



# 2023 Annual Report

Governance and Financial Update

December 2024



## Table of Contents

- 3 | 2023 Highlights
- 5 | Message from the Chair
- 6 | Message from the Executive Director
- 7 | Board of Directors
- 8 | Research Committee
- 10 | Board Committees
- 11 | ICPM Research Partners 2023
- 12 | Financial Summary

**The International Centre for Pension Management (ICPM) is a global, research-based network of asset owners that stimulates leading-edge thinking and practice about pension management. ICPM focuses on fostering long-term investing, strengthening governance of pension investments, and improving design and governance of pension schemes.**

For more information about ICPM in-person and online events – many of which are open to non-members – and research initiatives, please visit [www.icpmnetwork.com](http://www.icpmnetwork.com).



## 2023 Highlights



**48** Research Partners from **11** countries



**Awarded 3** research papers, one with **CA\$20,000** and two with **CA\$15,000** in funding. See page 9 for list of Research Awards.

### Round Tables

- Continued to ramp up virtual round tables with nearly 20 organized
- Function-specific round tables aim to connect Chief Investment Officers, Chief Risk Officers, Heads of Responsible Investing and Heads of Member Communications with international counterparts.
- Research Partners continued to propose topics for the round tables, including: sustainability strategy within the pension organization, journey to a total fund approach, beliefs and assumptions in climate risk, knowledge management, war on talent and more.



### Feedback Sessions

Launched a new virtual offering for Research Partners to share projects and initiatives. We learned from the network on:

- OPTrust's Multi-Horizon Liquidity Management Framework
- Railpen's Client Capacity for Illiquidity Framework

### Discussion Forums

**Montreal, Canada** | June 2023

#### Topics explored

- UK's LDI crisis in September 2022 and the implications for pension funds around the world
- How Canadian pension funds innovate through direct investments in value-added projects
- The use of AI in managing risks and finding opportunities along with the operational challenges in implementation
- Building a resilient portfolio
- How to navigate crisis times with stakeholders

**Copenhagen, Denmark** | October 2023

#### Topics explored

- Danish Pension Reform of Pillar 1
- Latest advances in longevity risk modelling and innovation in the decumulation space
- How long-term investment strategies create value and how to establish an optimal risk management framework for the long-run
- How Danish pension funds communicate long-term return forecasts and pension income projections with plan members
- The effectiveness of carbon pricing versus green finance
- Lessons from the 1970s' high inflation period and participate in a workshop on inflation resiliency
- Whether pension funds should set up shop abroad



## 2023 Highlights

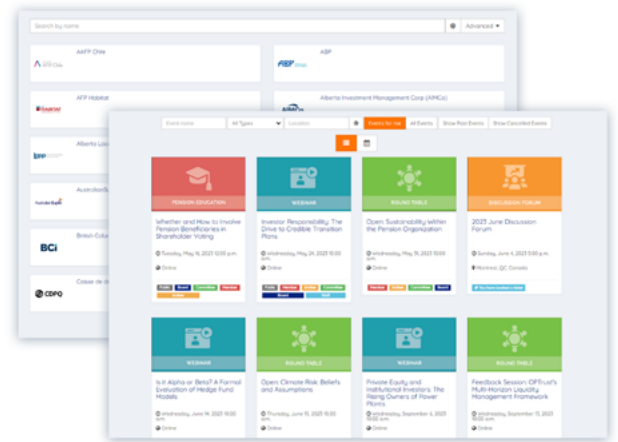
### New Member Platform

We continued to grow the new member platform, which features:

- Easy-to-search member directory
- View Research Partner organization profiles
- Allow Boards, Committees and Working Groups to better collaborate
- Register for events easily
- Message each other directly

### Pension Education Programs

- The ICPM-Rotman Pension Governance Education Program held its 15th session. Board members and trustees collaborated on case studies and shared international perspectives on challenges facing pension boards.
- Introduced the ICPM-Maastricht Program on Trust-Building through Effective Communications with board and senior comms participants from Australia, Canada, Netherlands, Poland, Suriname, and the US.
- Piloted an on-site education program with Oregon Investment Council to provide their board with education on sustainable investing.



### 2023 Webinar Series

Ramped up webinar series with 16 recordings. All webinar recordings are available on the ICPM website.

- ***Australia's New Investment Performance Test for Super Funds***
- ***USS's New Investment Framework***
- ***Private Equity and Institutional Investors: The Rising Owners of Power Plants***
- ***How the Demand for Bonds by Long-Term Investors Impacts Yields***
- ***Understanding the French Pension Reform***

And many more! Visit ICPM Insights for recordings.



## Message from the Chair

When I look back at 2023, the word that comes to mind is momentum. There was a renewed energy at our Discussion Forums that had recently returned in person, a new Executive Director at the helm with exciting ideas, expanded pension education offerings, and an extensive virtual calendar of sessions to keep members active and engaged throughout the year. I was honoured to be elected as the new incoming Chair for 2024 to build upon this inspiring energy in the network.

Alongside me is a strong Board ready to focus on the long-term strategy of ICPM. Together with the management team, we have goals to reinforce the ICPM mission, bring in Research Partners that strengthen our network, and expand services that bring the most value to our members.

All the while, we will remember what makes ICPM unique: an international community that provides a safe and trusted space for pension funds to share perspectives, ideas and innovative research. I believe that in connecting with each other, we're better equipped to achieve the common goal of improving retirement outcomes for our pensioners.

A special thank you to our Research Partners who consistently inspire us with their dedication and passion for furthering the pension industry. Your active participation – from bringing forward topics, hosting Round Tables, sharing projects in Feedback Sessions, and examining the latest research – are what makes the network a truly valuable community.



### **Michelle Ostermann**

Chair, ICPM Board of Directors



## Message from the Executive Director

My first year as Executive Director has been filled with momentum as we brought Research Partners together through more events than ever before. In addition to the two flagship Discussion Forums, we organized over 20 virtual Round Tables and Feedback Sessions on a wide range of topics in 2023 and are on track to do even more in 2024. These events all address questions posed by Research Partners to their peers.

We also made significant strides in education. In addition to the Pension Governance Education Program, we launched the ICPM-Maastricht Program on Trust-Building Through Effective Communications together with Maastricht University, a global thought leader in this field. In an increasingly polarizing environment, pension funds must be proactive about strategic member engagement and reputation risk management. We also piloted a program to bring education straight to our Research Partners through an on-site education program for the board of Oregon Investment Council.

Finally, we reformed ICPM's business model and recruited an in-house team to manage our core operations. The transition is now complete and the new model is operating successfully. We also finalized the launch of our new member platform, which makes it significantly easier for Research Partners to register for events, see the network, and connect with each other.

Pension funds are navigating a period characterized by high geopolitical uncertainty, persisting inflation, rising interest rates, technological shifts, and global warming. There is huge value in sharing knowledge on how to successfully address these challenges, and this is precisely what ICPM aims to achieve.



**Sebastien Betermier**  
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.**



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



**Vice Chair: Michelle Ostermann**  
Independent | **Canada**



**Poul Winslow**  
Independent | **Canada**



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



**Thomas Lee**  
New York State Teachers' Retirement  
System | **U.S.**



**Kenneth Corts**  
Rotman School of Management  
**Canada**



**Matilde Segarra**  
APG Asset Management | **U.S.**



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



**Praneel Lachman**  
Firststrand | **South Africa**



**Susan Christofferson**  
Rotman School of Management  
**Canada**



**Tim Mitchell**  
Annuitas | **New Zealand**



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



**Edwin Denson**  
State of Wisconsin Investment Board  
**U.S.**



## Research Committee

ICPM’s Research Committee oversees a robust research program designed to support effective management in pension and investment organizations.



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



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



**Co-Chair: Jaap van Dam**  
PGGM | **Netherlands**



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



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



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



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



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



**Julie Mallory**  
Ontario Power Generation | **Canada**



**Sally Shen**  
OMERS | **Canada**





## ICPM Research Activities

The Research Committee awarded three papers from the annual Call for Research:

### First place (\$20,000 CAD)

- ***“Scale Economies, Bargaining Power, and Investment Performance: Evidence from Pension Plans”*** by Tjeerd Devries (University of California, San Diego), S. Yanki Kalfa (University of California, San Diego), Allan Timmermann (University of California, San Diego), Russ Wermers (University of Maryland)

### Second place (\$15,000 CAD)

- ***“A Quantity-Based Approach to Constructing Climate Risk Hedge Portfolios”*** by Georgij Alekseev (Palantir), Stefano Giglio (Yale University), Quinn Maingi (NYU), Julia Selgrad (NYU), Johannes Stroebel (NYU)
- ***“Counterproductive Sustainable Investing: The Impact Elasticity of Brown and Green Firms”*** by Samuel Hartzmark (Boston College), Kelly Shue (Yale University)

### Honourable Mentions

- ***“Quantifying the Impact of Impact Investing”*** by Andrew Lo (MIT), Ruixun Zhang (Peking University)
- ***“How the Provision of Inflation Information Affects Pension Contributions: A Field Experiment”*** by Pascal Büsing (Finance Center, University of Muenster), Henning Cordes (Finance Center, University of Muenster), Thomas Langer (Finance Center, University of Muenster)



## Committees

### Member Engagement Committee (formerly Research Partner Committee)

The committee focuses on strengthening its relationships with members, including more offerings for various key functions. The committee continues to collect important feedback from the network through focused outreach efforts.

Committee members include **Céline van Asselt**, APG Asset Management (Netherlands), **Chris Hitchen**, Independent (United Kingdom), **Jeroen de Munnik**, PGGM (Netherlands), **Stewart Brentnall**, TCorp (Australia), and ICPM Management.

### Audit & Governance Committee

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

### Discussion Forum Committees

The committee plans in-person Discussion Forums, with 2023 events held in Montreal and Copenhagen. Committee members include **David Russell**, USS (United Kingdom), **Jaap van Dam**, PGGM (Netherlands) **Mike Simutin**, Rotman School of Management (Canada), **Rob Bauer** (ICPM) and ICPM Management.

### Pension Education Committee

In addition to the long-standing ICPM-Rotman Pension Governance Education Program, the committee launched a new specialty program on Trust-Building Through Effective Communications. It also piloted an on-site education program customized to Oregon Investment Council to help their board with the topic of sustainable investing.

Committee members include **Bernard Morency**, Independent (Canada), **Fernando Larrain**, AAFP Chile (Chile), **Julie Mitchell**, Rotman School of Management (Canada), **Marcie Frost**, CalPERS (United States), **Mel Duffield**, USS (United Kingdom), **Rob Bauer** (ICPM) and ICPM Management.

## ICPM Research Partners 2023

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 31, 2023 included:

### Worldwide

- World Bank

### Australia

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

### Canada

- Alberta Investment Management Corp (AIMCO)
- Alberta Teachers' Retirement Fund
- British Columbia Investment Management Corp. (BCI)
- British Columbia Municipal Pension Board of Trustees
- Caisse de dépôt et placement du Québec
- CPP Investments
- Healthcare of Ontario Pension Plan (HOOPP)
- Investment Management Corporation of Ontario (IMCO)
- Local Authorities Pension Plan Corp (LAPP Corp.)
- Ontario Municipal Employees Retirement System (OMERS)
- Ontario Power Generation
- Ontario Teachers' Pension Plan (OTPP)
- 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)
- PGGM
- Philips Pensioenfond
- Pensioenfond Metaal & Techniek (PMT)
- Stichting Bedrijfstakpensioenfond voor de Detailhandel

### New Zealand

- Annuitas Management Limited
- New Zealand Superannuation Fund

### South Africa

- FirstRand
- GEPEF

### United Kingdom

- Border to Coast Pensions Partnership
- Nest
- Railpen
- Universities Superannuation Scheme (USS)

### United States

- California Public Employees' Retirement System (CalPERS)
- California State Teachers' Retirement System (CalSTRS)
- New Jersey Division of Investment
- New York State Teachers' Retirement System (NYSTRS)
- Pew Charitable Trusts
- Oregon Investment Council (OIC)
- State of Wisconsin Investment Board
- TIAA Institute
- Virginia Retirement System (VRS)
- Washington State Investment Board (WSIB)

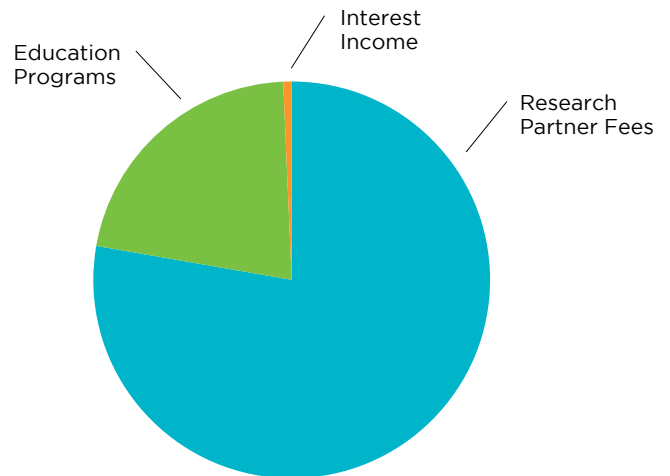
# Financial Summary

For the period January 1, 2023 to December 31, 2023

All figures are in Canadian dollars.

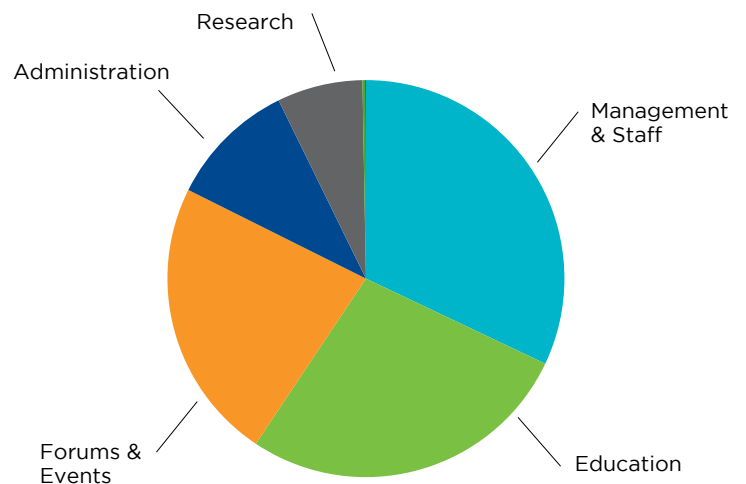
## Revenues

Research Partner Fees	\$ 1,358, 945
Education Programs	\$ 377, 166
Interest Income	\$ 11,945
Miscellaneous Income	\$ 38
<b>Total</b>	<b>\$ 1,748,094</b>



## Expenditures

Management & Staff	\$ 496,192
Education	\$ 422,799
Forums & Events	\$ 356,224
Administration	\$ 160,676
Research	\$ 107,957
Governance	\$ 3,401
Amortization	\$ 931
Miscellaneous	\$ -
<b>Total</b>	<b>\$ 1,550,180</b>



## Surplus

December 31, 2023 \$ 197,914



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

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