

# Global Pension Transparency Benchmark



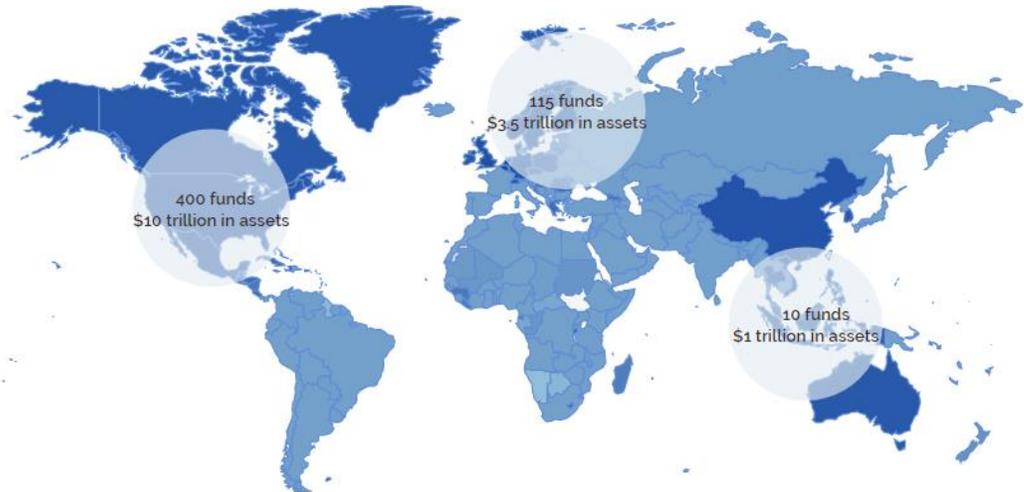
*Symposium: How should the finance sector in Canada be reformed?*



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# CEM helps pension funds manage costs and improve performance

25 COUNTRIES      15 TRILLION PARTICIPATING ASSETS      80 MILLION MEMBERS      27 YEARS OF HISTORY



<p><b>INVESTMENT BENCHMARKING</b></p> <ul style="list-style-type: none"><li>• Defined Benefit Funds</li><li>• Sovereign Wealth Funds</li><li>• Other long-term asset owners</li></ul> <p><a href="#">Learn More</a></p>	<p><b>PENSION ADMINISTRATION BENCHMARKING</b></p> <p>Administrators of Defined Benefit and Defined Contribution Funds</p> <p><a href="#">Learn More</a></p>	<p><b>DEFINED CONTRIBUTION BENCHMARKING</b></p> <p>U.S Corporate and Public Defined Contribution Plans, 401(k), 403(b), 457, and other</p> <p><a href="#">Learn More</a></p>	<p><b>GLOBAL LEADERS INVESTMENT BENCHMARKING</b></p> <p>Large funds with complex investment programs</p> <p><a href="#">Learn More</a></p>	<p><b>TRANSPARENCY BENCHMARKING</b></p> <ul style="list-style-type: none"><li>• Pension Funds</li><li>• Sovereign Wealth Funds</li><li>• Other long-term asset owners</li></ul> <p><a href="#">Learn More</a></p>
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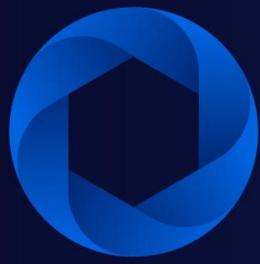
# Transparency Matters

**Trust is a critically important success factor.**

**Transparency builds trust.**

Transparency is “the right thing to do”, but there are many benefits beyond this simple moral imperative:

- ✓ Transparency and accountability go hand in hand and lead to improved decision making
- ✓ Improved clarity of purpose that comes from simplifying and communicating complex issues
- ✓ Improved relationships and interactions across a broad spectrum of stakeholders including beneficiaries, plan sponsors, regulators, suppliers and concerned citizens
- ✓ Ultimately, better outcomes through clarity of purpose, sound goals and accountability for progress



# Global Pension Transparency Benchmark

Explore results and analysis →

**CEM's expertise in transparency comes from our collaboration with top1000funds.com to create the Global Pension Transparency Benchmark (GPTB)**

The GPTB is a world first global benchmark for transparency of pension disclosure, bringing a focus to transparency, in a bid to improve pension outcomes for members.

The GPTB ranks 15 countries on public disclosures of key value generation elements for the five largest pension fund organizations within each country.

The focus is on transparency and quality of public disclosures relating to completeness, clarity, information value and comparability of disclosures.

<https://www.top1000funds.com/global-pension-transparency-benchmark/>

**The GPTB transparency framework includes 188 specific public disclosure measures (sourced directly from web-sites and published reports) across 4 equally-weighted value drivers**



### **Governance & Organization**

34 disclosure elements including:

- ✓ Structure and mission
- ✓ Board competencies and qualifications
- ✓ Compensation and human resources
- ✓ Organizational strategy



### **Performance**

43 disclosure elements including:

- ✓ Returns and value-added: time periods & clarity
- ✓ Risk policies and measures
- ✓ Portfolio structure and explanation of results
- ✓ Member service goals, plans and levels\*
- ✓ Funded status and related discussion\*



### **Cost**

57 disclosure elements including:

- ✓ Total fund level
- ✓ Asset class or investment option level
- ✓ External management fees & transaction costs
- ✓ Member service and administration costs\*



### **Responsible Investing**

54 disclosure elements including:

- ✓ Responsible investing governance
- ✓ Organizational framework and reporting
- ✓ Implementation: Exclusion; Active Ownership; Impact Investing; ESG Integration

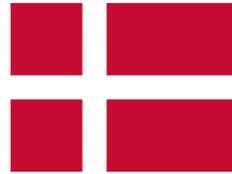
# The public disclosures of the 5 largest pension management organizations in 15 countries were reviewed.



Brazil



Canada



Denmark



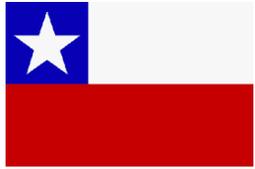
Netherlands



South Africa



Australia



Chile

**BCi**  
**CDPQ**  
**CPP Investments**  
**Ontario Teachers' PP**  
**PSP Investments**



Finland



Switzerland



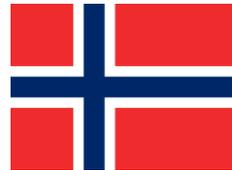
Japan



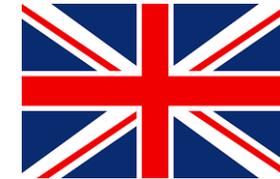
Mexico



United States



Norway



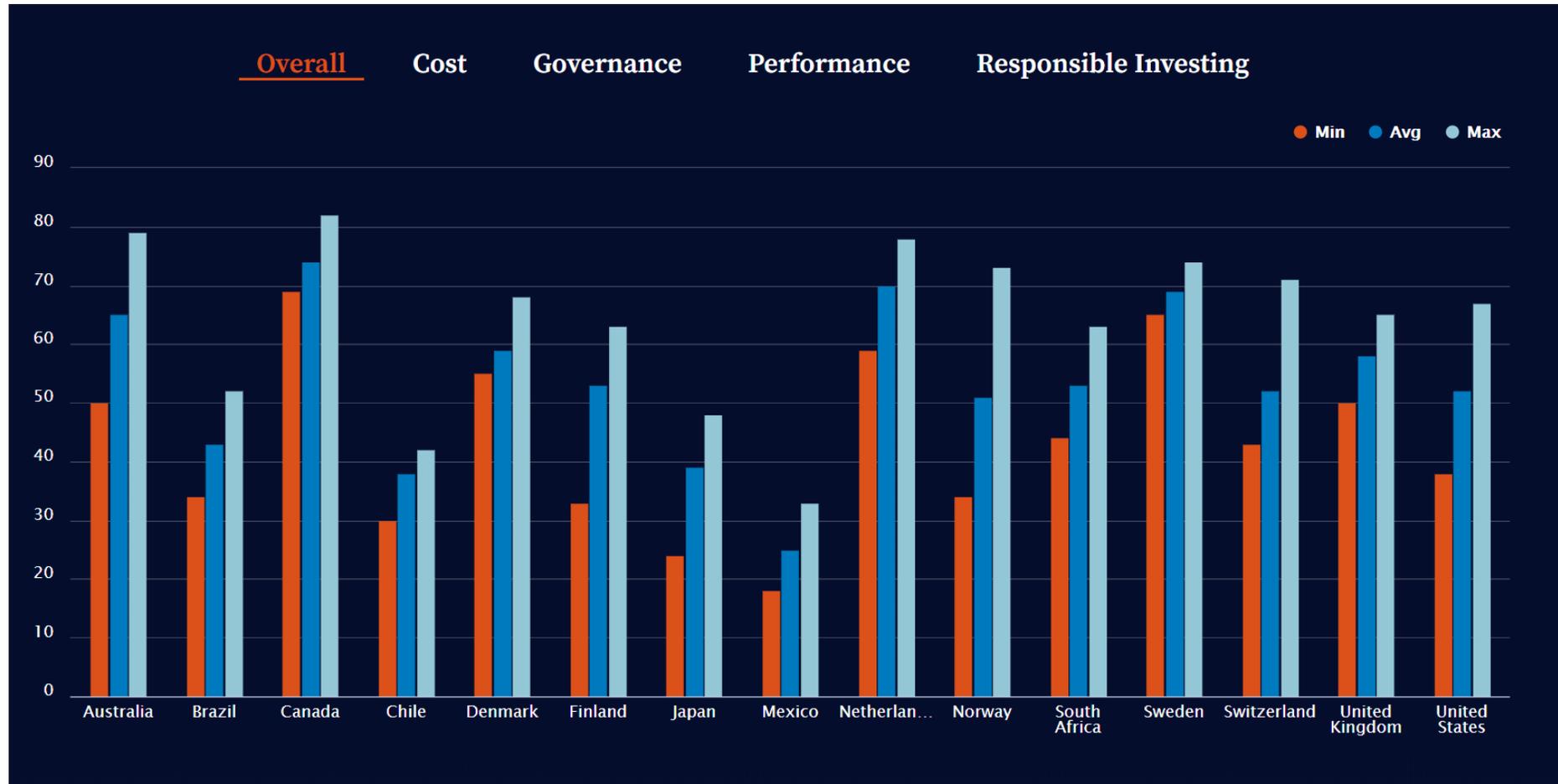
United Kingdom



Sweden

# Canada ranked 1<sup>st</sup> overall with an average country score of 74.\*

## Individual Canadian fund scores ranged from 69 to 82.



# Canadian funds ranked highly on all factors and were 1st in Governance.\*



We focused on 'what' was disclosed. Canadian funds also excelled on communication dimensions that were not scored. Their annual reports were well organized, cohesive and packed with important information for stakeholders. The narratives typically went beyond just 'what we do' to add insights about 'how we do things' and 'why we do it this way'. They also made good use of infographics, summaries, pictures, charts, etc., and generally used less text, to add impact and keep readers engaged.