

CANADIAN PENSION & BENEFITS INSTITUTE

FORUM 2017

THRIVING IN A CLIMATE OF CHANGE

WINNIPEG, MB - JUNE 5, 6 & 7, 2017



Moments and Takeaways

How to Thrive in a Climate of Change

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Under the theme Thriving in a Climate of Change, the CPBI FORUM 2017 took place, June 5th to the 7th, in Winnipeg, MB. Over 250 industry professionals participated in the conference and had the chance to discuss how our industry and Canada is adapting and Thriving in a climate of change and rising as a model for the rest of the world.

Over the course of 3 days, attendees listened to 2 keynote addresses and participated in 23 sessions focussed on pension, employee benefits and institutional investment hot topics.

Industry partners were present to support the CPBI national conference and share their expertise and best practices.

Opening keynote session at the Canadian Museum for Human rights in Winnipeg, MB. During his keynote address, Max Valiquette discussed current trends and what they mean to the pension and benefits industry. "Trends with Benefits" discussed shifting demographics, new cultural trends, shifts in business and industry, and developing, disruptive





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Conference Key Takeaways

Employee Benefits

Benefiting in the Platform Economy

Lisa Callaghan, VP Strategy, Marketing and Communications, Manulife

- Change is coming and as an industry we need to be prepared
- Although initial adoption rate in the US has been below expectations, 40% of employers in the US plan on implementing benefits platforms by 2019
- For a successful platform to be in place, it requires great technology, data driven personalized offers, access to a broad product shelf and the best pricing

Implementing Precision Health Into Practice

Robert Fraser, Ph.D., President & CEO, Molecular You

- Advances in bioinformatics and molecular profiling are more cost efficient and accessible; a significant step towards precision, personalized, preventative healthcare.
- More scientific knowledge of molecular measures linked to diseases is making molecular profiling more actionable. This has the potential to delay and reduce disease onset and lead to a healthier population.
- Integrative analysis of metabolites, proteins and microbial molecular measures can provide in-depth information about a person's current health status, from which informed health decisions can be made.
- Scientific information is doubling every 1.3 years and is no longer accessible to practitioners. Big data analytics are needed to interpret and curate the vast amounts of details into accessible and usable information.

Cognitive Systems and the Future of Health

Nathalie Le Prohon, Director, Healthcare Industry, IBM Canada

- Data is the world's new natural resource, if we can unlock the value of the immense amount of Healthcare data - both visible and the 88% that is dark - we can radically transform how care is delivered and improve our health
- Cognitive computing is the key to unlocking this value and enabling us to gain the insights required to transform the sector
- There are real examples, today, that are completely revolutionizing research, care delivery, and consumer health

I sleep, therefore I am. Why and how to take care of your employees' sleep

Josée Dixon, Senior Vice-President, Desjardins Insurance
Bradley Smith, HALEO Preventive Health Solutions Inc.

- Sleep issues affect over 40% of the adult population.
- Insufficient sleep has been linked to a number of chronic diseases and conditions, including diabetes, cardiovascular disease, obesity, and depression.
- Not sleeping well have a major effect on cognitive capacity – a reduction of about 20% to 50%.

The Impact of Chronic Disease on Health, Productivity and Engagement

Tyler Amell PhD, Partner, Morneau Shepell Work & Health

- Common chronic diseases have a significant impact on people in organizations today
- There are different chronic disease profiles based upon age (e.g. baby boomers versus millennials), gender (females versus males) and type of work
- Many common chronic diseases are preventable and manageable through proven, evidence-informed strategies

Marijuana in the Workplace

Joan Weir, Director, Health and Dental Policy, CHLIA
Alex Boucher, Total Health Management Leader - Canada, Mercer

David A. Simpson, Partner, Fillmore Riley LLP

- A standardized, non-judgmental, and collaborative approach, involving patient, their physician, employer and union will be required
- Should consideration be given to reimbursement of medical cannabis, insurers would need to monitor closely implementation of any benefit program that included medical cannabis.
- Insurers would require contracts with producers as they do today with pharmacies and other health professionals

Conference Key Takeaways

Pension Track

Plan Administrative Risk, or How I Learned to Stop Worrying and Love the Law

Mark Firman, Legal Counsel, Ontario Teachers' Pension Plan

- Remember the Golden Rule: Administrators act in the best interests of plan beneficiaries
- Processes are more important than outcomes: Good processes promote good outcomes, and bad processes create liability—even when they still lead to a good outcome
- Pensions and benefits are about people, and plan members, beneficiaries, judges and regulators are all people; risk management can't discount the human element

Plan Trends – Building Diversity into your DC Plan

Jillian Kennedy, Partner, Mercer

- A gender gap exists today due to aspects in the workplace such as pay equity, absence in the workplace, risk aversion and longevity
- Traditional DC plans are not designed to support gender
- As a plan sponsor, you can better support employees by conducting a gap analysis and a financial wellness strategy unique to the needs of each employee (based on their gender)

DB Pension Plans – Is Sustainability a myth?

Paul Lai Fatt, Morneau Shepell

- Sustainability is subjective
- Designs need to align with goals
- Education, communication, and transparency are necessary components to sustainable pension designs

Longevity Risk : Addressing a Global Challenge, How to Offset the Financial Implications?

Don Ezra, consultant, Don Ezra Consulting Services

- Most DC participants will have difficult decisions to make.
- Safety, growth and longevity protection are competing investment goals.
- Ideally they need three separate instruments.
By age 75, longevity risk is bigger than the risk of investing 100% in equities..

Governance More than Meets the Eye

Zaheed Jiwani, senior consultant, Eckler

- People are a key success factor in any organization. Your retirement plan can tie directly into their success through: your ability to attract and retain talent, through workforce planning and through improving their productivity!
- Having positive member outcomes in your DB and DC Plans helps your people's success, and subsequently the organizations success.
- You need to integrate strong member outcomes throughout every part of your plan governance.

Plan sponsor view on the future of employee benefits

Glen Anderson, Staff Officer Benefits, Manitoba Teachers' Society

Blair Richards, CEO, Halifax Port ILA/HEA

Kim Siddall, Associate Vice President, Aon Hewitt

Tyler Smith, Senior Consultant, Coughlin & Associates Ltd.

Moderator: Glenn Kauth, Editor, Benefits Canada

- Flexibility is going to be a key focus for benefits plans in the future.
- The trend signal a looming problem around the adequacy of members' retirement outcomes. Target-benefit plans are a possible, if imperfect, solution.
- Perhaps plans will combine both flexible and defined contribution approaches to allow plan members greater ability to select the particular benefits they want and need most.



Participant networking during the opening evening at the Candian Museum for Human rights.

Conference Key Takeaways

Investment

Populism & Protectionism: The Impacts on the Global Economy and Capital Markets

Jean-Pierre Couture, Chief Economist & Portfolio Manager, Emerging Markets, Hexavest

- Investors hold more risky assets than they think; they mix up risk and volatility.
- A correction of risky assets prices will impact the real economy much more than in the past: credit availability depends more than ever before on investors' risk appetite.
- Adopting populist policies means larger governments' fiscal deficit, more inflation and higher interest rates.

Reducing carbon emissions : What challenges are we facing?

Jean Michaud, Managing Director & Senior Commodity Strategist, Core Commodity Management, USA

- If we don't limit population increase, we won't solve the problem
- Coal is the worst fossil fuel. Replacing it by natural gas would reduce worldwide emissions from fossil fuels by over 20%
- Integrating intermittent energies is much more difficult than generally stated
- Nuclear is part of the solution
- Relying solely on wind and solar is an utopie.

Enhancing diversification and returns with private debt

David Fann, President & CEO, Torrey Cove

- Private equity managers pursuing debt strategies have significant advantages with regard to information and deal flow
- Lower liquidity, but much more stability provided due to longer term hold and structuring
- Low risk way to access a large, generally high growth enterprises

Behaviourial Finance, Efficient Markets and Passive Investing: How Theory Fails

Henry Hudek, Vice-President, Business Development, Cardinal Capital Management

- Investors should to look at the intrinsic value of a company and its free cash flow
- Market return is a zero sum game where there is a loser for every winner.

The ROBO-ADVICE: UBER Comes to Financial services. How Safe is Your Job?

Mark Yamada, President & CEO, Pur Investing Inc

- Asset allocation is a commodity. Don't pay much for it.
- Robo advisors try to do three things, (i) provide diversification (ii) low costs (iii) stop investors from doing something stupid. They deliver the first two largely because of ETFs. The jury is out on the third.
- Target date funds were designed to diversify member portfolios, not to provide pension income. Understand the difference.
- Mass-customized goal-seeking investor solutions

Governance More than Meets the Eye

Jean Lavigueur, CFA, Associate, Investment Strategy & Risk, Ontario Teachers' Pension Plan

James Twiss, Managing Director, Americas, First State Investments ('FSI')

Moderator: Randy Bauslaugh, Partner, McCarthy Tétrault LLP

- Not only may scheme fiduciaries take ESG factors into account, they may be legally required to do so.
- There is proof that taking ESG factors into account and engagement on ESG factors improves investment security and performance.
- Practical tips on developing and enhancing ESG integration frameworks.

We are living in a unique moment in history, when revolutionary change is occurring at a frenzied pace, said Leonard Brody during his Keynote address on Tuesday morning,



THE CPBI HALL OF FAME

On Tuesday night, during the CPBI FORUM 2017 gala dinner, Jordan Fremont, Chair of the CPBI Board of Directors, introduced the 2017 inductees into the CPBI Hall of Fame. Kevin Press, award winning journalist and past CPBI Chair, Joan Fitch past CPBI Chair and Bruce Powers one of the three founding fathers of the CPBI in 1960. Kevin Press was present at the evening and in his speech he encouraged all members to volunteer on a CPBI committee, get involved and make a difference in the industry.



Jordan Fremont presenting the 2017 Hall of Fame recognition award to Kevin Press

2017 INDUCTEES INTO THE CPBI HALL OF FAME

KEVIN PRESS

Kevin joined the CPBI in 1999 and volunteered on several committees and spoke at various events. In 2002, Kevin was elected chair of the CPBI Ontario Regional Council. In 2004, he was appointed as Ontario Representative on the National Board of Directors and was elected Chairman of the Board in 2009.

Kevin spearheaded the efforts in rebranding the national conference into the CPBI FORUM as we know it today. In 2013, Kevin chaired the first CPBI FORUM outside of Canada.

JOAN FITCH

Joan joined the CPBI in 1983 and in 1987, she was elected Chair of the CPBI Alberta Regional Council. In 1990, she became the first woman Chair of the CPBI, then known as the CPC. Under her chairmanship the CPC was renamed, adopted a new logo and embraced new strategic directions and mission; to be the leading national and regional forum on pension and employee benefits.

BRUCE POWERS

Bruce was one of the three founding members of the CPBI; he represented the insurance industry on the steering committee that was behind the creation of the CPBI. Bruce was present at the first meeting of the Canadian Pension Conference that was held on June 6, 1960 at the King Edward Hotel in Toronto and was part of making many decisions and moving the CPBI to where it is today.





Continuing Resources

CPBI FORUM 2018 session presentations and recordings are available to participants through the CPBI Online Library on the CPBI website. Note that you need to login into your profile in order to access the resources in the library.

<http://www.cpbi-icra.ca/Tools-Resources/Library>

FORUM sessions and recordings will be available to CPBI membership, 6 months following the date of the in-person event. Make sure to renew your membership for 2018 to have full access to the resource library.

CPBI is an open FORUM for the representation of all views.

You have a questions or topic you need the CPBI to cover at one of its event. Make sure to send your request to the membership department at members@cpbi-icra.ca or call us at 514-2881222 x23.

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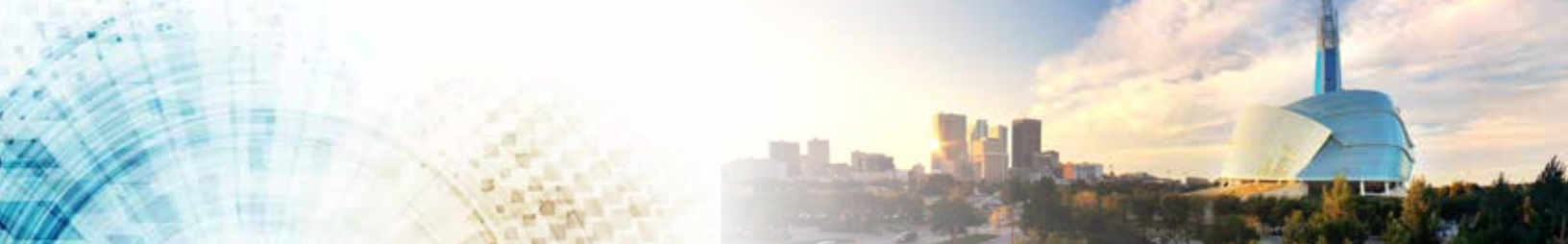
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The Canadian Pension & Benefits Institute would like to thank all FORUM 2017 sponsors for their contributions and continuing support of the CPBI national conference.

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