COMMUNIQUÉ

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COMMUNICATING INFORMATION TO AND AMONG PIAC MEMBERS

Private Equity Valuation Practices
What Should Investors be Thinking About?

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Summary

This article will provide an overview of:

- Why valuations of private equity investments are important in the lifecycle of a fund, for both fund managers and limited partners;
- The range and lack of standardization of valuation methodologies; and
- Recommended best practices for fund managers, and what limited partners should look for, in respect of valuation practices.

What is the value of my investment? A simple but fundamental question for any investor, and yet one that is not always easily answered, particularly in the world of private equity investments. A true valuation of any investment is only provided through the ultimate sale of the investment in question. However, an exit – while obviously a critical moment from a valuation perspective – is not the only time it matters for a manager, or a limited partner, to know the value of a fund's investments.

Valuations are critical for managers' fundraising efforts, for limited partner investment decisions and for interim fund performance evaluation, to name a few.

In the fast paced and ever expanding universe in which private equity fund managers operate rare is the case where a manager waits for the wind up of a fund before turning their attention to raising commitments for their subsequent fund.

As such, managers must look to existing investments to demonstrate their successes and ability to generate returns, which in many cases will require pointing to unrealized gains on investments held by the fund. These unrealized gains are based on the valuation that the fund's manager ascribe to the investment. In those instances, fund managers are likely pointing to those returns when trying to attract additional investment dollars from new or existing limited partners.

On the other side of the fund raising equation, limited partners may be evaluating the performance of various fund

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Message from the Chair

SIMON FRECHET

Dear PIAC colleagues. I know you are all probably overwhelmed by the tsunami of change that has hit us all. I could spend the next several paragraphs speaking to the unprecedented times we are all living under, but instead I believe that this column should be used to remind everyone of PIAC's "self-help" ethos especially in this time of challenge and need.

How can PIAC leverage our collaboration to provide online learning and networking opportunities now that we have had to cancel our Spring Conference, and will likely not be holding our Regional Lunches from BC to Quebec this May and June?

That is the question being addressed by our volunteers and staff now. And I invite you to consider it too, and to share your needs and suggestions with us. Feel free to reach out to our Executive Director, Peter Waite at pwaite@piacweb.org

PIAC has a just under 100 volunteers serving on over a dozen committees and working groups addressing various areas of pension management. They continue to meet and examine the new challenges we are all facing.

I believe that as the weeks roll on members are going to be looking for opportunities to feel connected to the broader pension management and investment community. We have the technology in place to facilitate that.

PIAC's staff team may be working remotely, but they are at their keyboards continuing to facilitate the work of the association. Peter and his team are truly doing an amazing job in helping PIAC get through this difficult period, working on innovative ways to cope with the restrictions we are all under.

There are already plans to turn some of the Spring Conference sessions into webinars and other surveys and resources are being prepared.

In closing, I wish you all to stay safe and healthy. We not only owe it to ourselves and to our loved ones, to our friends and colleagues, but also to the millions of Canadians who depend on us to help them have a secure retirement. Thank you for your commitment to the association of Canada's pension funds.

PIAC Staff Contacts

The team is working remotely, so here is a reminder of who to reach out to on various topics:

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managers in deciding who they want to be managing the capital they have available for investment.

For limited partners, in particular those that are institutions, pension funds or themselves managers of others' capital, there is likely an obligation to report current performance or returns to those on whose behalf they are investing.

Moreover, the Institutional Limited Partners Association ("ILPA") recommends in its "ILPA Principles 3.0 – Fostering Transparency, Governance and Alignment of Interests for General and Limited Partners" ("ILPA Principles") that quarterly disclosure to limited partners include an explanation of any quarter-to-quarter valuation changes, including changes to valuation methodologies employed.

For an open fund, the regular determination of net asset value based on the current valuation of the fund's various investment is critical for the purposes of valuing the interests acquired and sold by investors. And in the event a manager wishes to rollover an investment into a subsequent fund, the valuation of that investment is an essential element of the fund-to-fund transfer.

How exactly a manager values its existing investments, however, is not always clear, and may not be in the same manner as another manager would value the same business.

Despite the critical role that valuations play in private equity investing, there is no externally imposed standard or valuation criteria that is required to be applied universally across the industry.

Whether it's mark-to-market, mark-to-model, discounted cash flow, or some alternative valuation method, or combination of methods for that matter, there is a wide range of approaches employed by fund managers.

Each of these methods also brings with it some inherent challenges. A mark-to-market method inevitably introduces the increased volatility of the public markets that the private markers are typically able to avoid.

We need look no further than the recent swings in public markets associated with concerns around CoVid-2019 to appreciate that public market valuations are often susceptible to changes relating to external developments, as opposed to the true fundamentals of the business in question.

Mark-to-model valuation, at the other extreme, is based entirely on internal considerations and is therefore subjective and less capable of external validation.

Models can even be proprietary in some instances, with non-observable inputs, introducing even more questions and uncertainty into the valuation process. A discounted cash flow approach, while well recognized and understood, is forward-looking and again based on somewhat subjective assumptions, and therefore has its own challenges.

The August 2019 release of the Association of International Certified Professional Accounts' new guide titled *Valuation of Portfolio Company Investments of Venture Capital and Private Equity Funds and Other Investment Companies* may introduce some industry standard practices and approaches to valuation. But the guide is only that, a guide, and is not a prescribed standard or required to be adopted or followed by managers.

Given the lack of standardization or oversight in respect of valuations in the private equity industry, it falls largely on limited partners to do their own due diligence with respect to the valuation practices of fund managers. Limited partners should look for evidence of best practices by their fund managers, and keep managers accountable to adherence with those standards.

The fund should have a formal written valuation policy that describes the approach, parameters, range of assumptions, etc. that will be employed when valuing the fund's investments. The ILPA Principles suggest that the valuation policy be included in a fund's marketing materials.

The policy should be reviewed and approved by the limited partner advisory committee ("LPAC"), and should be re-visited on a regular basis to ensure both compliance in practice and that the policy remains current as best practices in the industry evolves.

Moreover, the fund should have a formal valuation committee, comprised of individuals with relevant experience and expertise required to make strong valuation determinations.

Alternatively, the ILPA recommends that valuations form part of the mandate of the LPAC. While many funds do not retain the services of a third party for the purposes of completing valuations, some firms may do so in order to provide an independent validation of any internal valuations.

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Ultimately one of the best tests of a manager's ability to accurately value its investments is to compare valuations actually received on an exit with any interim valuations of the business in question.

A pattern of write downs from interim valuations should give pause to review carefully the valuation practices of the manager.

In addition, a limited partner should review carefully the fund's structure and governing documents, to determine how the manager's carried interest is determined as it relates (if at all) to carry on unrealized value of investments the fund holds. Where a manager is entitled to carry (or partial carry) based on anticipated returns derived from interim valuations of investments, it may warrant an even greater level of scrutiny on the manager's valuation practices.

On this point, the ILPA's guidelines on clawback policies include both a net asset value coverage test with a sufficient margin for error, as well as a meaningful escrow mechanism, to protect against variations in valuations.

Questions around valuation practices and policy should be asked early in the process of exploring a potential investment in any private equity fund. Investors should expect mangers to be forthcoming with their responses and prepared to have in-depth conversations around valuation with limited partners, including explaining any significant write downs on previous valuations in their investment history.

The importance of valuations in the current private equity environment is even more critical given the heated valuations of target assets in this market. It's no secret that valuations are currently at some of the highest levels fund managers have ever seen. But this should not mean that limited partners take at face value a high valuation ascribed to the investments acquired with their capital. High valuations in particular should be tested by limited partners and justified by managers, and in all cases should be prepared in accordance with thoughtful and targeted policies.

Unless and until standards and requirements relating to valuation of investments are imposed across the private equity industry, the obligation will remain with limited partners to protect themselves to the extent possible by investigating the valuation practices of their fund managers.

While it may not always be possible to gain perfect comfort in all instances, keeping the issue front of mind and asking the right questions is a good place to start.

Scott Bergen is a partner in McCarthy Tétrault's Business Law Group in Toronto. Scott's practice focuses on mergers and acquisitions, corporate finance and securities. Scott has experience advising sponsors, private equity and alternative investment funds, investment banks, private companies and public issuers on a wide range of transactions in a variety of industries, including infrastructure, power, tech, retail and consumer products and energy.

Spring Conference Cancelled

After consulting with PIAC's Board of Directors and our partners in the Global Pension Day, we are cancelling the 2020 Spring Conference which was scheduled to be held in Toronto on June 3-5.

We will continue to dialogue with the Australian Institute of Superannuation Trustees and the International Centre for Pension Management to explore options to work together to bring meaningful content to members in the months ahead.

All those who had already registered have had their payments returned.

Various PIAC committees are considering whether to transition conference sessions into webinars. The Fall Conference Committee is hard at work planning for the October 7-9 event at the Fairmont Palliser Hotel in Calgary.

PIAC continues to monitor the situation closely and taking action to safeguard the well-being of our staff and members. All PIAC staff have been working remotely since March 16.

Thank you for your continued support as we work together through this challenging time.

It's Time for a New Perspective on Capital Accumulation Plan Governance

ZAHEED JIWANI, PRINCIPAL, ECKLER LTD.

The recommendations set out by the Capital Accumulation Plan (CAP) Guidelines and the Canadian Association of Pension Supervisory Authorities (CAPSA) provide a basic governance framework that clarifies rights and responsibilities, and ensure that CAP members are provided the information and assistance that they need to make investment decisions.

Today, most plans uphold basic best practice principles such as the formation of steering committees, regularly scheduled meetings and performance monitoring. However, the widespread popularity and growing sophistication of Target Date Funds (TDFs) – which are not addressed in the Guidelines – coupled with increased concern about retirement adequacy and calls for improved financial literacy for plan members, have ignited renewed debate about CAP governance.

More than 15 years after the release of the CAP guidelines, the retirement landscape has evolved significantly and so too should CAP governance. CAP sponsors should strive to look beyond basic best practices and expand their line of sight with a more comprehensive governance framework – one that provides clearly defined investment beliefs, ensures an understanding of plan members' retirement readiness and enables a communication strategy that works to improve plan members outcomes.

Establishing Investment Beliefs

While most DB plans have drafted a core set of investment beliefs, most CAPs have not. Whether for a CAP or a DB plan, investment beliefs help define the plan's strategic context and form part of the operational plan.

There are some similarities with investment beliefs for a DB plan but there are also some significant differences that must be considered:

- Membership Demographics: Understanding the demographics of your membership – not just age and salary, but also the level of their investment sophistication and the time they allocate to looking at their investments – is critical. An investment strategy that does not align with those for whom it is designed will almost certainly be less than optimal.
- Fund Choice: Your member demographic should determine your philosophy on fund choice. Do you offer it? How much choice is appropriate? What types of funds are best aligned to your plan members? TDFs, for example, provide a similar level of diversification as most sophisticated multi-asset class investment solutions more commonly associated with DB plans. Although these investments are meant to be simple from a member perspective, TDFs are extremely sophisticated and require proper due diligence to ensure alignment with an organization's investment beliefs.

> **"By being clear about investment beliefs, delegations and accountabilities, the investment organization – boards, investment committees and investment professionals – can focus on creating outcomes for end beneficiaries."**
>
> *- Danielle Press, Commissioner, Australian Securities and Investments Commission*

As a best practice, investment beliefs should be documented and reviewed at least every five years or when there are significant changes in plan design or in expected long-term trade-off between risk and reward on key asset classes. Many plan sponsors are beginning to incorporate their investment beliefs into their Statement of Investment Policies and Procedures while others have created a standalone investment beliefs document.

Investment beliefs will act as the guiding philosophy to ensure alignment between what the plan sponsor decides about the investment vision for the retirement program, what

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management does to bring this vision to life, what the plan members should expect and will form part of the blueprint for supporting retirement readiness.

Understanding retirement readiness

The purpose of any retirement plan is not solely to have good investment returns, but rather to assist in supporting retirement readiness for plan members.

While the traditional 70% final earnings replacement rate has long been the widespread measure of retirement income adequacy, recent research has failed to demonstrate that a 70% replacement ratio is the appropriate measure to maintain living standards for a sizeable number of Canadian workers.

Perhaps a more adequate measure is the Living Standards Replacement Rate (LSSRTM) that was created by Dr. Bonnie-Jeanne MacDonald, the director of financial security research at the National Institute on Ageing (NIA) at Ryerson University. The LSSRTM is different for everyone because it measures how well an employee's unique living standard will be maintained after retirement by comparing how much money the employee has available to support his/her personal consumption of goods and services before and after retirement.

Unfortunately, a growing number of Canadian pension plan sponsors are now facing the same serious problem: their members are not saving enough for retirement. Moreover, lack of focus at work, increasing amounts of time spent managing personal finances and increased use of employee benefit plans to manage stress-related illnesses are now also commonplace.

Plan sponsors who want to understand the organizational risks and implement action, would benefit from understanding how their plan membership is tracking toward retirement readiness. Armed with that data, plan sponsors can make strategic decisions about which actions can help close the gaps for their employees while achieving organizational goals.

Decumulation is another important consideration in the drive toward improving retirement readiness. Being "retirement ready" does not end when you've achieved your savings goal. How you will manage and draw that retirement income is equally important. While historically not considered the domain of the CAP sponsor, providing decumulation options has become a growing trend in Canada as the number of solutions has grown.

The 2019 Federal Budget proposed new solutions that provide more flexibility during the decumulation phase with the introduction of Advanced Life Deferred Annuities (ALDAs) and Variable Payment Life Annuities (VPLAs).

The World Economic Forum (2017) estimated that the retirement savings gap – the gap between retirement assets and the liabilities retirees need to finance – was US$70 trillion in 2015, and the gap is predicted to be around US$400 trillion by 2050.

Source: We'll Live to 100 – How Can We Afford It?, The World Economic Forum, May 2017 (white paper)

Moreover, with the recent release of multiple regulations regarding variable benefit accounts for pension plans, Ontario now joins the majority of provinces in allowing members to decumulate directly from their DC plan.

While plan sponsors who have begun a discussion of decumulation options for their members worry about the lengthening of their fiduciary responsibility, provincial approval for variable payments, government encouragement and the mechanisms to allow plan sponsors to support their members through retirement have increased substantially.

As more options become available to plan sponsors and plan members, and given the industry's increased focus on decumulation, it is imperative that plan sponsors explore the options and document their position.

At a minimum, plan sponsors who choose not to provide this support to plan members should consider that the decision not to provide decumulation options may expose them to new scrutiny and liability.

Those who do decide to move forward with decumulation options like variable benefit accounts should be aware of the additional reporting requirements as per CAPSA Guideline No. 8.

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Supporting member outcomes through targeted communication and education

Member communication is an important component that should not be overlooked in the context of DC governance. With the investment beliefs, and an understanding of their plan members' retirement readiness, plan sponsors can target the behaviours that drive improved member outcomes. Messages should address key plan analytics such as participation and contribution levels, default fund usage, investment selections and changes, as well as use of available tools.

In combination with targeted communication, plan sponsors should also consider the benefits of financial wellness education. Providing employees with the information and confidence they need to make critical financial decisions can help them ease daily financial stress, be more engaged in the workplace and retire when they want to.

In fact, according to Eckler's recent survey on financial wellness in the workplace,[1] more than half of employees feel some degree of stress about their finances and more than eighty percent of employees want some type of financial education at work that is delivered by an unbiased third-party educator.

Financial wellness education – seminars, one-to-one coaching, supplemental readings – should be seen as a key tool to help members throughout their retirement journey, from those in their early career to those in the decumulation phase.

A formal communication policy can help establish the strategy and the tactics for communicating with and facilitating behaviour change among your plan members.

While there are no requirements for a formal communication policy in Canada, Ireland has recognized the importance of member communication and has set out extensive guidelines with respect to sponsor/member communications in DC master trusts.

Trustees are required to have a written policy for engagement with members and employers and must set out in detail the format and frequency of communication. The policy must also contain a commitment to active engagement and there must be documented evidence that the policy is being implemented. While the CAP Guidelines do stipulate that the sponsor should regularly provide CAP members with information on their CAP account and the performance of the investment funds available in the plan, as well as provide access to additional information upon request, they fall well short of the Ireland model.

Given the growing onus on CAP members to assume responsibility for managing their retirement assets, plan sponsors should review the role that member communication and education plays within the context of plan governance.

When the CAP Guidelines were released, they "reflected the expectations of regulators regarding the operation of a capital accumulation plan… and were intended to support the continuous improvement and development of industry practices."

A decade and a half later, they no longer reflect the reality of the CAP marketplace or the plan members who increasing rely on them for retirement income. Progressively more sophisticated investment options, growing concerns about the retirement savings gap and government intervention to help close that gap signify important changes that should not be ignored.

CAPSA defines pension plan governance as the development of appropriate control mechanisms to encourage good decision-making, proper and timely execution, clear accountability, and regular review and assessment. The time has come to re-examine what it means to uphold those tenets.

[1] 2019 Eckler Survey on Financial Wellness in the Workplace

Notice of PIAC's 43rd Annual General Meeting

For the first time in PIAC's 43 years the Annual General Meeting is going to be held digitally. This is as a result of the COVID-19 virus and the need to cancel the Spring Conference. Notice is hereby given of the Annual Members Meeting of the Association to be held via webinar on Friday, June 5, 2020 commencing at Noon Eastern. All members will be sent a link in May to register for the webinar with the agenda, minutes, proxy form and audited financials statements.

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Implementing an Allocation to Emerging Market Debt What is the Best Practice?

PH&N INSTITUTIONAL

In an effort to enhance returns as well as capitalize on the diversification benefits of global fixed income, many Canadian institutional investors are seeking to loosen portfolio constraints to gain access to a broader opportunity set.

In particular, we have seen these investors migrating towards higher yielding asset classes such as emerging market debt (EMD). At over CAD$4 trillion, the EMD market is nearly 70% larger than the Canadian bond market,[1] and exposure to this asset class allows a portfolio to participate in emerging market economic growth.

The potential benefits of investing in EMD include diversification across regions, quality, and sectors while generating higher absolute yields than are available within developed markets. These benefits are driven by stronger gross domestic product (GDP) growth, improving credit quality over time,[2] and exposure to not only an expanded set of corporate issuers but also sovereign issuers with diverse interest rate regimes and term structures.

Although EMD has historically been modestly more volatile than high yield bonds,[3] it is typically less correlated with other asset classes that are often present in a traditional portfolio. This low correlation results in a diversification benefit that can reduce risk and can result in improved risk-adjusted returns at the overall portfolio level.

An investor who is considering making an allocation to EMD is not only determining whether or not to allocate to this asset class – they must also determine the best approach to doing so. Is it better to have a standalone allocation, or to incorporate traditional core and "plus" fixed income components into a single strategy? This brief article considers how institutional investors can implement EMD strategies into their portfolios and identifies the respective benefits and pitfalls of each method.

[1] Valued at CAD$2.4 trillion as at December 31, 2019, ICE BofA Global Broad Market Index. Source: ICE Data Services. [2]J.P. Morgan EMBI Global Diversified Index historical credit rating break down from February 28, 2006 to February 29, 2020. Source: J.P. Morgan [3]Comparing ICE BofA Global High Yield Index with J.P. Morgan EMBIG Index over the period January 1, 1998 to December 31, 2019. Source: ICE Data Services, J.P. Morgan.

Standalone

In the standalone context, an institutional investor can reduce their strategic allocation to equities, alternatives, or domestic fixed income to fund a dedicated allocation to emerging market debt. Although this approach adds complexity – individual managers have to be selected to manage each strategy, and need to be monitored accordingly – this can be seen as a benefit as well, as investors are able to select the approach and style they want and determine the exposure that suits them best.

Using this approach, the investment policy statement would set out a strategic target for the EMD component, and any subsequent asset reallocation would be undertaken manually by plan fiduciaries.

Given the diversification benefits and yield enhancement associated with EMD, some plan fiduciaries may favour a strategic target to build returns at the total portfolio level rather than allowing an external manager to use it as a lever to enhance value-add opportunities.

For sophisticated plans with extensive resources, this approach has its merits. That said, as a result of the dynamic nature of the market, plan fiduciaries would be responsible for monitoring financial markets and the global economy themselves to ensure an optimal asset allocation, and with additional managers involved, implementing changes to the portfolio's asset mix becomes a slower and less agile process.

Finally, this approach requires increased governance on the part of plan fiduciaries, and for many plans, internal resources are not adequate to support these fiduciary duties.

Overall, while a standalone allocation can be worthwhile for larger, more sophisticated plans, we feel the features of this approach create additional complexities for plan fiduciaries and can expose investors to undue risks.

Core Plus

The second method involves combining a traditional core Canadian bond portfolio and "plus" components, including EMD, into a single strategy. The key benefit to this approach is that it involves selecting a single manager who

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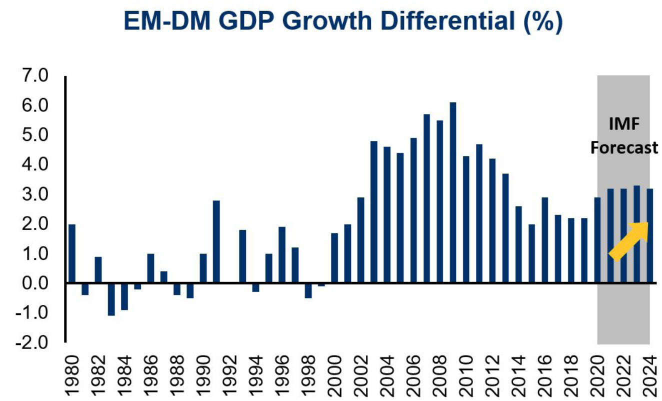
will determine and manage the appropriate allocations of the core and plus components. As such, the manager will closely monitor market developments, and has the flexibility to respond quickly in order to adjust allocations opportunistically.

From a governance standpoint, this approach reduces the overall complexity of implementing and overseeing the structure, as plan fiduciaries need only search for and monitor a single manager. Further, plan fiduciaries have the added benefit of their manager having a greater range of strategies and tools at their disposal, as well as extensive monitoring and governance infrastructure. However, when opting for a core plus approach the expertise of the manager is increasingly important, particularly given the wide dispersion of performance between managers in the core plus universe. In our view, the core plus approach more optimally balances the objectives of enhancing returns and managing risk, and it improves the diversification benefits of an investor's fixed income portfolio as it resides in a single strategy.

Conclusion

Overall, there is no right or wrong option for implementing an allocation to EMD – selecting between these two approaches will depend on the objective of the EMD allocation, and the resources available to the plan. Plans with extensive internal resources are in many ways better suited to adopting the standalone approach, but this is not to suggest that larger plans should automatically do so, while smaller plans should select the core plus solution.

Rather, they should give priority to considering whether they want a tactical allocation to the asset class that enhances diversification and can serve as an additional lever to improve the value-add potential of their core Canadian fixed income assets or, alternatively, whether they would prefer a structural allocation to the asset class with the aim of enhancing diversification and returns at the total portfolio level. This primary consideration, along with the other factors summarized in the table above, should help a plan determine which approach is best suited to their long-term objectives.



Source: IMF World Economic Outlook, Oct 2019

	Emerging Markets	Canada
Market Size (CAD Trillion)	4.0	2.4
Number of Issues	1,910	1,793
Number of Issuers	526	210
Number of Countries	81	1

Source: ICE Data Services, J.P Morgan. Data as at December 31, 2019 and presented using the following indices – ICE BofA Global Broad Market Index, J.P. Morgan EMBIG Index, J.P. Morgan GBI-EM Global Index and J.P. Morgan CEMBI Broad Index

	Investment Policy Asset Allocation	Investment Manager Selection	Asset Mix Rebalancing	Governance & Monitoring
Standalone Approach	**Static** strategic target	Selection of **multiple** managers required	Plan fiduciaries rebalance - **slower** and **less agile**	Material resources required - **more burden placed on plan fiduciaries**
Core Plus Approach	**Tactically** managed exposure	Selection of **single** manager required	Investment manager adjusts allocation **opportunistically** - enhances flexibility	Limited resources required - **less burden place on plan fiduciaries**

Leveraging Relationships with Investment Managers

THEVA NAIDOO, DIRECTOR, PENSION FUND, HYDRO ONE INC.

Summary. This article throws a spotlight on how small to mid-sized pension plans could potentially leverage existing relationships with their underlying external investment managers in areas that the pension plan does not have specific expertise or is in need of particular market intelligence or data. At the outset it must be highlighted that this article is not meant to be an academic exercise but rather it should be considered a "food for thought" piece.

It should also be noted that this article falls outside the ambit of the formalized relationship investing or partnership investing that is typically used by some pension plans, especially the larger pension plans. Instead, the article provides some thoughts as to how small to mid-sized pension plans could work more collaboratively with and build value-add relationships with some of their investment managers in a less formal manner.

The Rationale. The pension investment teams of small to mid-sized pension plans in Canada are typically stretched for resources and time. These teams usually have to multi-task; ranging from conducting investment research, making asset allocation decisions, monitoring funded positions, liquidity management, investment analysis, preparing for pension committee and board meetings, etc. Within this context such pension investment teams could do with some additional support and assistance. To this end, taking advantage of, and better utilizing, existing relationships with specific underlying investment managers is an untapped opportunity that is perhaps available to a pension plan.

This expansion of the formal relationship with an investment manager is voluntary and is certainly not meant to encroach on an investment manager's core responsibility to the pension plan, namely managing the mandate assigned to them in a professional manner and to the best of their capabilities. The willingness of an investment manager to assist a pension plan over and above their existing duty has to be a voluntary exercise and should not directly or indirectly create any obligations or negative consequences. Also, the establishment of a "strategic" relationship will not, and should not, create an intentional bias or favouritism towards a particular investment manager if an investment manager doesn't perform up to the set standards and expectations, consideration should still be given to terminating this manager. As well, some investment managers may not be amenable to developing a collaborative relationship, and this choice should be fully respected. Furthermore, an investment manager cannot be seen to be favouring you as a client and it must be willing to offer a similar service to all of its clients.

Importantly, it is vital to engage with the investment managers and ask them what the strategic relationship should look like. Each relationship will be different and have its own nuances, depending on the strengths of that investment manager. Also, a pension plan probably needs to have a meaningful dollar allocation to an investment manager to expect a "strategic" collaboration.

The Structure. Broadly speaking, how does the relationship structure work? Firstly, there is no set template, and pension plans can develop and use these collaborative relationships in varying ways and to different extents. Below are areas where pension plans could leverage the closer relationship dynamic with investment managers. The list is by no means exhaustive and I am sure that a lot more areas could be added to it.

Research and Knowledge Sharing: Create value-add by sharing knowledge and asking the investment manager to provide a customized white paper on a specific topic or a broader area of interest.

Risk Management: If a pension plan doesn't have its own investment risk system or platform, the investment manager could be asked allow a client partial access to their proprietary risk analytics team or system (e.g.to conduct stress tests). Access to a system will likely be on a limited basis and the client will be able to use the system on a password protected and highly confidential basis, i.e. the investment manager will not have access to a client's input unless otherwise authorized.

Access to Market Data: As required, the investment manager could be asked to provide useful data to help the pension plan make informed decisions. As an example, more recently, investment managers have been proactively collating and analyzing data related to the COVID-19 virus and similar viruses in the past and assessing its implications of the pandemic. This data can be very useful, timely and informative to a pension plan. However, where the data is non-proprietary (i.e. where the investment manager extracts data from a third-party source), data vendors may have an issue with investment managers sharing vendor data with pension plans who take internal positions based on it.

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Such a situation may require that the pension plan sign an agreement with the vendor or directly contract with the vendor.

Market Intelligence: The investment manager should possess the willingness and ability to share market intelligence with a client.

Brainstorming: For example, brainstorming sessions could be held with an investment manager on particular investment market themes and trends. This could potentially generate new ideas and perspectives.

The above areas of potential value-add would typically be conducted more with public markets managers. However, there may also be opportunities for value-add on the private markets side. Notwithstanding that the nature of private markets is arguably much more "old school" in terms of the importance of "relationships", small and medium pension plans can also benefit from forging stronger partnerships with specific investment managers/general partners that may help them create private investment programs more effectively.

The Process. It is important that a pension plan has a comprehensive understanding of the breadth of investment capabilities and expertise of the investment manager that it has identified to provide additional expertise. More specifically, there has to be a thorough understanding as to what makes a particular investment manager unique. Areas of expertise could include superior knowledge of certain specialized market segments such as credit strategies, preference shares, long-term asset return expectations, factor analysis, FX hedging, benchmark analysis, trend analysis, portfolio optimization, and risk analytics. One could also tap into an investment manager's knowledge relating operation and risk systems, as well as asking their opinion about data vendors.

Each aspect of the relationship could be considered an "assignment". To this end, clear objectives should be set for the assignment that has been given to the applicable investment manager. It is also important to select the appropriate investment manager for a specific assignment. It is critical to make sure that both parties are on the same page as this improves the likelihood of achieving the desired outcome.

As a thought, pension plans hoping to engage investment managers in a more strategic manner could possibly have this as an area for consideration when selecting investment managers, i.e. could the investment manager be useful to the pension plan in a wider sense?

Monitoring. Once an exercise or project has been "assigned" to an investment manager it has to be accompanied by a process of open and fluid engagement. There has to be a structure in place to properly monitor the assignment to a particular investment manager. The collaborative approach requires communication to be a two-way process, with the investment manager being afforded the ability to provide timely feedback as to any challenges or suggest a new way to think about something.

Legalities. Depending on the nature of the task assigned to an investment manager, a signing of a non-disclosure agreement may be necessary. The investment manager may also want to build a safeguard that the information they provide will not expose them to liability.

Benefits. There are potentially multiple benefits to adopting the informal relationship management approach. One benefit is that the pension plan can package a holistic solution from all the different investment information received from its underlying managers (who have willingly participated in providing the added services to the pension plan). Also, collaboration with a selection of a pension plan's investment managers can be a driver for internal cost reduction. Additionally, the collaboration with the investment managers potentially introduces new elements that may generate new perspectives and ideas. The closer collaboration with investment managers has the potential for expansion and the generation of follow up ideas. The investment managers can also share or direct pension plans to an abundance of white papers on key topics.

The concept of building strategic relationships should not be construed as being one-sided in favour of the asset owner. Forging strategic relationships benefits the investment manager as well. Through regular dialogue with pension plans, and understanding the challenges that pension plans face, the investment manager gains valuable intelligence, which allows them to potentially develop investment products or diversify future revenue streams. Also, as investment managers expand their catalogue of strategies and capabilities, there is an opportunity for both the asset owner and the investment manager to benefit from expanding areas of partnership. For example, as you participate in multiple strategies of a specific investment manager, over time the discussion may shift to a separate account structure (at more attractive fee levels) allowing for more bespoke solutions.

Conclusion. As stated at the outset, the above discussion is merely "food for thought" and highlights some of the ways that small to mid-sized pension plans could work collaboratively with their underlying investment managers and harness additional voluntary assistance from them so as to ultimately help achieve certain research or other objectives. It is acknowledged that there could be legal or other constraints that may prohibit certain forms of collaboration with a pension plan's underlying investment managers.

Acknowledgements: Special thanks to Sean Hewitt (TTC Pension Fund Society), Emma Radloff (NAV Canada Pension Plan) and Prashant Mulay for their input and contribution to this article.

Member Profile

TANYA LAI

by Prashant Mulay
PIAC Communiqué Committee

"The rise of ETFs in recent years has led Tanya to view indiscriminate ETF sales during market downturns and its effect on price discovery and increased market volatility as a challenge to the future of investment management."

Tanya Lai is a seasoned investment professional, managing money in the investment industry for over 20 years. Currently, she is Managing Director, Public Markets at Investment Management Corporation of Ontario (IMCO), a public fund manager with over $60B in AUM. Tanya leads the external manager oversight for IMCO's public equities portfolio.

Tanya's journey in investments started early during her university days. While pursuing her Bachelor of Commerce at the University of Toronto, she had the opportunity to assist a research analyst at a Canadian stock brokerage firm on the Fama-French factor model. Much of the work was previously based on US equities - the project was to test the model on Canadian stocks. The project sparked Tanya's curiosity in how returns are generated, and the factors affecting alpha. This curiosity would drive much of her career.

Tanya's first job out of university was working in a retail call center at Altamira, where she quickly realized that she wanted to work on the investment side instead. That opportunity came in 1999 when she accepted a performance analyst position at KBSH Capital Management. This was followed by an Investment Analyst role at University of Toronto Asset Management (UTAM).

Later, she joined the investment team at Aurion Capital Management, an investment counselling firm which managed money for pension funds. At Aurion, Tanya was a key part of a team that managed the Shell Canada Pension Plan. By this time, she had firmly established herself at managing large pools of capital.

A rare opportunity came in 2008 at the Ontario Pension Board (OPB), a $14B plan still in the process of laying its investment foundation. Tanya joined OPB as Director Investments to manage public market investments. She led a multitude of projects to better position OPB for the growing and evolving global economy, ranging from developing investment policy to evaluating custodian services.

One of Tanya's greatest accomplishments at OPB was increasing its public portfolio's exposure to global and emerging market equity and building a team to manage this new exposure. Under her leadership, OPB was one of the few firms accepted into the QFII program, which allows direct investment in mainland China.

After nine years at OPB, Tanya was ready for a new challenge, and found it in the opportunities provided as the OPB and Workplace Safety and Insurance Board handed over their investment management roles over to the newly created IMCO.

Established in 2016, IMCO is a voluntary member-based public fund manager, operating independently from the government. IMCO's objective is to provide Ontario members expert portfolio construction advice; better access to investments than members could achieve on their own at the same cost; and high-quality risk management and reporting.

Clients' portfolios are constructed to meet their long-term obligations, and benefit from a full range of investment and advisory services (such as liquidity management and economic and financial research), and a suite of investment strategies and products, including foreign currency hedging, global credit, and infrastructure.

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Member Profile Tanya Lai

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Since joining IMCO in 2017, Tanya has tackled the challenge of positioning the inherited investment strategies of its clients, OPB and WSIB, towards IMCO's new asset mix and investment strategies. Her direct team includes three public equity team members that currently manage approximately $25B of assets via external investment managers. IMCO's equity team will grow further as they build their internal management capabilities.

In 2020, IMCO will build internal capabilities in fundamental and quantitative investing, while outsourcing strategies that they have no intention to manage in-house, leveraging the strategic partnerships it has with its investment managers.

Working for asset owners has given Tanya the freedom from investing to a singular investment style. She has the mandate to approach any asset manager and research any style that suits her market expectation and the fund's requirement.

Over the years, Tanya has examined hundreds of asset management firms' investment approach and function to learn and bring best practices in HR, operations, relationship management back to her own work. As an asset owner, she takes a longer-term view of things.

The rise of ETFs in recent years has led Tanya to view indiscriminate ETF sales during market downturns and its effect on price discovery and increased market volatility as a challenge to the future of investment management.

Tanya observes that stock, sector and country weights determined by index providers are taken as gospel by investors when positioning their portfolios and evaluating investment performance. This increasing power of index providers is also of concern to her.

On the positive side, Tanya finds the growing interest in ESG and uptake of impact investing encouraging. She thinks ESG has moved from being a mere risk factor to an opportunity to add value.

Tanya lives in Toronto with her wife Karen and two boys who are five and seven. Born and raised in Singapore, she especially loves travelling to Asia. While travelling, Tanya ventures to try authentic local food in unusual places – a dark alley or a hole-in-the-wall restaurant.

Apart from her responsibilities at IMCO, Tanya serves as a board member on the Toronto Investment Board and on the Investment Advisory Committee of the Public Guardian and Trustee (Ontario). Tanya is a CFA Charter holder and has an MBA from the University of Toronto's Rotman School of Management.

Recommended Reads

A Mysterious Force Took Over Investing. I Know What it is.

Christopher Schelling
Institutional Investor, November 2019

https://www.institutionalinvestor.com/article/b1j2j2r6ljl8pf/A-Mysterious-Force-Took-Over-Investing-I-Know-What-It-Is

In this opinion piece, Christopher explores the "link behind the decline of value, hedge funds, and alpha everywhere." In his analysis, the reader is guided to understand the structural changes originating from increased computing power and data availability.

Christopher currently holds the position of Director of Private Equity at the Texas Municipal Retirement System which provides retirement, disability, and death benefits for employees of participating Texas municipalities. He has led the private equity activities at Texas Municipal since 2015, and before this he served as deputy chief investment officer for the Kentucky Retirement Systems.

He is also a prolific author and regularly writes for Institutional Investor.

- Submitted by Emma Radloff
Investment Analyst, Pension Investments, NAV Canada

Please submit your suggestions for this column to the PIAC office

Committee Profile
Communiqué

JANET JULÉ CHAIR

The Communiqué Committee acts as the editorial board for PIAC's quarterly publication, Communiqué. The Committee is responsible for the content and design of the newsletter, which has as its objective: "To create an effective newsletter for communicating to and among PIAC members."

Communiqué aims to keep members connected to PIAC initiatives and activities. Each issue typically includes profiles on PIAC members and Committees, summaries of recent PIAC submissions to governments and regulatory authorities, highlights of PIAC conferences and periodic updates from the Chair on strategic goals that have been established by the Board of Directors.

A key objective is to provide informative articles on relevant industry topics. The aim is to address many areas, including investment topics relevant to both DB and DC plan sponsors, pension plan governance, regulatory and taxation issues, and recent industry developments.

The Committee spends a significant amount of time identifying topics that are meaningful and relevant to members as well as sourcing a variety of outside experts to write articles. While articles are typically written by experts from consulting and investment management firms, PIAC members often contribute articles to Communiqué, thereby offering a valued plan sponsor perspective.

Communiqué is issued four times per year and made available on-line to PIAC members. In addition the newsletter can be printed directly from the website and downloaded in pdf format.

Communiqué is developed by members for members using all of the available information from other committees, regional meetings, conferences and Pot Pourri. The Communiqué Committee welcomes your comments and thoughts on articles that would be of interest to you. Please forward your suggestions to the PIAC Office for consideration by the Communiqué Committee. In addition, please consider sharing an interesting article or book in the Recommended Reads section.

Communiqué members are: Sean Hewitt (TTC), Janet Julé (Saskatchewan Healthcare Employees Pension Plan), Prashant Mulay (Subscribing Member), Theva Naidoo (Hydro One), Francois Quinty (Via Rail), Emma Radloff (NAV Canada) and Betsy Springer (Carleton University).

PIAC 2019 Asset & Returns Survey

If you are wondering why you have not seen the annual Asset & Returns Survey yet, it is because we have changed the timing. Login information will be sent in late April with a deadline of May 31, 2020. We hope this extended timeline will ensure all final asset and returns information as at December 31, 2019 can be reported accurately and completely. The login is sent to the Regular member at each fund and the person who filled it out last year.

The survey has been also been streamlined and clarifications were added to create more useful and directly comparable data. This should lead to enhanced statistical analysis and reporting.

A webinar is planned for this Spring to guide you through these changes and allow you to ask questions or make suggestions.

We hope that you enjoy the new survey and encourage you to enter complete and high-quality data.

- PIAC's Asset & Returns Survey Working Group

Call for Board Nominations

The PIAC Governance and Nominating Committee annually invites members to suggest names or to volunteer to be considered for PIAC's Board of Directors. The Governance and Nominating Committee is charged with recommending candidates for the Board to the Membership and requests that any names be submitted to Brenda King, Chair of the Governance and Nominating Committee, by July 1, 2020. Brenda can be reached at 905-816-1112 or brenda.kinghrycaj@gmail.com

The term of office for Directors is three years, with a maximum of two three years terms, except in the case of Directors who are serving as Officers, in which case they may be elected for additional terms in order to fulfill their responsibilities as Officers. There are normally four Board meetings per year. Two of those meetings are generally two hours in length and held via conference call. The other two meetings are half-day meetings held immediately prior to the opening dinners of PIAC's Spring and Fall conferences. Participation in these meetings is very important. In addition, every Director is expected to serve on at least one PIAC Committee in order to participate fully in the life of the Association.

The Governance and Nominating Committee shall review the nominees submitted through the call for nominations together with the candidates the Committee itself has identified and shall prepare a list of nominees which it determines best reflects the demographic and geographic composition of PIAC and achieves an optimum mix of the abilities of nominees.

After determining that all the candidates being proposed for the list are prepared to stand, the Committee will contact the other candidates to explain the decision of the Committee, to encourage their participation in other ways in PIAC and to let them know that they may still stand for election, although they will not be on the recommended list.

In the event that there are still more nominees than vacancies on the Board, a ballot shall be sent to members with a report presenting the list of nominees recommended by the Governance and Nominating Committee pursuant to the criteria above together with a list of the additional nominees. A biographical outline (maximum 100 words) of each candidate will be provided to the members along with the ballot not later than 60 days prior to the Fall Conference with a deadline for return not more than 30 days later. The results of the ballot will be announced at the Fall Conference and publicized in Communiqué.

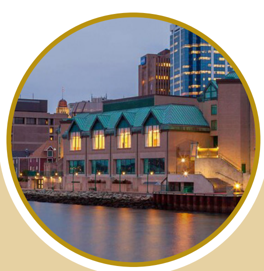
In the event that a ballot is not required, the Chair of the Governance and Nominating Committee shall present a report to at the Fall Conference announcing who has been acclaimed to office.

For additional details on the responsibilities of the Board as well as PIAC's Committees, please see the PIAC web site under About PIAC.

PIAC Calendar

October 7 - 9
2020 Fall Conference
Fairmont Palliser
Calgary AB

April 21 - 23
2021 Spring Conference
Hilton
Québec City QC



October 6 - 8
2021 Fall Conference
Marriott Harbourfront
Halifax NS

May 11 - 13
2022 Spring Conference
Hilton Toronto
Toronto ON

2020 Proxy Voting Season Resources

COVID-19 is having an impact on everything and that includes proxy voting and responsible investing more broadly. As the heavy voting season is upon us in North America, the Investor Stewardship Committee has provided members with some handy resources to assist in tackling it. Some are from an investor perspective while some outline key corporate developments that are useful to keep an eye on.

All the resources listed below are free so members don't have to worry about whether they are a client or member in the organization.

ICGN Investor Viewpoint

Focuses on investor response to a systemic issue including questions for engagement with boards primarily.
https://www.icgn.org/coronavirus-new-systemic-risk-implications-corporate-governance-and-investor-stewardship.

Hansell McLaughlin Advisory Group

Tracking company AGM announcements and virtual/hybrid meetings in Canada.
https://www.hanselladvisory.com/publication/electronic-meetings/

Also reviews impacts on company disclosure
https://www.hanselladvisory.com/publication/covid-19-disclosure/

PRI

Includes seven key recommended actions for investors in response to COVID-19: How responsible investors should respond to the COVID-19 coronavirus crisis.

Blog calling investors to action in response to COVID-19.
https://www.unpri.org/pri-blog/covid-19-harnessing-the-power-of-collective-investor-action-for-change/5626.article

Datamaran

Global list of company examples that are contributing to relief efforts either financially or in other ways: How companies are responding to COVID-19

ISS

Tracking global implications for AGMs and regulatory developments with country by country updates
http://images.info.issgovernance.com/Web/ISSGovernance/%7B9bf402ac-66f0-42e0-9bf3-f27d6168847c%7D_ISS-Annual-General-Meetings-COVID-19.pdf

Squarewell Partners

Insights paper on investor guidance from stewardship teams around the world as well as a paper on how companies are adapting
https://squarewell-partners.com/insights?/

CBCA Diversity Disclosure Requirements

Since January 1, 2020, corporations incorporated under the Canadian Business Corporations Act (CBCA) have to comply with new diversity disclosure requirements. CBCA's disclosure requirements relating to diversity apply not just to women, but also to other designated groups under Canada's Employment Equity Act, including Indigenous Canadians, persons with disabilities and members of visible minorities. CBCA corporations will be required to disclose to shareholders, in their management information proxy circulars, information on their diversity policies and practices. The disclosure is expected to include:

• Whether the corporation has adopted a policy relating to the selection of members of the designated groups as directors, and if so, provide a summary;

• Whether and how the board or nominating committee considers the level of representation of the designated groups in identifying and nominating candidates for directors and senior management (i.e. 'executive officers' under the Securities Law requirements);

• Whether targets regarding the representation of the designated groups on the board and in senior management positions have been set, and the progress of the corporation in achieving that target; and

• The number and percentage of members of the designated groups on the board and in senior management positions.

The new CBCA disclosure requirements seek to place responsibility on Canada's corporations to advance the issue of diversity by utilizing the comply and "explain approach" with respect to formulating a policy on diversity. With this announcement, we believe Canada becomes the first global jurisdiction to formulate regulation on diversity disclosure beyond gender.

- Anne-Marie Monette, PIAC Investor Stewardship Committee

Recent PIAC Submissions

PIAC Calls for Assistance for Federally Regulated Plans during the COVID-19 Crisis

On April 8, 2020 PIAC responded to a request from the Department of Finance for suggestions outlining measures to assist federally regulated pension plans amid the COVID-19 crisis.

• Short-term measures

Companies should be allowed to opt out of making any special payments for a period of 6-12 months, or until greater visibility on economic recovery is apparent. No conditions or approvals should be applied, other than a requirement to inform OSFI. PIAC further recommended that plans be granted direct access to the new Bank of Canada Contingent Term Repo Facility to manage issues related to liquidity stress in the markets.

• Mid-term measures

PIAC asked that the federal government be creative and flexible in permitting companies to manage increases in pension deficits arising during the year. Also, PIAC requested that the government not apply onerous approval or qualification requirements for companies wishing to gain access to relief measures. Some options to consider are:

- Indefinite postponement of the changes proposed by OSFI in their consultations on actuarial standards, in particular as they apply to application of the Replicating Portfolio discount rate methodology

- Provide all federal plans with the option to use the Replicating Portfolio approach for 2020 and 2021

- Extension of solvency amortization period to 10 years (or longer)

- Increase the limit on the use of letters of credit

- Base 2021 funding requirements off the December 2019 valuation

• Administrative Relief

PIAC asked for flexibility on filing timelines for returns, employee statements and actuarial valuations as well as the use of electronic communications and declarations.

Présentations Récentes de PIAC

PIAC a demande de l'aide pour les plans de réglementation fédérale pendant la crise du COVID-19

Le 8 avril 2020, PIAC a répondu à une demande du ministère des Finances pour des suggestions décrivant des mesures pouvant aider les régimes de retraite sous réglementation fédérale dans le contexte de la crise COVID-19.

• Mesures à court terme:

Les entreprises devraient être autorisées à ne pas effectuer de paiements spéciaux pour une période de 6 à 12 mois ou jusqu'à ce qu'une plus grande visibilité de la reprise économique soit apparente. Aucune condition ni approbation ne devrait être appliquée, à l'exception d'une obligation d'informer le BSIF. PIAC a également recommandé que les régimes bénéficient d'un accès direct du nouveau mécanisme de prise en pension à plus d'un jour par la Banque du Canada pour gérer les problèmes liés à la crise de liquidité sur les marchés.

• Mesures à moyen terme:

PIAC a demandé au gouvernement fédéral de faire preuve de créativité et de souplesse en permettant aux entreprises de gérer l'augmentation des déficits de retraite survenus au cours de l'année. De plus, PIAC a demandé au gouvernement de ne pas appliquer des exigences d'approbation ou de qualification onéreuses aux entreprises qui souhaitent avoir accès à des mesures de secours. Quelques options à considérer sont :

- Le report indéfini des changements proposés par le BSIF dans ses consultations sur les normes actuarielles, notamment en ce qui concerne l'application de la méthodologie du taux d'actualisation du portefeuille de réplication;

- Offrir à tous les plans fédéraux la possibilité d'utiliser l'approche du portefeuille de réplication pour 2020 et 2021;

- Extension de la période d'amortissement de la solvabilité à 10 ans (ou plus);

- Augmenter la limite d'utilisation des lettres de crédit;

- Besoins de financement de base 2021 par rapport à l'évaluation de décembre 2019.

• Aide administrative:

PIAC a demandé une certaine souplesse quant aux délais de production des déclarations, des relevés d'emploi et

Recent PIAC Submissions

CONTINUED FROM PAGE 17

• Fundamental Solvency Reform

PIAC advocated again that the federal government reconsider a fundamental reform of the solvency funding regime to align pension regulations nationally and follow the direction of most provinces. PIAC reiterated key elements for this argument.

• PIAC further suggested it would be timely for the federal government to eliminate the borrowing prohibitions for DB plans in the Income Tax Act, which adds costs and complexity.

Submission to Manitoba Finance Minister on Bill 8 The Pension Benefits Amendment Acts

On February 17, 2020, PIAC commented on Bill 8, The Pension Benefits Amendment Act introduced on November 27, 2019. PIAC strongly supported the introduction of solvency reserve accounts and the stated intention to reduce the solvency threshold for additional funding to 85% while strengthening going concern funding requirements in line with many other provinces. PIAC also supported the enhancements to member flexibility for locked in accounts, in pension commencement after Normal Retirement Age, and in marriage breakdown. PIAC was concerned that two key issues were not referenced: Target Benefit Plans and full legal discharge of liabilities in the case of annuity purchases.

Presentations Récentes de PIAC

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des évaluations actuarielles ainsi qu'à l'utilisation des communications et des déclarations électroniques.

• Réforme fondamentale de la solvabilité:

PIAC a de nouveau préconisé que le gouvernement fédéral reconsidère une réforme fondamentale du régime de financement de la solvabilité afin d'harmoniser les règlements sur les les régimes de retraite à l'échelle nationale et de suivre la direction de la plupart des provinces. PIAC a réitéré les éléments clés sur le sujet.

• PIAC a ajouté qu'il serait opportun que le gouvernement fédéral élimine les interdictions d'emprunt pour les régimes de retraite à PD dans la Loi de l'impôt sur le revenu, une situation qui augmente les coûts et la complexité.

Présentation au ministre des Finances du Manitoba sur le projet de loi 8, Loi modifiant la Loi sur les régimes de retraite

Le 17 février 2020, PIAC a commenté le Projet de loi 8, Loi sur la modification des prestations de pension, déposé le 27 novembre 2019. PIAC a fortement appuyé l'introduction de comptes de réserve de solvabilité et l'intention déclarée de réduire le seuil de solvabilité du financement supplémentaire à 85% tout en renforçant les exigences de financement pour les mettre en phase avec ceux de nombreuses autres provinces. PIAC a également appuyé l'amélioration de la flexibilité pour les membres en ce qui regarde les comptes immobilisés, le début de la pension après l'âge normal de la retraite et la rupture de mariage. PIAC était préoccupée par le fait que deux questions clés n'étaient pas mentionnées : les régimes à prestations cibles et la décharge légale complète des responsabilités dans le cas des achats de rentes.

Recent PIAC Submissions

CONTINUED FROM PAGE 18

Submission on the 2020 Federal Budget REgarding VPLAs and ALDA

On February 6, 2020 PIAC made a submission to the Minister of Finance supporting the introduction of Variable Payment Life Annuities (VPLAs) and Advanced Life Deferred Annuities (ALDAs) in the upcoming 2020 federal budget. PIAC noted that changes to the Income Tax Act may take several years to implement and were interrupted by the federal election last October, but there is no reason for further delay. PIAC also encouraged the federal government to proceed as soon as possible on the publication of regulations to clarify that federally-regulated plan sponsors will have discharged their pension obligations under the Pension Benefit Standards Act with the purchase of a prescribed annuity.

Presentations Récentes de PIAC

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Présentation sur le budget fédéral 2020 concernant les RVPV et les RVDAA

Le 6 février 2020, PIAC a fait une présentation au ministre des Finances pour appuyer l'introduction des rentes viagères à paiement variable (RVPV) et des rentes viagères différées à un âge avancé (RVDAA) dans le prochain budget fédéral 2020. PIAC a noté que les modifications à la Loi de l'impôt sur le revenu peuvent prendre plusieurs années à être mise en œuvre et ont été interrompues par les élections fédérales d'octobre dernier, mais qu'il n'y a aucune raison de les retarder davantage. PIAC a également encouragé le gouvernement fédéral à procéder dès que possible à la publication d'un règlement afin de préciser que les régimes de retraite sous réglementation fédérale se seront acquittés de leurs obligations en matière de retraite en vertu de la Loi sur les normes de prestation de pension en achetant une rente prescrite.

People on the Move

NEW MEMBERS

FRANCESCA ADIBE
CBC Pension Plan

TINA ANTONY
Alberta Teachers' Retirement Fund

ALEXANDER AZHIBANICKAL
Canadian Pacific Railway Company

TRICIA BROWN
Saskatchewan Public Employees Benefits Agency

GUY BRU
Manitoba Civil Service
Superannuation Board

MARTIN BUSSIERES
Ville de Montreal

BRENT BUYDENS
WCB Manitoba

ADAM BUZANIS
CAAT Pension Plan

MATTHEW CHOI
Healthcare Employees Pension Plan Manitoba

VICTOR CHOY
BC Teachers' Staff Pension Plan

LAUREN CODY
Canadian Pacific Railway Company

MARY COVER
Ontario Teachers' Pension Plan

IRENE CUNNINGHAM
NAV Canada

DARIN EDDY
HRM Pension Plan

SERRA ERDOGMUS
Canadian Medical Protective Association

CLANCY ETHANS
Manitoba Civil Service Superannuation Board

RICHARD FENRICH
Saskatchewan Teachers Retirement Plan

JAMES FERA
CAAT Pension Plan

JONATHAN FROESE
Winnipeg Civic Employees' Benefits Program

CALUDIA GAGNÉ
Quebec Daycare Employees' Pension Plan

WINNIE GE
Saskatchewan Healthcare Employees' Pension Plan

ALI GHAZIASGAR
Canadian Medical Protective Association

KAMILA GIESBRECHT
UBC Investment Management Trust

CAMILLE GLOVER
IMCO

HARRISON GRIFFIN
HRM Pension Plan

ABHIRUCHI GUPTA
Saskatchewan Public Employees
Benefts Agency

ALEJANDRO HERNANDEZ
AIMCo

MUHAMMAD IFTEKHAR
CAA Club Group

GEIR RUNE JOHNSKARENG
Concordia University

TAREK KASSEM
University of Ottawa

JOSH KRUSE
UBC Investment Management Trust

PAMELA LAMOUREUX
ATCO Ltd.

GORDON LEE
Hospital for Sick Children

JENNY LIN
UBC Investment Management Trust

ALISON LOAT
OPTrust

SEAN MORGAN
Manitoba Civil Service Superannuation Board

AHMAD MUSA
Canadian Medical Protective Association

GENEVIEVE OUELLET
Ville de Montreal

JEREMY PHILLIPS
Saskatchewan Public Employees Benefts Agency

LOUISE POIRIER-LANDRY
Provident10

SAM SALMAN
Rio Tinto Canada Management Inc.

SUSAN SHIM
IMCO

KELLY SNOWDEN
Saskatchewan Public Employees Benefits Agency

TAYLOR SOCKETT
Saskatchewan Healthcare Employees' Pension Plan

BRYAN ST-AUBIN
McGill University

SARAH TAKAKI
HOOPP

REGAN TEXTOR
Saskatchewan Public Employees Benefits Agency

NATALIE TILLE
McGill University

RAZVAN TONEA
CAAT Pension Plan

ROBERT VOZZELLA
McGill University

JENNIFER WAZNY
Oxford Properties (OMERS)

NICOLE WILSON
Public Sector Pension Investment Board

JOE YIU
Ontario Power Generation Inc.

JIA ZENG
Saskatchewan Healthcare Employees' Pension Plan

KAELY ZETTEL
Teachers' Retirement Allowances Fund

ISABELLA ZHANG
TD Bank Group

RETIREMENT

LUCE BLOUIN (Canada Post Pension Plan) **WUSOOQ KAHELEELI (**IMCO)
MIKE LESLIE (UBC Faculty Pension Plan) **KIERAN MULROY** (Oxford Properties; OMERS)