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**BRADLEY R. HICKS**  
*Managing Director, Canada,  
MFS Investment  
Management Canada Limited*

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# THE PERFORMERS

✕ CANADA’S INFLUENTIAL THOUGHT LEADERS ✕

## *What’s the number-one challenge facing pension plan members today?*

**Christine Girvan:** If you think about capital accumulation plans, addressing retirement adequacy is the key issue. What that means is, how can plan sponsors and the overall industry assist plan members to understand the key dynamics of the retirement equation. That’s typically contributions plus investment returns minus withdrawals. DB plans are struggling with a different question, which is the question of sustainability at a time where we have persistently low interest rates. For their plan members, what will their benefits look like in five to 10 years from now? That’s one of the key challenges.

## *What have you learned about the industry over the years and how has that helped you better serve clients?*

**CG:** Nothing is cast in stone. The pension market over the last 20 years has changed dramatically and, I venture to say, the next 20 years won’t look the same either. If you combine the changing nature of the pension landscape and the fast evolving nature of capital markets, you learn that you have to be humble in the face of very rapid and significant changes. What I take from that is that we, as an asset manager, are part of the equation when it comes to solving complex pension issues. It’s really about understanding where we can make a significant difference for plan sponsors.

## *What trends are you seeing in the marketplace?*

**CG:** In the DC market place, it’s a drive to make choices simpler for plan members. So we want to find investment solutions that guide plan members and make choices simple and easy. We certainly

see that with target date funds. For defined benefit plans, the focus is on understanding how to manage the risk of the plan. This has not only led to very active discussions around plan designs but also to a much greater focus on managing risks at the portfolio level.

## *What major news or market event has impacted you the most and how has it informed what you do today?*

**CG:** I started my career in 1990 as a research analyst on Asian companies, including ones in Japan. The top of the market in Japan was December 1989. It was my first job so I certainly learned a lot from it, including that investors should really pay attention to risks and managing those risks, and the downside that is inherent in capital markets. For the first three years of my career, I had to figure out a way to find and research companies in a market that was suffering significant losses. At MFS we pay very close attention to the risk of each investment we make on behalf of our clients.

## *What type of investments are people looking for or gravitating towards today and why?*

**Bradley R. Hicks:** Institutional investors are focused, more than ever, on finding the appropriate balance between return generation and risk management. That means several things, including having a clear understanding of a firm’s investment philosophy and process, ensuring transparency in the management of the portfolio, and having a solid understanding of how an investment strategy will behave in various market environments. Rather than trying to capture short-term market trends, professional investors are increasingly allocating capital to managers

that have strong and sustainable risk adjusted returns over the long-term.

## *What do you like about this industry and why did you decide to make a career in it?*

**BH:** There are a lot of factors that make a career in the investment management space very compelling, such as the global nature of the business environment and the ever-changing capital market landscape. The quality of people you get to interact with on an ongoing basis is on top of the list for me too. Perhaps, more importantly, I’ve always appreciated the alignment that investment managers have with their clients. If we can deliver the results that our clients expect with the highest degree of professionalism and integrity and everyone’s content, then we can drive on together. That symmetry and alignment makes for an ideal spot to build a career and evolve.

## *What excites you most when you look ahead?*

**BH:** It’s a phenomenal time to be at the epicentre of the ongoing dialogue around retirement. There are discussions on the sustainability of various pension schemes, potential pension reforms and retirement plan adequacy. With broad financial literacy front and centre in the media, we have a unique opportunity for stakeholders to come together to shape better retirement outcomes for Canadians. We haven’t been in a position like this before.



## WHAT IS YOUR NUMBER ONE TRAVEL TIP?

**CG:** Think about back-up plans when the weather is not likely to cooperate. Canada has big summer and big winter storms and you have to think about how you manage that. It’s managing the risk of the weather. Arm yourself with patience.



## WHAT INVESTMENT BOOK DO YOU RECOMMEND PEOPLE READ?

**BH:** I don’t have one single book per se, but I would recommend reading any of Michael Lewis’ books for sheer entertainment.



## WHAT DO YOU LIKE MOST ABOUT WHAT YOU DO?

**CG:** I like the role that we personally play in helping people secure a better retirement. You get to meet different people from plan sponsors to other industry professionals that may have different views on how to go forward and that makes it interesting and challenging at the same time.



## BLACKBERRY OR IPHONE?

**BH:** My answer is both, sadly. You can guess which one’s for which.