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Canadian Pension Risk Management

The Importance of Containing Funding Volatility

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Contents

Hitting a Solvency High Point

Solid funded levels are good news but don't eliminate risk

At the beginning of January, the median solvency ratio for Canadian defined benefit pension plans stood at an enviable 99.2%, according to Aon, but that doesn't mean plan sponsors can rest on their laurels.

Indeed, plans have been here before and have seen almost immediate reversals more than once in the past two decades. Making sure that pension plans keep hold of this strong funding picture will take a measured approach to risk management.

"Pension plans need to address equity and interest rate risks first," said Francois Pellerin, LDI strategist at Fidelity Investments. "As risk managers, we don't dislike risk, but we like risk that is compensated for and risk that is commensurate with the time horizon and risk tolerance of our clients."

Putting a finer point on it, Pellerin said investors are compensated for certain diversified return-seeking or equity risks but not for interest rate risk. "So plan sponsors should be looking to take the right risks on the equity side and to mitigate as much risk on the interest rate side as possible," he said.

"Canadian plan sponsors are trying to figure out the right balance between return-seeking and liability hedging assets," said William da Silva, senior partner and retirement practice director at Aon. "Even as they try to push the envelope to make gains from the return-seeking portfolio, the focus continues to be on managing interest rate risk."

Greg Johnson, director of client services at NISA Investment Advisors, concurred, and said, "For defined benefit plans, interest rate risk is really the net amount of risk that remains after combining both the assets and the liabilities."

After equity and interest rate risk, plan sponsors should be focused on downside risk.

"What level of drawdown in a given year would require that a plan make additional contributions," said Rick Ratkowski, director of investment strategies at NISA Investment Advisors. "That's what plans are really concerned about." (see story, page 10)

The good news for Canadian plans — beyond their strong funded level — is that many sponsors run liability-aware plans and have made significant progress in getting all of these risks under control.

"We see, in the wake of significant improvements in funded status for many Canadian DB plans, that more plan sponsors are using glidepaths and embarking on derisking activities," Johnson said.

"We've been in a situation for the last few years where essentially all asset classes have been doing well, thanks to a rare, synchronized global economic expansion," Pellerin said. Buoyant markets have been a gift to plan sponsors and have also highlighted the outsized effects of making the right investment choices — as well as the need to continue the search for diversification.

Challenged

Still, pension plans in developed markets like Canada are challenged by a market

environment with relatively low returns, according to Doug MacDonald, managing director and head of institutional asset management at CIBC Asset Management. "That means they are all having trouble meeting their hurdle rates of return with traditional U.S. and Canadian equities and bonds."

"If you scroll back 25 years, it was unthinkable that Canadian plans' domestic equity exposure would have declined from 30%-plus to 10-15% or even lower today," he said. "The reasoning at the time was that an increase in foreign equities would involve taking on too much risk."

Today, he continued, these investors have become much more comfortable with the notion that diversifying portfolio equity risk outside of Canada will help dampen volatility.

The combination of globalization and diversification have led to better returns for Canadian plans, which have given company sponsors a bit of breathing space to better understand the long-term implications of running a DB plan.

"As more CFOs view the pension plan as an integrated part of their company, they realize that their DB pension plan is like a mini-insurance division that is using financial leverage to invest in equities," said Brent Simmons, senior managing director and head of defined benefit solutions at Sun Life Financial.

That's an important realization, he continued, because it focuses C-suite management on evaluating whether it's better to take risk in the pension plan or take risk in the core business.

Liquidity: Risk and Premium

Another risk, albeit a minor one, that Canadian plan sponsors need to monitor is liquidity risk, particularly at the long end of the bond spectrum. "These bonds can be hard to source these days," said Fidelity's Pellerin.

Often, though, liquidity is not a risk that is high on the worry list for Canadian plan sponsors because of the long-dated nature of their liabilities. In fact, most Canadian plans still have a large allocation to Canadian government bonds, which are fairly liquid instruments, so plan sponsors can afford to take greater liquidity risk, according to MacDonald at CIBC.

That said, while DB plan sponsors always need to consider their short-term liquidity needs, particularly if they have a large retiree population, they can take advantage of liquidity premium.

"We are seeing plans buying more private debt and corporate bonds, as well as investing more in private equity on the return-seeking side," said NISA's Ratkowski. That trend stems from DB plan executives' recognition that they are long-term investors who will need cash flow in 30 years.

Diversification away from Canadian plans' home market, which represents just 3% of global equities and is concentrated mostly in financial and resource companies, has been faster in the last decade.

"The trend to go outside Canada for equity exposure has accelerated in the last 10 years or so," MacDonald said.

Global diversification, of course, introduces the potential for currency risk. To combat that risk, MacDonald said that plans are considering various options.

"You can simply leave the currency unhedged, although this is rarely an optimal choice. Or you can passively hedge a fixed portion of this exposure, in an effort to reduce portfolio risk," he explained. "Alternatively, you can focus on currency as an alternative source of return."

MacDonald said that these currency risk conversations are ongoing with many plans, but that increasingly sponsors are opting for a currency overlay approach.

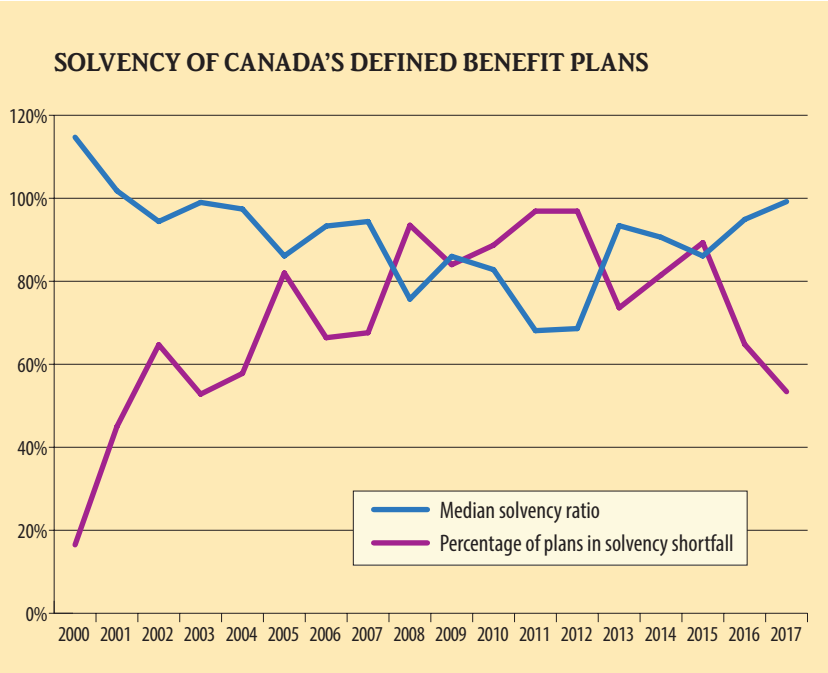
Currency fluctuations — and the need to hedge foreign-exchange risk — is less an issue for plans with a long-term focus, according to Aon's da Silva

To Outsource or Not

One final risk that Canadian plan sponsors are dealing with is governance, or the inability to keep up with fast-changing market conditions. This dilemma has led some plans to consider outsourcing the chief investment officer function.

Most often, the idea of employing an outsourced CIO emerges from global companies with pension plans in a number of countries. In these instances, the Canadian plan is likely smaller than others, so it makes sense for management to find a specific investment management solution.

Another tack that plans without the internal resources to meet the needs of today's fast-changing markets are taking is what Fidelity's Pellerin called a dynamic asset allocation process, which is a multi-asset approach that gives asset managers more flexibility to adjust allocations between asset classes. ■



Source: Aon

The Question of Handoff

For CFOs with no desire to be in the pension business, annuitization can be the answer

This may not be a news alert, but the defined benefit business in Canada is shrinking.

"Management of a pension plan is not the first priority for most corporations," said Doug MacDonald, managing director and head of institutional asset management at CIBC Asset Management. "Generally, they would just rather focus on their business."

Pension plans present balance sheet risk and the risk that contributions may be necessary if the plan falls into a deficit situation.

In response, more companies are considering annuitization as part of a strategy to reduce or remove these risks.

"With more pension plans hitting their glidepath triggers and being close to fully funded, it's not surprising that annuity sales in Canada hit 3.7 billion [Canadian] dollars in 2017," said Brent Simmons, senior managing director and head of defined benefit solutions at Sun Life Financial.

That CA$3.7 billion represents a jump of almost CA$1 billion over 2016, according to LIMRA. The average size of annuitizations reached CA$80 million last year, up from CA$50 million in 2016.

Some of the landmark annuity buyouts that closed last year included a CA$350 million split buyout for Loblaw Cos. and a jumbo CA$900 million buyout handled by three insurers.

Dramatic growth in the annuity market may be constrained by capacity, but insurance companies are stepping in to meet the need.

"We do see more insurance companies entering the annuity market in Canada," said William da Silva, senior partner and retirement practice director at Aon. "There are probably six to eight insurers at the moment writing this business, and more capacity is opening up."

That's a good thing, because with roughly CA$1.7 trillion in DB pension assets, there is plenty of room to grow.

Clean Data

Given the cost, annuity purchases are often not the first port of call for plan sponsors.

"If the idea is to sell the pension plan to an insurance company, then you might need to be 120% funded," said Francois Pellerin, LDI strategist at Fidelity Investments. "Such higher premiums can be driven by less-than-pristine data, for example."

While it is likely that the retiree portion of the plan will have clean data, it is not as likely that non-retirees will have it, he said.

In addition, Pellerin said, it's often affordable to annuitize retirees because their pension payments are known. If all retirees are divested, the remaining plan will be left with active and terminated vested participants who can be prohibitively expensive to annuitize.

"If the plan is in a solvency surplus, the sponsor isn't likely to be as sensitive to the price of the annuity deal because they have the funds and just want to get the transaction done," da Silva said.

"Before determining whether or not to purchase annuities for the plan, sponsors should consider the additional costs when purchasing annuities versus hibernating the plan," said Rick Ratkowski, director of investment strategies at NISA Investment Advisors.

In any case, plan sponsors typically buy annuities for retirees or deferred members, not active members, according to Sun Life's Simmons. "That's because buying annuities for active members may be too uncertain, as their pensions aren't crystallized."

That said, Sun Life completed the first annuitization for active members of an open Canadian pension plan last year, so it is possible.

Because of the relatively small size of the annuities market in Canada, a plan sponsor looking to annuitize CA$1 billion in liabilities, for example, would carve it into five CA$200 million pieces, starting with part of the retiree population.

"Canadian plans recognize that they often have to tranche-out their liabilities because the annuity market is smaller than in other countries like the U.S. or U.K.," said Aon's da Silva. If a plan goes to market with a CA$50 million to CA$200 million deal, da Silva continued, "they are likely to engage three, four, five insurers to bid, which could give a better price than if the deal was bigger and only one or two insurers are engaged."

Beware the Boomerang

Canadian plans have been plagued by what is termed annuity boomerang risk, which Simmons at Sun Life said was responsible for keeping some plan sponsors from pulling the annuitization trigger, particularly plans over CA$1 billion in assets.

Responsibility for pension payments can theoretically boomerang back to the company if the insurer providing the annuity faces financial difficulties. The holy grail here is full discharge of responsibility for the pension payments for an annuity buyout.

In provinces such as British Columbia, Alberta and Quebec, legislation allows full discharge for annuity buyouts, and in Ontario, Nova Scotia, and for federally regulated plans, legislation is being considered to limit boomerang risk. ■

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Taking Risk Off the Table

Canadian plans celebrate the success of LDI and its near-cousin, hibernation

When it comes to derisking, the question isn't if, but when. The range of approaches to derisking, however, is broad and often determined by a plan's funded status.

"Liability-driven investing is defined in many different ways," said Doug MacDonald, managing director and head of institutional asset management at CIBC Asset Management. "It ranges from managing the portfolio on a liability-aware basis and, considering the duration of the liability structure in the investment strategy, to managing an LDI portfolio that tightly controls interest rate risk."

As plan sponsors reap the benefits of rising asset prices, plans are now adopting more precise liability-matching strategies, according to Francois Pellerin, LDI strategist at Fidelity Investments.

"It isn't appropriate to consider true liability matching until the plan is approximately 90% funded, as until then a generic benchmark will keep the plan moving in the right direction," he said. And after the recent significant uptick in funded status, Fidelity is fielding more requests for custom benchmarks based on a plan's specific liability profile.

Once they reach a certain level of solvency, many plan sponsors want to structure their assets to limit the volatility of their funded status, because that will give them greater flexibility and freedom in determining the best way forward.

"Many of our clients are looking to limit funded status volatility to below 2% per year," said Rick Ratkowski, director of investment strategies at NISA Investment Advisors. "That puts them in the driver's seat to be able to determine acceptable pricing on an annuity deal."

Pellerin pointed out that since many Canadian employers are wedded to the idea of continuing to support their defined benefit plan, more plan sponsors are considering ongoing risk management rather than annuitization.

"There's a difference between what people want and what they can achieve," he said. "By keeping both the retirees and the actives, you have a range of risks that are possible to

hedge through a long-term LDI strategy."

A hibernation portfolio for a typical corporate plan that does not have inflation-linked cash flows is 80% fixed-income and 20% return-seeking — often equity — assets, although it can be closer to 90/10.

For many plan sponsors, "that hibernation allocation can result in low enough funded status volatility that they may not even need to consider an annuity buyout," said Greg Johnson, director of client services at NISA Investment Advisors. For many Canadian plans, a full buyout simply isn't possible given the cost of termination. Many are simply working their way down a derisking glidepath.

"Canadian pension plans are well into duration-expansion strategies," said William da Silva, senior partner and retirement practice director at Aon. "If interest rates have crept up, those plans that were focused on mark-to-market liabilities and were on the sidelines have said, 'OK, maybe now is a good opportunity to finally derisk, because long duration bonds are less expensive.'"

Even with some of the potential funding rule changes, da Silva expects that these plans will stay on their glidepath derisking courses. In Quebec, where funding rules have been relaxed, da Silva said some plans are "more open to pausing their derisking activities, with some even relaxing their LDI strategies." ■

PLAN SPONSORS SPREADING THEIR BOND INVESTING WINGS

In a liability-aware world, return is harder and harder to find. So plan sponsors are looking more broadly for what assets can be used to hedge liabilities.

As part of an increasing derisking trend in Canada, thanks in part to the uptick in funding levels, NISA Investment Advisors has found clients looking at fixed income customization, which is part of a trend of making the bond side more capital efficient.

"We see clients looking at benchmarks with more of a corporate or provincial bond tilt," said Rick Ratkowski, director of investment strategies at NISA. "It also includes using strips or the addition of more derivative overlays — all within the context of a more customized liability benchmark."

He is surprised that Canadian pension plans' bond portfolios are not going global.

"What we haven't really seen is a move into long-duration U.S. corporate debt, and that is surprising given that the Canadian corporate space is small at the long end," Ratkowski said.

46%
percent of plans fully funded as of Jan. 1

Nevertheless, Canadian plans are taking a broader view of what instruments can be used to manage the portfolio against the plan's liability structure.

"As long as instruments like private debt, commercial mortgages or non-Canadian fixed income have a regular cash flow and other bond-like features, plan sponsors are willing to use them in liability matching strategies," said Doug MacDonald, managing director and head of institutional asset management at CIBC Asset Management.

Where's the Juice?

"We see plans using commercial mortgages and private debt to get a little more juice in this low-return environment," added Brent Simmons, senior managing director and head of defined benefit solutions at Sun Life Financial. "It's one way to step off the equity-fueled roller coaster ride they've been on recently. Fixed income is a lot less volatile than the return-seeking asset classes."

Private debt is being added to portfolios as a way to generate return, but also because it has some liability hedging characteristics. "It's one of those hybrid asset classes," said William da Silva, senior partner and retirement practice director at Aon.

Within the fixed income bucket, "plan sponsors have had to expand their toolbox," said MacDonald, who added that the use of an expanded opportunity set of bonds by Canadian plans pre-dates the global financial crisis but has accelerated since then.

He said the trend manifests in a number of ways. "It shows up in an increased allocation to credit — both in investment grade and high yield — and also to illiquid instruments with bond-like features, such as commercial mortgages and private debt."

"Plan sponsors sometimes understand that the expected return of fixed income portfolios can be enhanced by adding different flavors of bond with only a modest increase in risk because the additions provide diversification across the overall portfolio," said Francois Pellerin, LDI strategist at Fidelity Investments. "However, focusing on enhancing portfolio yield without quantifying the associated volatility could result in downside risk that certain sponsors can't bear."

"Plan sponsors that have an ongoing plan or that take a staged approach to purchasing annuities can live with illiquidity in their pension plan and are able to harvest some returns through assets such as private debt," said Sun Life's Simmons.

Balanced Moves

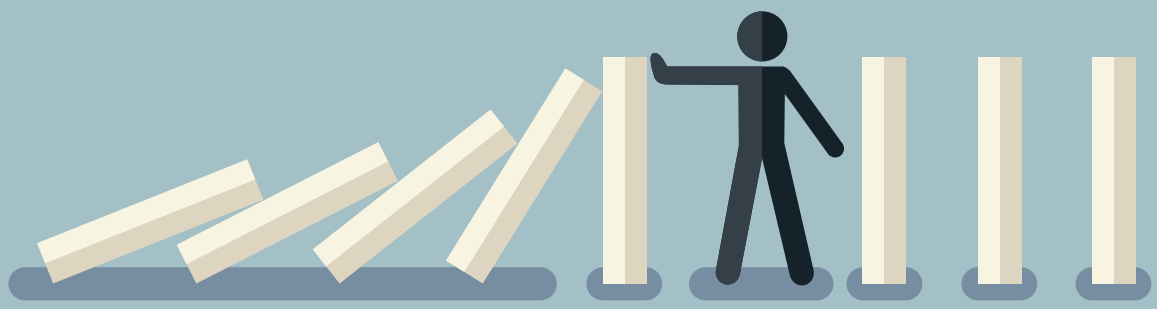
Fee budgets also provide a constraint to plan sponsors when considering how to allocate plan assets. Specifically, MacDonald suggested that some plans complement their increased allocation into more complex and higher-fee fixed income sectors with an allocation to passive, lower-fee bonds.

For instance, "some plans have passive allocations to government bonds, while using an active manager for the credit portion of the portfolio," he said.

"If plan sponsors want to hibernate their DB pension plan, they should use a custom bond portfolio with a high allocation to credit, not a passive bond portfolio," added Sun Life's Simmons.

"We think that the synchronized global expansion we saw in 2017 is not over but we do expect it to start eroding," Pellerin said. "To counter that, one can reposition into higher-quality credit, especially if the belief is that low spreads are justified." High yield, he continued, "appears to be somewhat rich at this point."

Protecting the Downside



Few plan sponsors want to get back on the funding roller-coaster if they can find a way to stay off

Canadian plan sponsors are considering innovative ways to protect the funded status gains they recently achieved. Some are sticking to their glidepath while others are looking at the prospect of downside protection.

Protecting the funded status may be particularly relevant to plan sponsors that have recently had to make contributions because no plan sponsor wants to report that the slug of cash recently dumped into the plan has been lost to market movements.

So given the run-up in both equities and bonds, it's no wonder that some plan sponsors are considering ways to protect these additional monies. "We've certainly had conversations with our clients about equity options for downside protection," said Rick Ratkowski, director of investment strategies at NISA Investment Advisors.

But ultimately, the decision to move forward rests on sponsor-specific considerations.

"You have to ask whether the cash outlay of purchasing a put option is worth it — are you giving up all the upside with respect to your return-seeking assets?" Ratkowski said.

When considering the issue of tail risk or drawdown risk, liability-aware investors have an advantage because they understand how bond and liability pricing work in concert, and that return-seeking exposure alone cannot fully make up significant deficits.

"If you have a plan that is closed and 80% funded, there is no way markets will bail you out," said Francois Pellerin, LDI strategist at Fidelity Investments. "It's mathematically impossible, so you will have to make contributions."

That's another reason liability-aware plan sponsors are seeking risk assets to protect against a drawdown that could require unanticipated bailout contributions.

Tail-risk protection also comes in the form of long-duration government bonds. These can help reduce risk in asset-liability and asset-only frameworks by hedging a liability's interest-rate exposure and diversifying a portfolio's exposure during significant market downturns.

Buying Puts

"For those in an asset-only framework, this is perhaps the lower barrier to entry type of downside protection that we see today," Ratkowski said.

Some — but not many — plan sponsors are buying equity puts for simple downside protection, or equity collars that can have a lower up-front premium.

Plan sponsors are always looking for ways to diversify their portfolios, whether in equities or fixed-income, to achieve high risk-adjusted returns. In some cases, that

continued on page 12

continued from page 10

means exploring various strategic beta or factor-based strategies, according to Doug MacDonald, managing director and head of institutional asset management at CIBC Asset Management.

But, he observed, that's not the first entry point for many plans. "They explore ways to use their fee budget more efficiently, and that is often through passive investing for selected asset classes," MacDonald said.

A more nuanced approach to the return-seeking asset allocation involves what Greg Johnson, director of client services at NISA Investment Advisors, calls alternative risk premia strategies. Others call these factor investing strategies. For instance, some amount of the allocation to equity can be allocated to specific risk factors as opposed to traditional asset classes.

"We don't expect that these strategies will form the entire allocation to return-seeking assets, but they can play a role given their lower correlations to markets and lower fees than traditional implementations," said NISA's Ratkowski.

Going Low Vol

"Low-volatility investing has become more of a topic for some plans," said William da Silva, senior partner and retirement practice director at Aon. "At a strategic level, some plan sponsors are looking to build a separate low-vol allocation, as opposed to it just being part of the implementation of a broader equity exposure."

"It's all part of the theme of using new ideas to generate a little bit more return at the same or lower level of risk," he continued.

Low-vol portfolios have been touted as a potential component of LDI tail risk management. "We continue to favor global low vol," said Fidelity's Pellerin. "It's a hybrid asset that has growth potential, but also provides downside protection."

While looking for ways to make the fee budget stretch further, plan sponsors are looking beyond low vol to other factor investing ideas. Investment strategies focused on some of the more common factors — such as momentum, quality, and carry — are available through index strategies that have track records in delivering market returns with lower risk. ■

LONGER LIVES CAN POSE A CHALLENGE

Longevity risk is often overlooked as plan sponsors concentrate on equity and interest-rate risks. But it does pose a problem for defined benefit plan sponsors.

While Canadian sponsors are aware of longevity, they may not understand the magnitude of the changes to mortality tables and the knock-down effects for pension benefits.

Over the last four decades, the recommended mortality assumptions from the Canadian Institute of Actuaries were revised five times, representing close to eight years of increased life expectancy. The most recent revision released in 2017 is thought to have added 0.5% to 1% to plan liabilities.

Putting this into dollar terms, Brent Simmons, senior managing director and head of defined benefit solutions at Sun Life Financial, said, "Paying benefits for an extra eight years is significant and we estimate that has increased plan liabilities by 25% to 30%."

Not So Fast

In short, plan sponsors that thought they were working to fund 100% of their liabilities over time have learned that they really needed about 130%.

While this in itself is jarring, the implication is that mortality improvements will continue, albeit perhaps not at the same rate.

Thus a better understanding of longevity risk is becoming an imperative for plan sponsors, many of whom are working closely with their consultants to better understand how the trend in mortality improvement affects their beneficiary cohort.

"We would estimate that the impact of mortality on funded status is approximately 60 basis points a year," said Rick Ratkowski, director of investment strategies at NISA Investment Advisors. "As long as plans update their mortality estimates when new information is available, longevity risk is minimal and manageable."

It is only when plans delay their updates that longevity risk can appear to have a larger impact on funded status, he continued.

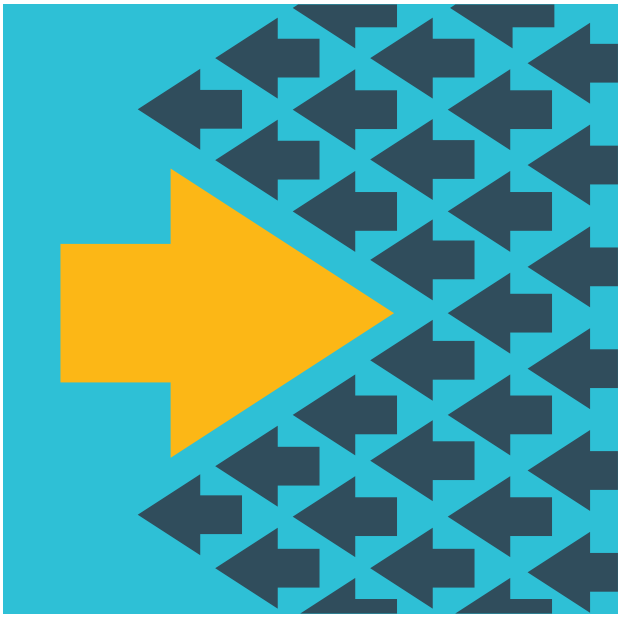
Longevity-risk swaps — where an insurance company takes specific longevity risk off the hands of a plan sponsor — are being used in the U.K., but the the idea has been slower to catch on in North America. It is possible Canadian plans that have inflation exposure through index-linking, largely those in the public sector, might be interested in such a product.

Organizations that have followed an LDI-derisking path to full funding and perhaps even to hibernation, also need to consider longevity risk.

It's often not a primary issue when a plan still has a large slug of return-seeking assets, and a mismatch between the bond portfolio and the liability profile.

"If it isn't that big of an issue, then hibernation becomes a real possibility," said William da Silva, senior partner and retirement practice director at Aon. "If it remains a concern and the plan is in a solvency surplus then annuitization or handoff may be more attractive, as it takes the risk entirely off the table."

Changing Behavior



Will new rules in Ontario change the way plan sponsors think about investing?

Ontario, the province in Canada with the most defined benefit pension assets, is set to change its funding regulations.

The provisions balance a softening of the solvency funding requirements from 100% of solvency liabilities to 85%, with a requirement for a shorter amortization period for going-concern deficits and a provision for adverse deviations.

Whatever the regulation says, plan sponsors need to focus on good risk-management practices and not make risky bets with their investment approach, according to Brent Simmons, senior managing director and head of defined benefit solutions at Sun Life Financial.

"Aim for a funded ratio that is a flat line, not a roller-coaster like the last 20 years," he said.

Ontario funding regulation changes follow hard on the heels of similar provisions enacted in Quebec that have led to small shifts in investing behavior, with some sponsors taking on more risk assets.

Mark to Market

The pension fund valuation process focuses on marking liabilities to market based on prevailing interest rates.

"Solvency funding requires that the deficit be funded aggressively," said William da Silva, senior partner and retirement practice director at Aon.

Solvency liabilities are based roughly on settlement costs. With interest rates rising, annuity prices continue to fall, resulting in improving solvency positions.

The new going concern basis, as described in Quebec and proposed for Ontario, will utilize a shorter amortization period than the previous rules but continues to be longer than the current solvency basis. The discount rate, which drives the going concern calculation, is tied to the expected return on assets of the underlying target portfolio vs. interest rates.

"Some plan sponsors with a longer time horizon may decide that with contribution volatility reduced under the new rules, there may be more risk budget to spend leading to increased exposure to return-seeking assets," said da Silva.

Different View of Risk

"Some Canadian plan sponsors are focused on solvency; some on accounting," said Rick Ratkowski, director of investment strategies at NISA Investment Advisors. "The changes brought on by Ontario that are already in place in Quebec will add going concern as a focus to the other liability valuation techniques — solvency and accounting."

"If your end-game is two to five years out, there should be no difference in what a pension plan is doing," said da Silva. "At the end of the day, the bill is the bill. The cost is the cost."

He added that plan sponsors running open plans that could go for another 10, 20 or 30 years are saying, "Enough with this maniacal focus on mark-to-market each year, let's take a longer-term approach."

Although the new funding rules in Ontario are not finalized, Ratkowski suggested that they could affect adoption of liability-driven investing. "However, no one we know of plans to reduce their hedge ratio or increase their return-seeking asset allocation," he said.

The changes in pension regulation that began in Quebec and are being considered in Ontario could change the prism through which plan sponsors consider risk. Certain investments such as infrastructure and real estate can now legitimately be considered fixed-income securities.

"While continuing to employ an LDI strategy, plan sponsors may take both greater and different kinds of risk — a bit more liquidity and credit risk," said Doug MacDonald, managing director and head of institutional asset management at CIBC Asset Management.

These are appropriate investments with the right kinds of risk for a going-concern plan with long-dated liabilities and active members in the plan.

"No matter what the provincial or federal regulations say, I generally suggest plan sponsors use mark-to-market valuations for risk management," said Francois Pellerin, LDI strategist at Fidelity Investments.

"The value of anything is determined by what you need to pay for it or what you can sell it for," he continued. The new regulations provide for some optionality on contributions, but sponsors need to use that optionality wisely.

"Investment strategy should be driven by a plan sponsor's objectives, not what the funding rules are," said Sun Life's Simmons. ■

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The debate as to the impact of incorporating ESG considerations on performance has now been largely answered with the acknowledgement that ESG considerations contribute to a more holistic view of risk, allowing for long-term performance growth and not just short term rewards. Integrating ESG factors leads investors toward higher quality investments with lower volatility and stronger returns.

Though institutional investors have shown a demand for ESG investing, many are still experiencing practical hindrances to implementation. The ESG Investing Breakfast Briefing is designed to provide institutional investors with tools and strategies for incorporating ESG considerations into investment operations across the portfolio.

The agenda includes the following timely sessions:

- PRESENTATION: Harnessing ESG as an Alpha Source in Active Quantitative Equities
- PRESENTATION: Public Equities as Impact Investment
- PANEL: Integrating ESG throughout the Investment Process
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Questions? For more details please contact Elayne Glick at (212) 210-0247 or pi-registration@pionline.com

*Registration is only open to pension plan sponsors, endowments, foundations and a limited number of investment consultants.