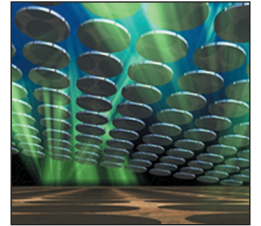


# PIAC – The First 30 Years



**IN THE NEWS**

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Canadian pension funds have not always had a national voice. Prior to 1977, there was no organization which brought them together to share views, ideas, and information.

That all changed October 19, 1977, when the first meeting of the Pension Investment Association of Canada (PIAC) took place. The fledgling association numbered 33 members for the first session. The membership criteria of the day required that member funds manage a minimum of \$50 million in assets. Only the senior investment officer could represent the fund on the association.

Fast forward to 2007. The organization celebrates its 30<sup>th</sup> anniversary with a membership of more than 135 funds represented by more than 200 senior investment people and holding assets in excess of \$890 billion.

The national voice has broadened its mission and now promotes sound investment practices and good governance for the benefit of pension plan sponsors and their beneficiaries.



moved forward from that point confirming the beliefs of its founders and clearly focusing on its mandate.

The strategic plan altered PIAC's governance with the establishment of annual tactical planning sessions to review and renew the plan and provide specific objectives for the forthcoming year.

PIAC's work is now in the hands of more than 50 volunteers active in committees and the board. That

## Pension Investment Association of Canada

## Association canadienne des gestionnaires de caisses de retraite

represents more than 30 per cent of its membership.

PIAC conferences are another important element to achieve its mission. Since the very beginning, they have been the embodiment of the self-help philosophy within PIAC. Members share experiences through networking, candid discussion, and mutual support.

# PIAC – The First 30 Years

### The Early Years: 1977 — 1991

The essence of PIAC was first expressed in a spring 1977 meeting which led to the founding of the association. The vision of PIAC's founders – the late Dennis McGee; Terry Staples, PIAC's first president; the late Jim Marshall; David MacMahon; the late Dennis Beggs; and the late Chuck Harvie – was to create an association which would be "productive only due to the commitment of its membership." Today, that commitment to volunteerism, coupled with the mutual help commitment of its members, is PIAC's strength and makes it the successful organization it has become.

From 1977 through 1991, the business of PIAC was conducted entirely by its board of directors. The board met monthly and directors contributed an extraordinary amount of time to the association's affairs. In this period, the structure provided for as many as eight officers. In 1982, this was changed to the present structure of four.

In 1991, under then-Chairman Peter Hellyer, its current committee structure was established. Committees were formed to address investment practices, corporate governance, government relations, and member services. That same year, PIAC's newsletter, *Communiqué*, was launched.

### The Momentum Gathers: 1991 — 2000

During the last decade of the 21<sup>st</sup> Century, the organization gathered steam. Under Chairman David French, PIAC's first strategic plan was adopted in 1993. With the mission, "promoting the financial security of pension fund beneficiaries through sound investment policy and practices," the association

That same philosophy is also evident in the annual asset survey, in other informational and opinion surveys, or through the use of PIAC's office as a focal point for contact. Members share information freely for their mutual benefit. Committee activities also exemplify this philosophy where volunteers devote time and interest to projects for the benefit of all members.

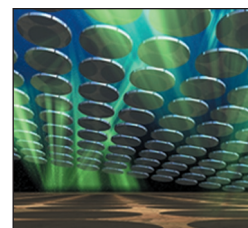
### The Modern PIAC: 2000 To Present

PIAC continues to fulfill its mission "to promote sound investment practices and good governance for the benefit of pension plan sponsors and beneficiaries."

To accomplish its mission, PIAC continues to pursue several goals, including:

- ◆ **Communications** – To ensure that all members are aware of all PIAC activities and that PIAC positions are effectively communicated to external audiences
- ◆ **Investment Practices** – To evaluate and promote sound standards and practices pertaining to investment of pension assets
- ◆ **Government Relations** – To monitor and evaluate federal and provincial activities, laws, and regulations pertaining to the investment of pension assets and to advocate appropriate changes proactively wherever possible
- ◆ **Corporate Governance** – To develop, monitor, and promote sound standards of corporate governance in Canada
- ◆ **Member Services** – To promote a high level of member professional awareness and competence through appropriate programs and services

As well, the modern PIAC has undertaken a number of initiatives to meet the needs of its members.



## IN THE NEWS

### Benefits and Pensions Monitor Staff

# Views From The Chair

**T**erri Troy has the distinction of being the chair of Pension Investment Association of Canada (PIAC) during its 30<sup>th</sup> anniversary year.

As the chief executive officer of the Halifax Regional Municipality Pension Plan, she is responsible for all aspects of the pension plan including governance, risk management, asset/liability management, pension administration, and member service.

She shares some of her thoughts on PIAC.

## **Q: What is the benefit to you of being in PIAC?**

**TT:** I have benefited enormously from PIAC. PIAC helps me do my job better.

When I started in the pension industry in May 2000, my boss encouraged me to speak to other PIAC members in order to quickly learn about key issues facing the pension industry. I was immediately impressed by PIAC members' pension knowledge and, more importantly, their willingness to help other members. In my 20-year career in the financial services industry, I have never been exposed to an organization as unique as PIAC. Year in and year out, I continue to get significant value for the membership fees paid. I haven't stopped learning.

PIAC members learn how to improve returns, reduce risk, and reduce costs. Information is exchanged via conferences, seminars, presentations, and ongoing networking either in person or via PIAC's on-line information exchange.

## **Q: What are the big challenges PIAC is facing?**

**TT:** Many pension funds face funding challenges. This is due to a number of factors including the uncertainty of surplus ownership, Income Tax Act limits that restrict the amount of tax deductible contributions that can be put in a pension plan, and restrictive funding rules that require plan sponsors to manage long-term pension plans in a short-term environment. PIAC encourages CAPSA to adopt recommendations made by PIAC in its submissions to regulatory bodies. These recommendations will help maintain and encourage the growth of Canadian pension plans. ■

It now holds two conferences each year and can depend on 50 per cent to 60 per cent of its membership to participate at one or both conferences.

It now offers seminars on key investment issues.

As a national voice, it has been involved in many advocacy issues with regulators and legislators over the past 30 years. It was a leading proponent for the elimination of the 30 per cent foreign property rule and has written a submission to the Canadian Securities Administrators (CSA) on executive compensation proposals. This year, it plans to meet with the Ontario Expert Pension Commission in October to present its views on changing Ontario pension legislation for Defined Benefit pension plans and is developing a submission to the government of Canada to help minimize negative tax impacts related to non-resident trusts.

In 2007, it re-released its own corporate governance standards which were first developed in 1993. These are regularly updated to reflect current standards. In 1997, it issued its model for effective pension plan governance, a tool which sponsors still use to make sure their governance practices are working.

For more information on PIAC, visit [www.piacweb.org](http://www.piacweb.org). ■

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