



INTERNATIONAL CENTRE  
FOR PENSION MANAGEMENT



# 2021 Annual Report

## Governance and Financial Update

September 2022



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**The International Centre for Pension Management (ICPM) is a global, research-based network of pension organizations that focuses on fostering long-term investing, strengthening governance of pension investments, and improving design and governance of pension schemes.**

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.





## 2021 Highlights



**44** Research Partners from **11** countries



Awarded **3** research papers, two with CAD\$20,000 and another with \$10,000 in funding, as well as named **2** Honourable Mentions

### 2021 Webinar Series

ICPM's successful webinar series continued throughout 2021 with six sessions, covering topics such as *Global Factor Premiums, Corporate Purpose, Are Institutional Investors Using the Right Structure to Invest in Infrastructure?*, as well as *Greenwashing: How Prevalent is it and How Can it be Remedied?* All webinar recordings are available on the ICPM website.

### Global Pension Powerhouses

ICPM's video interview series profiled thirteen of the most powerful and experienced women in the pension industry, who handle \$2.3 trillion USD combined assets. Hosted by ICPM Board Vice-Chair Michelle Ostermann, the videos follow a rapid-fire Q&A format. The series is available on the ICPM website.

### Downloadable Q&As

ICPM introduced a series of downloadable Q&A-style interviews with prominent academics and authors from the finance community. Download the audio files from the ICPM website.

### Virtual Discussion Forums

ICPM offered two engaging Virtual Discussion Forums during 2021, both of which were offered on Remo, an elevated online hosting platform to encourage participants to network.

#### ✓ Spring Virtual Discussion Forum (May 17-20)

The Spring Forum offered four sessions, including *Reshaping Fiduciary Duty, CIO Fireside Chats, The Power of Collaboration*, and *Preparing for Paris*.

#### ✓ Fall Virtual Discussion Forum (Nov. 15-18)

The Fall Forum offered four engaging sessions, including a Research Session featuring ICPM's *2021 Award Winning Papers, Measuring the Risk Preferences of Plan Members, Biodiversity: The Next Existential Challenge*, and *Hedging Climate Change News & Firm Level Climate Exposure*.

### Pension Education Programs

ICPM offered three virtual pension education sessions for the network throughout 2021, including: *Pension Board and Sustainability, The Practice of Pension Reform*, and *Overseeing Information Technology & Cybersecurity Risk Webinar*.

Visit [icpmnetwork.com](https://icpmnetwork.com) for more on in-person conferences, virtual round tables, pension education programs, webinars and more. Let us know what you think: [icpm@icpmnetwork.com](mailto:icpm@icpmnetwork.com)



## Message from the Chair

The ICPM network thrived in 2021, despite the continuing challenges from COVID and travel restrictions precluding our ability to meet in person. We even welcomed four new Research Partners -- the term we use for members of ICPM's global network of asset owners responsible for some US\$6 trillion in pension assets. These are: **BC Municipal Pension Board of Trustees**, and **University Pension Plan** (both from Canada); **New Jersey Division of Investment** (US), and **Fondo Pensione Cometa** (our first Research Partner from Italy, which joined in early 2022).

During 2021, ICPM continued to demonstrate the value of the network in connecting pension investment and governance specialists with their peers around the globe. A robust virtual program comprising Discussion Forums, webinars, pension education sessions, downloadable Q&A-style interviews with prominent academics and authors, and a 13-part series on women in the global pension industry hosted by **Vice-Chair Michelle Ostermann**, were well received by Research Partners.

The feedback from Research Partners has led us to expand our calendar and devise innovative ways to share ideas and knowledge on the challenges facing the industry – from financial implications of the pandemic and geopolitical tensions, to new technology and security risks, to how best to incorporate sustainability considerations in investment decisions. Some of these innovations will become more visible in coming years.

At this time, we must also give a big thank you to **Rob Bauer** as he steps down as Executive Director at the end of his current term. Rob has led ICPM with distinction since 2014, and although he leaves big shoes to fill, we know that incoming Executive Director **Sebastien Betermier** is ideally suited to build further on the value provided by ICPM. Sebastien is already working closely with Rob to ensure a smooth transition as he succeeds Rob at the end of 2022.



I also want to recognize our Board and the various Committees for their dedication and hands-on efforts, which is another testament to the commitment from our Research Partners. A special thanks to outgoing Board member **Sarah Owen**, who served on the Board since 2016. We greatly appreciate her thoughtful guidance and contributions and wish her all the best in her future endeavors.

Thank you again to all of our Research Partners, and we look forward to seeing new and familiar faces as we resume in-person meetings going forward.

**Sudhir Rajkumar**

Chair, ICPM Board of Directors



## Message from the Executive Director

As I end my tenure as Executive Director of ICPM, I look back to see a growing network that has adapted to an ever-changing environment, with Research Partners equipping themselves for any challenges coming their way. Through our network, I have met incredible pension sector experts – both practitioners and academics – who have a vast wealth of knowledge to share. It is inspiring to collaborate with those who are clearly committed to bettering their organizations, and their dedication is a common thread through our network.



When I started organizing Discussion Forums in 2014, we looked to build a foundation of Discussion Forums and other practical offerings to keep pension funds at the forefront of rising challenges, continuously pushing the boundaries of what pension funds should care about – like sustainable investing which wasn't on many radars just a few years ago. Now, we contend with emerging challenges like cybersecurity and decentralized finance.

I am incredibly proud of what the team has achieved during my tenure. We are now nearly 45 organizations across Chile, Italy, Australia, New Zealand and South Africa. We not only meet in person, but now virtually throughout the year. It just goes to show how much value there is in learning from each other and staying connected.

Thank you to everyone for making this an incredibly rewarding – and fun – experience.



**Rob Bauer**

ICPM Executive Director





## Board of Directors

The Board of Directors approves and oversees the implementation of ICPM's strategic and operating plans. The Board consists of a minimum of seven and maximum of fourteen (14) Directors, including up to three Independent Directors, and two representatives from the Rotman School of Management, University of Toronto.



**Chair: Sudhir Rajkumar**  
Independent | **U.S.**



**Vice Chair: Michelle Ostermann**  
PSP Investments | **Canada**



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



**Chris Hitchen**  
Independent | **U.K.**



**Stewart Brentnall**  
TCorp | **Australia**



**Fernando Larrain**  
AAFP | **Chile**



**Kenneth Corts**  
Rotman School of Management  
**Canada** (resigned)



**Bernard Morency**  
Independent | **Canada**



**Susan Christofferson**  
Rotman School of Management **Canada**  
(incoming)



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



**Jeroen de Munnik**  
PGGM | **Netherlands**



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



**Marcie Frost**  
CalPERS | **U.S.**



**Céline van Asselt**  
APG Asset Management | **Netherlands**



## Research Committee

ICPM's Research Committee oversees a robust, practitioner-oriented research program driven by the priorities articulated by Research Partners.



**Co-Chair: Mike Simutin**  
ICPM & Rotman School of Management | **U.S.**



**Co-Chair: Onno Steenbeek**  
APG Asset Management | **Netherlands**



**Co-Chair: Jaap van Dam**  
PGGM | **Netherlands** (incoming)



**Susan Banta**  
The Pew Charitable Trusts | **U.S.**



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



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



**Olivia Hendry**  
Railpen | **U.K.**



**Fernando Larrain**  
AAFP | **Chile**



**Gabriel Petre**  
World Bank | **U.S.**



**Michael Preisel**  
Independent | **Denmark**



**David Richardson**  
TIAA Institute | **U.S.**



**Sally Shen**  
Global Risk Institute | **Canada**



## ICPM Research Activities

- Three research papers were awarded funding:
  - ***AlphaPortfolio: Direct Construction Through Reinforcement Learning and Interpretable AI (\$20,000)***  
Lin William Cong (Cornell University), Ke Tang (Tsinghua University), Jingyuan Wang (Beihang University), and Yang Zhang (Beihang University)
  - ***Portfolio Tilts using Views on Macroeconomic Regimes (\$20,000)***  
Redouane Elkamhi (University of Toronto), Jacky S.H. Lee (Healthcare of Ontario Pension Plan Trust Fund), and Marco Salerno (University of Toronto)
  - ***The Motives for ESG (\$10,000)***  
Dennis Bams (Maastricht University), Bram van der Kroft (Maastricht University), and Karen Maas (Erasmus University Rotterdam)
- The Committee offered a Research Partner-only webinar: ***“Investing in SDG’s Through Sustainable Development Investments.”***
- Global Research Scanning Service is comprised of more than 70 summaries of relevant research papers.





## Board Committees

### Audit & Governance Committee

The committee continued to review the organization's policies and ensure financial stability for the network. Committee members include **Sudhir Rajkumar**, Chair, Independent (U.S), **Michelle Ostermann**, Invest PSP (Canada), **Chris Hitchen**, Independent (United Kingdom), **Jeroen de Munnik**, PGGM (Netherlands) and ICPM Management.

### Discussion Forum Committee

In addition to adapting to virtual Discussion Forums, the committee was excited to begin planning for the return of in-person conferences in 2022. Committee members include **David Russell**, Chair, USS (United Kingdom), **Mike Simutin**, Rotman School of Management (Canada), **Rob Bauer** (ICPM) and ICPM Management.

### Pension Education Committee

The committee continued with virtual pension board education sessions while looking towards a return to an in-person Pension Governance Education Program in 2022. Committee members include **Bernard Morency**, Chair, Independent (Canada), **Mel Duffield**, USS (United Kingdom), **Marcie Frost**, CalPERS (United States), **Fernando Larrain**, AAFP Chile (Chile), **Sarah Owen**, NZ SuperFund (New Zealand) and ICPM Management.

### Research Partner Committee

The committee continued to explore ways to strengthen ICPM's value proposition to Research Partners, including developing a member engagement strategy. The committee continues to collect important feedback from the network through focused outreach efforts. Committee members include **Chris Hitchen**, Chair, Independent (United Kingdom), **Stewart Brentnall**, TCorp (Australia), **Jeroen de Munnik**, PGGM (Netherlands), **Céline van Asselt**, APG Asset Management (Netherlands) and ICPM Management.

## ICPM Research Partners 2021

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's global network at December 2021 included:



### Worldwide

- World Bank



### Australia

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



### Canada

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



### Chile

- AAFP Chile
- AFP Habitat



### Denmark

- Danish Labour Market Supplementary Pension (ATP)



### Japan

- Nomura Securities Co., Ltd.



### Netherlands

- ABP
- Algemene Pensioen Groep (APG)
- De Nederlandsche Bank (DNB)
- MN
- Pensioenfonds Detailhandel
- Pensioenfonds Metaal en Techniek (PMT)
- PGGM
- Philips Pensioenfond



### New Zealand

- New Zealand Superannuation Fund



### South Africa

- Government Employees Pension Fund (GEPS)
- FirstRand



### United Kingdom

- National Grid UK Pension Scheme Trustee Executive (NGUKPS)
- The Railways Pension Scheme (RPMI Railpen)
- Universities Superannuation Scheme (USS)



### United States

- California Public Employees' Retirement System (CalPERS)
- New York State Teachers' Retirement System
- Oregon Investment Council
- The PEW Charitable Trusts
- TIAA Institute
- Virginia Retirement Systems
- Washington State Investment Board (WSIB)

We also welcome our first Research Partner from Italy, Fondo Pensione Cometa, who joined us in 2022.

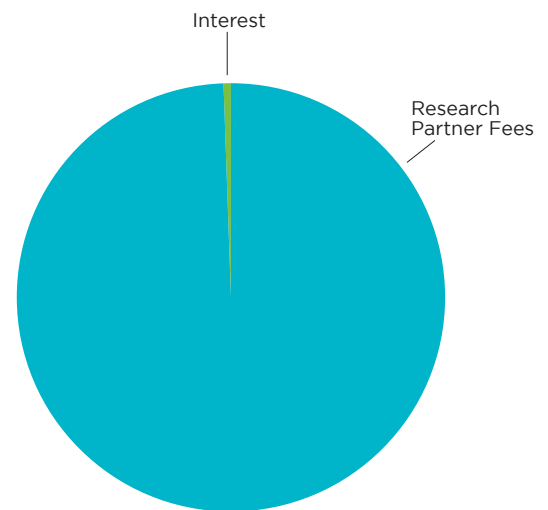
## Financial Summary

For the period January 1, 2020 to December 31, 2020.

All figures are in Canadian dollars.

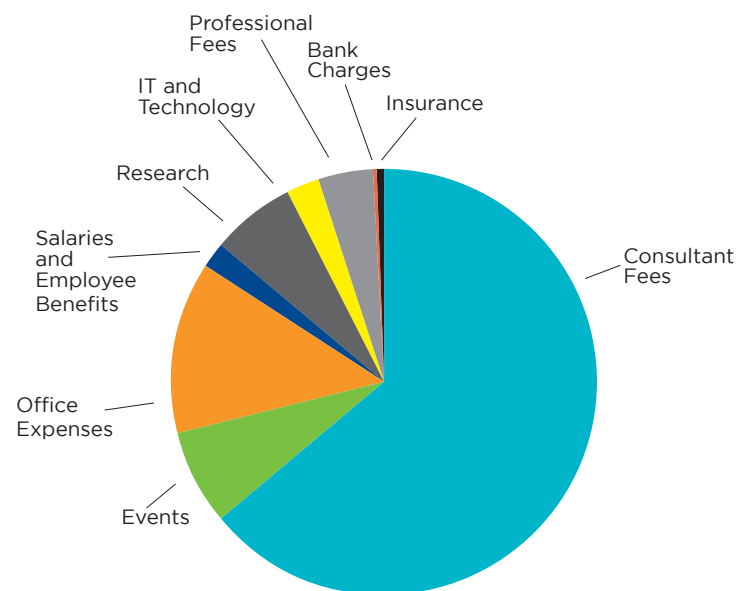
### Operating Revenue

Research Partner Fees	\$ 1,151,127
Interest income	\$ 987
<b>Total</b>	<b>\$ 1,152,114</b>



### Operating Expenses

Consultant fees	\$515,350
Events	\$58,603
Office expenses	\$104,544
Salaries and employee benefits	\$14,961
Research	\$50,944
IT and technology	\$21,600
Professional fees	\$32,780
Bank charges	\$2,894
Insurance	\$2,548
<b>Total</b>	<b>\$804,224</b>



### Surplus

December 31, 2021 **\$347,549**





Visit [www.icpmnetwork.com](http://www.icpmnetwork.com) for pension, investment and governance resources.

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