



**PENSION PLAN FOR THE EMPLOYEE
OF CONCORDIA UNIVERSITY**



FINANCIAL SERVICES
Office of the Treasurer

Re-evaluating and Integrating Investment Policy

Presentation at the Canadian Investment Review's Risk Management Conference

August 12th, 2022



Presentation Content

- Refresher of the model
- How well were we prepared for the market shocks and volatility since March 2020?
- Did we make any changes? – Post Pandemic
- What did work well? – Post Pandemic
- Observations – Post Pandemic

Refresher of the Model

Principles - LDI 2.0

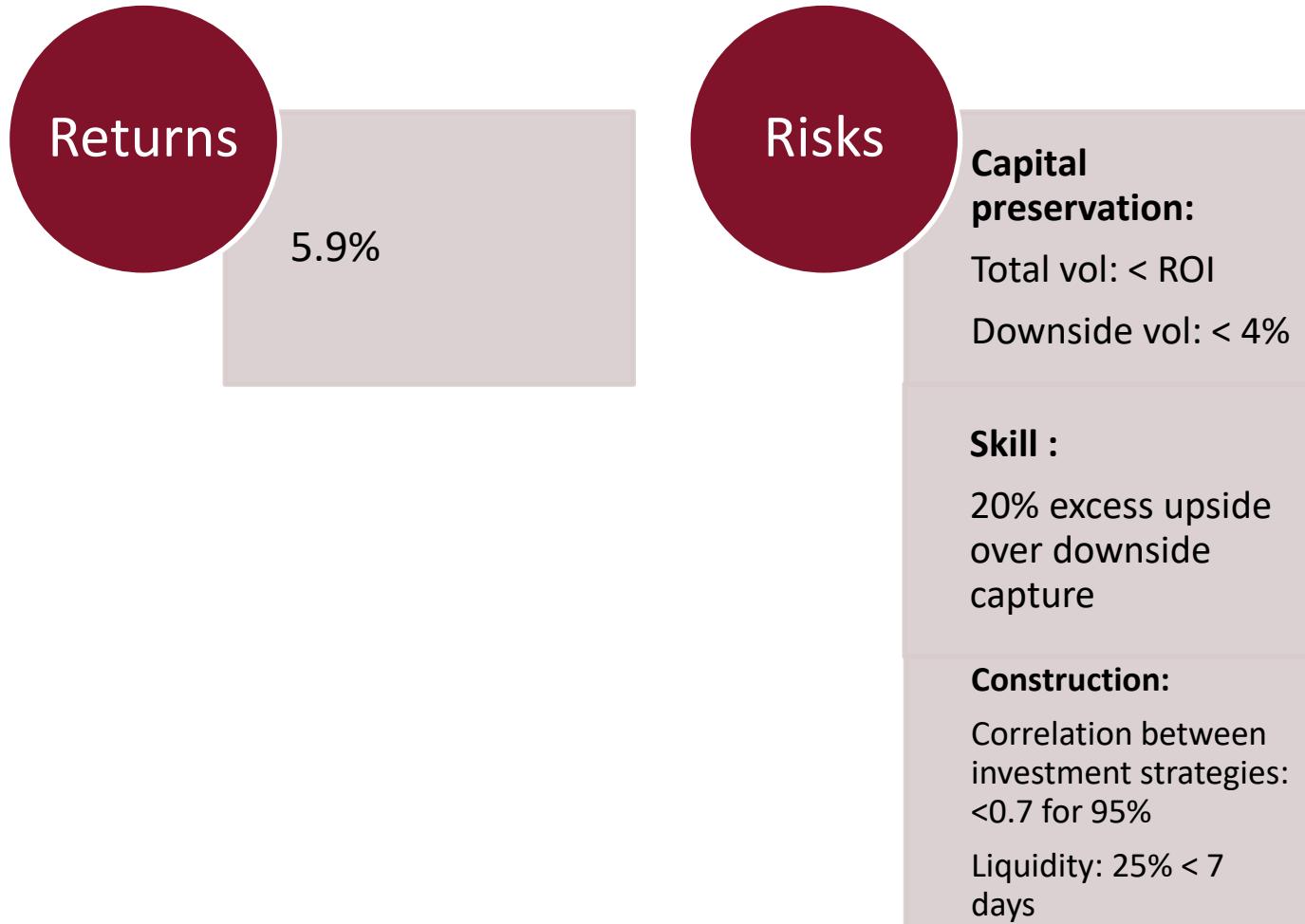
Alignment

- Funding policy
- Stable and sustainable funding cost
- Going concern liability measurement base = absolute driven investments

Goals

- Continuous compounding of returns and, therefore, a focus on capital preservation
- Effectiveness of both left and right tails return distributions
- Limited risk concentrations

Investment Targets – Over Rolling 3 & 5 years + ITD



Design – Long-term Marriage of Behaviors

Allocation by Funding Goals/Classes

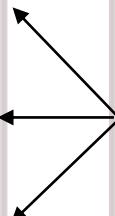
- Capital Preservation (30% - 70%)
- Growth (10% - 30%)
- Diversification (25% - 50%)

Investment Programs

- **Equities** (private (GP, LP, VC, financing), public (long only, multi-strat, I/s, tactical))
- **Fixed income** (private (lending, financing & preferred notes), public (multi-strat, I/s, tactical))
- **Real estate** (private (FoF, cash yield focus), public (I/s, tactical))
- **Infrastructure** (private (development, operational), public (ETF, tactical))
- **Agriculture/Timber** (private (development, operational, leasing), public (tactical))
- **Currency and opportunistic** (tactical)
- **Others** (commodities and options part of multi-strats as well as ILS)

Funding Policy (2011, 2018)

Investment Policy (2013, 2016)



Integrated skilled oriented approach through a modular model that is dynamic, agile and flexible



How well were we prepared for the market shocks and volatility since March 2020?

Return Performance

Strategic:

Compounding of returns (net) over major tails movement periods

	ROI	Funding ratio
• 2018:	2.6%	95.3%
• 2019:	11.4%	98.7%
• 2020:	11.4%	104.9%
• 2021:	15.6%	115.3%
• May 2022:	0.87%	113.7%
• ITD (May 2013)	8.57%	90%

Relative:

CIBC comparison against Plans of similar size (68 Plans with average AUM of \$3.6b) up to May 31, 2022

Ranking	1yr	2yr	3yr	5yr
• Returns – gross	5	1	3	5
• Risk adjusted ROI	2	2	2	2

Very little exposure to the FANG and energy

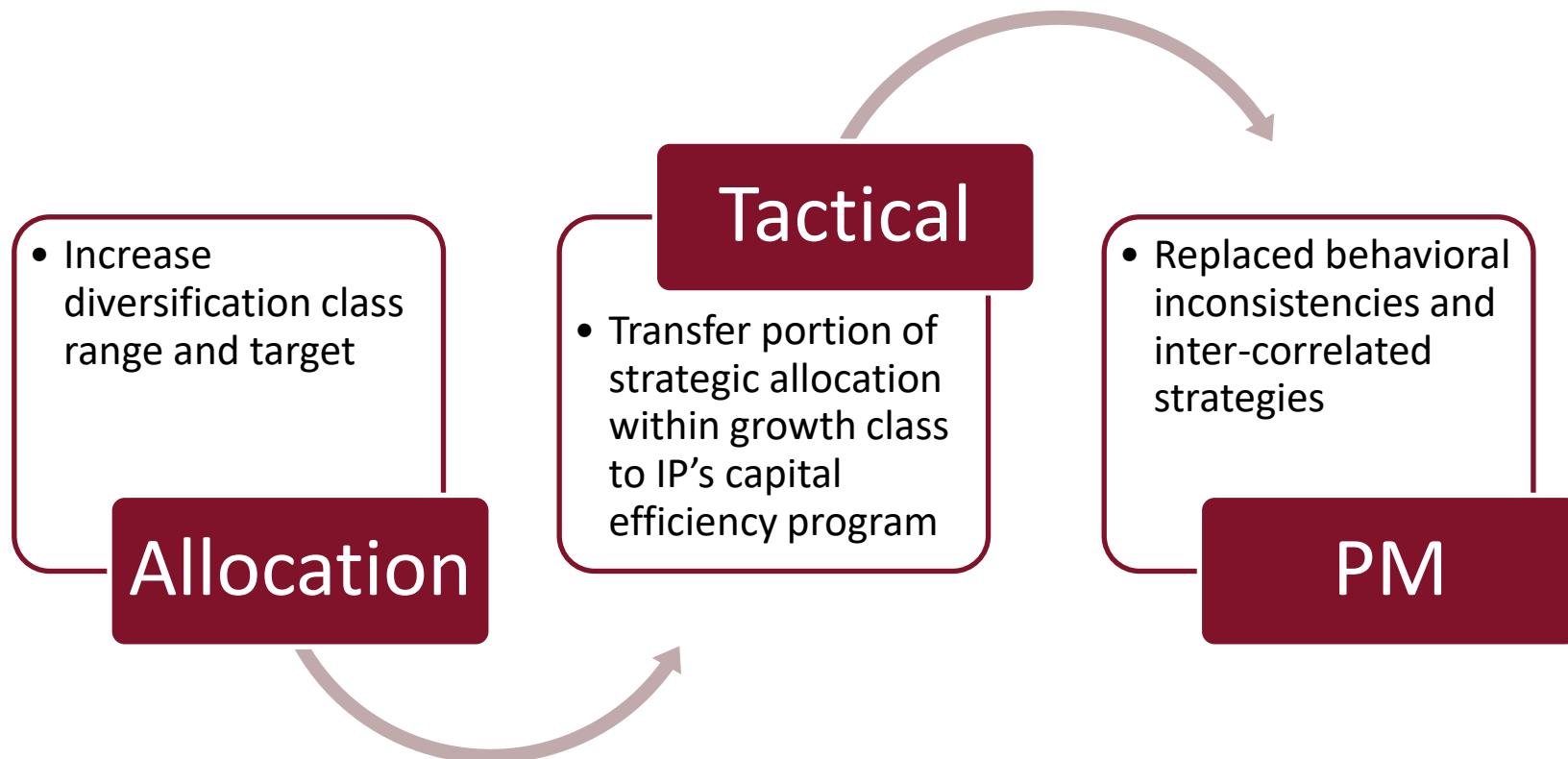
Targets: Up to May 2022

Objectives	Targets	3 years	5 years	ITD (9 years)
Return	5.9%	✓	✓	✓
Total vol	< ROI	✓	✓	✓
Downside vol	< 4%	✓	✓	✓
Up/down capture	> 20%	✓	✓	✓
Inter-strategy correlation	< 0.7 for 95% of relationships (484)	✗ 94.2%	✓	✓



Did we make any changes? – Post Pandemic

Strategic Investment Policy Review – Summer of 2020





What did worked well? – Post Pandemic?

Credibility of Principles

Portfolio Construction

- Inter-investment strategy correlations within each allocation classes
- Capital preservation class and its composition

Investment Programs

- Private equity program including alternative PE
- Real estate program

Portfolio Design

- Skewness and the effectiveness of tails capture ratio

Observations – Post Pandemic

Nothing is Static!

Currencies:
dynamics have
changed

Investment strategies:
Timely monitoring of
underlying positioning

Inflation:
importance of an
integrated liability
management structure
and its compounding
exposures

**Responsible
Investment:**
1.0 to 2.0 and the inter-
correlations of E, S & G

Portfolio Design:
The marriage of a
strategic and tactical
design