of Management at the University of Toronto, ICPM is proud to offer a highly respected Pension Governance Education Program (PGE) – for board members of pension and long-horizon investment institutions from around the globe.





## 2018 Highlights



**43** Research Partners from **13** countries

- ✓ Global network expands in key geographic areas, including Chile, US, Australia, as well as the first in Africa
- ✓ Second annual Research Partner Satisfaction Survey results show major strides: 97% of Research Partners agree ICPM stimulates leading-edge, global thinking and practice about pension design and management (90% in 2016)
- ✓ Funding awarded for two research papers on risk management in early 2017
- ✓ Call for Research issued November 2017
- ✓ ICPM internal team expands with newly-created roles:
  - **Associate - Communications** focuses on Research Partner engagement,
  - **Associate Director - Research** strengthens key research initiatives, and
  - **Associate Director - Member Services** provides support to the Research Committee and the Head of Operations.
- ✓ The ICPM Board approves a fiscal year change to January 1 – December 31 to lower administrative burden


### Discussion Forums

- Events held in Toronto and Santiago brought together more than 180 global pension leaders, academics and think-tank authorities.
- Vancouver and Sydney Forums organized for 2019

### Board Effectiveness Program (BEP)

- A unique global governance program designed exclusively for board members and trustees of pension funds and other long-horizon investors
- Organized by ICPM and Rotman Executive Programs at the University of Toronto
- Two programs in 2018 resulting in \$62K revenue for ICPM

#### Upcoming Discussion Forum

-  Sydney, Australia: Oct. 27-29, 2019
- Research Partners can register at <http://icpmnetwork.com/icpm-events/discussion-forums/>

#### Pension Governance Education Program (PGEP) Dates - formally known as BEP

- Accepting applications at: <https://icpmnetwork.com/icpm-events/pension-governance-education-program/>
  - PGEP 19: Nov. 25 – 29, 2019

**Let us know what you think**  
[icpm@icpmnetwork.com](mailto:icpm@icpmnetwork.com)



## Message from the Chair



As 2017 marked the mid-point of our five-year strategy, ICPM spent the year ensuring we are on track to reaching our 2020 goals. These goals include building and supporting a high-calibre global network of Research Partners as well as ensuring ICPM services are engaging – all while achieving long-term financial and organizational sustainability. We have implemented several changes that have kept us on track to meeting our goals: introducing new communications tools, strengthening research initiatives, revitalizing signature events, successfully attracting a number of new world-class Research Partners, as well as growing our own ICPM management team. This year, we continued to build on these changes.

One such focus was strengthening our own governance practices – in addition to refreshing various policies, we made the decision to transition to a January 1 to December 31 fiscal year. Even such a simple adjustment would be instrumental in making processes more efficient for our Research Partners. This also follows ICPM's transition to a new Head of Operations, who brings the infrastructure support and expertise of an association management office.

These strides in our organizational structure are especially important as we grow our network. In 2017, we welcomed six new Research Partners to our network: Oregon Investment Council, New York State Teachers' Retirement System, Investment Management Corporation of Ontario, New South Wales Treasury Corporation, AFP Cuprum and FirstRand – our first Research Partner in Africa. We look forward to continuing this momentum as we focus our efforts in growing our presence in Latin America and the Asia-Pacific regions.

Thank you again to all the Directors for their dedication this year.

**Barbara Zvan**  
Chair, ICPM Board of Directors  
Chief Risk & Strategy Officer, Ontario Teachers' Pension Plan | **Canada**



## Message from the Executive Director



In 2017, we held two very successful Discussion Forums that addressed topics that were at the forefront of the minds of pension sector leaders. In June in Toronto, we explored topics around risk management, including cyber security, geopolitical and environmental risk, as well as enterprise risk. In October in Amsterdam, we discussed optimal pension design, hedging interest rate risk of long-dated liabilities, the transition of the Dutch Pension System (which resulted in a report that garnered media attention), as well as long-horizon investments and innovations in the sector.

In addition to fostering these important discussions, we continued to ramp up our research initiatives. Following two papers that were awarded in March 2017 and subsequently presented at the Discussion Forums, we issued another Call for Research in November. This garnered a record number of high-quality submissions, reminding us that universities and think tanks across the globe continue to tackle a number of pension and investment-related challenges.

We also organized working groups to tackle specific challenges in the pension industry, including the Climate Change Working Group and the Dutch Pension Reform Working Group. Through webinars and scanning relevant research papers, we further shared research that was relevant to the pension and investment experts in our network.

We also worked to connect Research Partners with one another through the introduction of the Research Partner Directory where members can search key contacts within the network. A new e-communication, the Research Digest, was created to highlight research among the members as well.

We are excited to continue building on these initiatives in 2018, all with the aim of fostering dialogue and sharing ideas with each other.

A handwritten signature in black ink, appearing to read 'Rob Bauer'.

**Rob Bauer**

Executive Director, ICPM

Professor of Finance, Chair Institutional Investors, Maastricht University School of Business and Economics | **Netherlands**





## Board of Directors

The Board of Directors approves and oversees the implementation of ICPM's strategic and operating plans. Eight members are appointed from among ICPM's Research Partners and two from the Rotman School of Management.



**Chair: Barbara Zvan**  
Ontario Teachers'  
Pension Plan | **Canada**



**Chris Hitchen**  
Border to Coast Pensions  
Partnership | **U.K.**



**Vice-Chair: Sudhir Rajkumar**  
United Nations Joint Staff  
Pension Fund | **Worldwide**



**Tiff Macklem**  
Rotman School of  
Management | **Canada**



**Laurence Booth**  
Rotman School of  
Management | **Canada**



**Bernard Morency**  
Caisse de dépôt et placement  
du Québec | **Canada**



**Else Bos**  
De Nederlandsche Bank | **Netherlands**



**Sarah Owen**  
New Zealand Superannuation  
Fund | **New Zealand**



**Marcie Frost**  
Washington State Department  
of Retirement Systems | **U.S.**



**David Russell**  
Universities Superannuation  
Scheme | **U.K.**

# Research Committee

The Research Committee oversees ICPM's research funding program and involves leading academics and practitioners from around the world. Members are appointed from among Research Partners and ICPM's Executive Director, Rob Bauer, participates as a non-voting member. The committee issues Calls for Research, conducts rigorous peer reviews and awards funding to innovative researchers. As members of this committee, Research Partners have an opportunity to shape ICPM's research agenda and influence the investment of research funding on innovative research featured at ICPM Discussion Forums. The Research Committee also works with partner organizations that co-fund research initiatives.



**Co-Chair: Mike Simutin**  
Rotman School of  
Management | **Canada**



**Alex LaPlante**  
Global Risk Institute | **Worldwide**



**Co-Chair: Onno Steenbeek**  
Algemene Pensioen Groep  
(APG) | **Netherlands**



**Lars Meuller**  
CPP Investment Board | **U.K.**



**Susan Banta**  
PEW Charitable Trusts | **U.S.**



**Michael Preisel**  
Danish Labour Market Supplementary  
Pension (ATP) | **Denmark**



**Bing Han**  
Rotman School of  
Management | **Canada**



**David Richardson**  
TIAA-CREF Investment  
Management | **U.S.**



**Jaap van Dam**  
PGGM | **Netherlands**



**Will Sandbrook**  
NEST | **U.K.**



**James Davis**  
OPTrust | **Canada**

We thank outgoing committee Co-Chair **Alan White**, **Stephen Lerch** and **Brian O'Donnell** for their longstanding contributions to the committee.

## ICPM Research Activities

- ✓ Awards granted
  - Two research papers were awarded CAD \$10,000 each in March 2017 after an international call for research and peer reviews. Congratulations to the deserving researchers. Read the submissions: [icpmnetwork.com/research](http://icpmnetwork.com/research)
  - Call for Research was issued in November 2017

- In 2016, a Major Risk project in collaboration with the Global Risk Institute was originally planned to take place over two years. Regrettably, submissions did not meet academic standards and as such, the Research Committee elected to defer the project until such a time as proposals meet or exceed selection criteria.
- ICPM Global Research Scanning Service has curated 28 academic papers since its launch.
- ICPM Working Groups formed to explore key topics: Climate Change, Dutch Pension Reform and a Chilean Case Study. Access the summaries here: [icpmnetwork.com/research/research-scanning](http://icpmnetwork.com/research/research-scanning)



## Committees

### Research Partners Committee

- The committee measures Research Partner satisfaction and has implemented a pro-active outreach and renewal process to help ICPM grow from 40 to 50 high-calibre pension organizations by 2020. Committee members include Else Bos, De Nederlandsche Bank (Netherlands); Sudhir Rajkumar, United Nations Joint Staff Pension Fund (Worldwide); Chris Hitchen, Border to Coast Pensions Partnership (United Kingdom) and ICPM management.
- The Committee has implemented a process for reviewing and approving new Research Partner applications.

### Audit and Governance Committee

- The committee monitors the audit process and financial reporting to the Board. It also provides oversight on policies and governance. This year, the committee focused on reviewing policies. New policies have been implemented for **Communications, Privacy, Planning and Budgeting Cycle**, as well as a **Code of Conduct**.
- Committee members include Marcie Frost, California Public Employees' Retirement System (U.S.); Barbara Zvan, Ontario Teachers' Pension Plan (Canada); Bernard Morency, and ICPM management.

### Discussion Forum Committees

- Organizing committees with ad-hoc Research Partner representatives assist in delivering engaging Discussion Forums with relevant and topical agendas.
- Toronto 2017 Committee: Laurence Booth, Rotman School of Management (Canada); Lloyd Komori, OMERS (Canada); Richard Nesbitt, GRI (Worldwide); Arjen Pasma, PGGM (Netherlands); and David Russell, USS (U.K.).
- Amsterdam 2017 Committee: Laurence Booth, Rotman School of Management (Canada); Michael Preisel, ATP (Denmark); David Russell, USS (U.K.); and Theo Nijman, Netspar (Netherlands).





# ICPM Research Partners (2017)

ICPM is a global network of pension organizations that stimulates leading-edge thinking and practice about pension management. It brings together prominent pension organizations, known as ICPM Research Partners, from around the world. ICPM global network at December 31, 2017:



## Worldwide

- Global Risk Institute (GRI)
- World Bank



## Australia

- AustralianSuper
- New South Wales Treasury Corporation (TCorp)
- UniSuper



## Canada

- Alberta Investment Management Corp. (AIMCo)
- Alberta Local Authorities Pension Plan (ALAPP)
- British Columbia Investment Management Corp. (BCI)
- Caisse de dépôt et placement du Québec
- Canada Pension Plan Investment Board (CPIB)
- Healthcare of Ontario Pension Plan (HOOPP)
- Investment Management Corporation of Ontario
- Ontario Municipal Employees Retirement System (OMERS)
- Ontario Teachers' Pension Plan
- OPTrust
- Public Sector Pension Investment Board (PSP)



## Chile

- AAFP Chile
- AFP Cuprum
- AFP Habitat



## Denmark

- Danish Labour Market Supplementary Pension (ATP)



## Finland

- Ilmarinen



## France

- Etablissement de Retraite Additionnelle de la
- Fonction Publique (ERAFP)



## Japan

- Nomura Securities Co., Ltd.



## Netherlands

- Algemene Pensioen Groep (APG)
- De Nederlandsche Bank (DNB)
- MN
- PGGM
- Pensioenfonds Detailhandel



## New Zealand

- New Zealand Superannuation Fund



## South Africa

- FirstRand



## Sweden

- Forsta Ap-Fonden (AP 1)



## United Kingdom

- National Employment Savings Trust (NEST)
- Railways Pension Trustee Company Ltd.
- Unilever
- Universities Superannuation Scheme (USS)



## United States

- California Public Employees' Retirement System (CalPERS)
- California State Teachers' Retirement System (CalSTRS)
- New York State Teachers' Retirement System
- Oregon Investment Council
- State Board of Florida Administration
- TIAA-CREF
- Washington State Investment Board (WSIB)

We also welcome Philips Pensioenfonds, United Nations Joint Staff Pension Fund, National Grid UK Pension Scheme Trustee Executive and Virginia Retirement System who joined in early 2018.

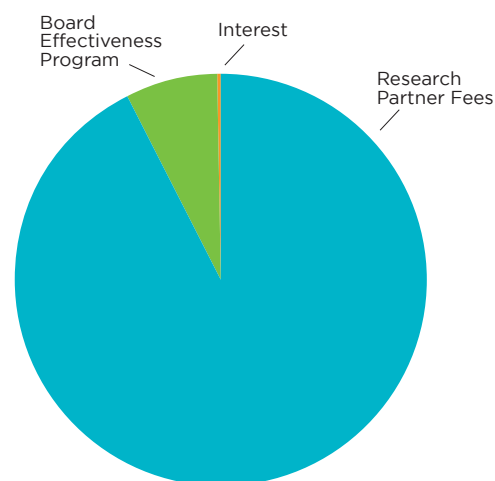


# Financial Summary

For the period May 1, 2017 to December 31, 2017. All figures are in Canadian dollars.

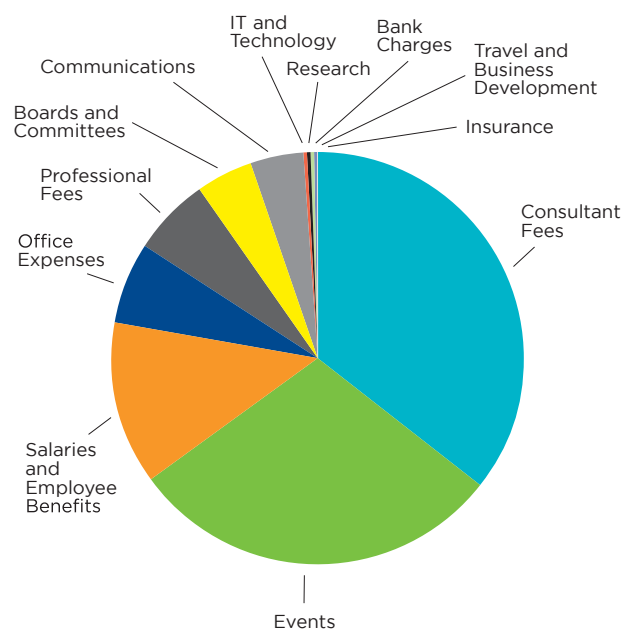
## Operating Revenue

|                             |                  |
|-----------------------------|------------------|
| Research Partner Fees       | \$727,517        |
| Board Effectiveness Program | \$57,587         |
| Interest                    | \$624            |
| <b>Total</b>                | <b>\$785,728</b> |



## Operating Expenses

|                                 |                  |
|---------------------------------|------------------|
| Consultant Fees                 | \$229,149        |
| Events                          | \$189,037        |
| Salaries and Employee Benefits  | \$82,253         |
| Office Expenses                 | \$40,837         |
| Professional Fees               | \$38,395         |
| Boards and Committees           | \$29,582         |
| Communications                  | \$26,807         |
| IT and Technology               | \$6,943          |
| Research                        | \$5,406          |
| Bank Charges                    | \$3,171          |
| Travel and Business Development | \$1,716          |
| Insurance                       | \$1,445          |
| <b>Total</b>                    | <b>\$654,741</b> |
| Operating Surplus               | \$130,988        |



## Accumulated Surplus

|                   |           |
|-------------------|-----------|
| December 31, 2017 | \$535,387 |
|-------------------|-----------|



Visit [www.icpmnetwork.com](http://www.icpmnetwork.com) for pension research resources, ICPM news and events.

**International Centre for  
Pension Management**

20 Carlton Street, Suite 123  
Toronto, Ontario M5B 2H5  
Canada  
Tel: +1.416.925.4153

[www.icpmnetwork.com](http://www.icpmnetwork.com)  
[icpm@icpmnetwork.com](mailto:icpm@icpmnetwork.com)

