

THE 2020

INNOVATION AWARDS

Pensions & Investments
WorldPensionSummit presents



Pensions&Investments
WorldPensionSummit



21 October 2020

Dear Reader,

Thank you for joining us today to honor the 2020 P&I WorldPensionSummit Innovation Award winners. The awards are an important recognition of innovative initiatives and proven solutions in the global pensions and retirement community. This booklet includes brief descriptions of the finalists and winning programs. You will find the nominees listed per category. We hope these initiatives will inspire you to submit a nomination in the future and to encourage your colleagues and peers to do so as well.

The Innovation Award judges, along with the P&I and WorldPensionSummit teams, committed their time, effort and enthusiasm to examining all the nominations. Their hard work makes the Innovation Awards possible and we are extremely grateful for their expert vision and review.

We hope you enjoy reading the profiles as much as we enjoyed reviewing the submissions - and feel inspired by the innovation!

All the best,

Christopher J. Battaglia

CEO, WorldPensionSummit
Vice President & Group Publisher, Pensions & Investments



WINNER

PLAN DESIGN INNOVATION:

Advantages Retirement Plan™

Preya Singh-Cushnie, Director, Insurance Advisory & Education Services,
Ontario Medical Association / OMA Insurance | Canada

The Ontario Medical Association (OMA) wanted to tackle the retirement challenge facing many of its 42,000 physician members who have to contend with issues such as ineligibility for workplace retirement plans, significant student debt, etc. Therefore, OMA directed its not-for-profit insurance partner OMA Insurance to connect with retirement plan provider Common Wealth to design and deliver the Advantages Retirement Plan, a group retirement plan established exclusively for OMA members and their spouses or partners. The first plan of its kind for physicians, the Advantages Retirement Plan allows members to select various investment and annuity options (supplied by Vanguard and Brookfield Annuity Co.) and determine how much they want to contribute. Overseen by an expert-led investment committee, the scheme was specifically designed to be accessed by self-employed physicians unable to join employee pension plans. The plan opened a few weeks before the coronavirus pandemic hit but membership continues to grow, with more than C\$4 million (£2.3 million) in AUM and over 80% of plan members contributing monthly. Members also benefit from fees that are two to three times lower than what many Canadians pay for in the private market (with potential savings of up to C\$1.5 million over a lifetime).

Internal Champions:

TERRY CAPUTO CFO, OMA

DR JAMES KOVACS Chairman of Finance and Audit Committee, OMA

BERNARD MORENCY Chair of Investment Committee, Advantages Retirement Plan

DR PAUL HEALEY Member of Investment Committee, Advantages Retirement Plan

External Champions:

ALEX MAZER Founding Partner, Common Wealth

JONATHAN WEISSTUB Founding Partner, Common Wealth

PAUL FORESTELL President and CEO, Brookfield Annuity Company



RUNNER UP

PLAN DESIGN INNOVATION:

Collective Variable Pension (CVP)

A collaboration by Shell Pension Fund (SNPS, Shell NL Pensioen Stichting), SBZ Pensioen, Achmea Pension Services (APS) | Netherlands

Widely considered the blueprint of future Dutch pension schemes, the collective variable pension (CVP) is a collaboration between oil giant Shell, SBZ Pensioen and Achmea Pension Services. Unlike other pensions, the CVP continues to be invested after a participant's retirement, which means members can still benefit from returns. At the same time, actuarial risks are shared among other members, with the intention of subduing investment risks. Shell chose to enter the venture with SBZ Pensioen (a pension fund for financial institutions in the Netherlands) because, unlike almost all other Dutch pension funds, it does not have compulsory participation which has created a culture wherein the trustees have to constantly keep improving and developing the fund to ensure it stays attractive to prospective members. This has allowed managers the freedom to constantly improve and develop the pension scheme to keep it attractive for both existing and potential clients. On a national level, the recent Dutch pension agreement is still in the first stage of exploring schemes such as the Shell, SBZ, Achmea one, which means no additional CVPs will be available before 2026.

Internal Champions:

EVELINE SMEETS Lead Actuary, Shell Pension Office (Netherlands)

JOBERT KOOMANS Executive Board Member, SBZ Pensioen

REINIERA VAN DER FELTZ Executive Board Member, SBZ Pensioen

ARJAN VAN DE GRIEND Managing Director of Pension Funds, APS

ADRI VAN DER WURFF former Chairman, SBZ Pensioen



NOMINATED FINALIST



PLAN DESIGN INNOVATION:

HESTA Impact

Debby Blakey, Chief Executive Officer HESTA | Australia

In 2018, Australian industry superannuation fund HESTA established HESTA Impact, an initiative to champion members' long-term interests through responsible investing. "Our members are at the heart of everything we do," said James Bennett, social impact specialist at HESTA. "And we are dedicated to creating a healthier, equal and more sustainable world for them to retire into." This has involved HESTA Impact taking a more proactive stance on behalf of its members to meet newly-set ESG criteria that has resulted in several achievements being reached. In addition to implementing a portfolio-wide tobacco exclusion in 2018, the following year HESTA became the first major Australian superannuation fund to reduce absolute carbon emissions across its entire investment portfolio. As part of its carbon emission reduction plan, HESTA is aiming to reduce this by 33% in 2030 to become a net zero emitter by 2050. HESTA has also invested in affordable housing initiatives, committed to reconciliation with Aboriginal and Torres Strait Islander peoples and launched a financial inclusion action plan that sets out the actions and initiatives being taken to improve the financial resilience of every member. HESTA, with over 870,000 members and A\$52 billion (£29 billion) in assets, has achieved an annualised return of 8.78% since inception in 1987.

Internal Champions:

MARY DELAHUNTY Head of Impact

EXTERNAL CHAMPIONS

ANGELA EMSLIE Non-Executive Director various boards and currently Expert Adviser to HESTA Impact Committee



NOMINATED FINALIST



PLAN DESIGN INNOVATION:

Growth through Governance and Sustainability

Ignacio Hernandez Valiñani, Chairman, Pensions Caixa 30, F.P. | Spain

Established in 2000, Pensions Caixa 30 is the employees' pension fund of CaixaBank and, at €4.5 billion (£4.1 billion), is Spain's largest corporate pension fund. It is a defined contribution/hybrid scheme and its board of trustees is advised on investment, governance and ESG matters by global consultancy Willis Towers Watson. Pensions Caixa 30 was the first pension fund in Spain to design a strategic plan and governance manual committed to sustainability, and over the past three years, this exercise has become a core part of its investment process. This also involved the creation of a socially responsible investment strategy, which led to Pensions Caixa 30 becoming the first Spanish pension fund to define sustainable development goals as objectives and explicit targets relating to ESG investing (and includes achieving a 5% lower carbon footprint than that of its benchmark). According to CaixaBank, this approach has benefited performance; it is among the best performing funds in Spain over one, three and 10-year periods. The board is currently working on its sustainability strategy for 2021-23.

Internal Champions:

JORDI JOFRA Former Pensions 30 F.P. Chairman, CaixaBank

MARCOS DEL REAL Pensions Caixa 30 F.P. Portfolio Manager, CaixaBank

JORDI BALCELLS CaixaBank

EXTERNAL CHAMPIONS

ALASDAIR MACDONALD Head of Advisory, Investments, UK Willis Towers Watson

DAVID CIENFUEGOS Head of Investments Spain, Willis Towers Watson

RAUL MATEOS Head of Advisory, Investments Spain, Willis Towers Watson



NOMINATED FINALIST



PLAN DESIGN INNOVATION:

Dynamic Life-Cycle Funds' Strategy

Tadas Gudaitis, CEO Swedbank Asset Management Lithuania | Lithuania

Swedbank Asset Management Lithuania is one of the largest pension fund managers in Lithuania, with €1.4 billion (£1.2 billion) in assets under management and more than 550,000 members. Lithuania's new pillar pension system brings different phases of contribution for pension savers and in 2018 introduced lifecycle funds. Swedbank became the first pension fund manager to fully transform to using lifecycle funds, which are designed to combat potential mismatches between investors and ill-suited allocations, making them more dynamic than other pension fund investments. In the first quarter of 2018, Swedbank began to offer seven lifecycle funds for active clients and one payout fund for retirees in the deaccumulation phase. With a more active approach, the lifecycle investment strategy was designed to maximise members' savings by taking into consideration factors such as long-term saving interest, level of contribution, longevity, etc. Swedbank is innovating at the heart of a market, and that is creating waves: According to the OECD, pension funds in Lithuania achieved the highest real investment rates of return in 2019 (an industry average of 16.6%) out of 46 jurisdictions.

Internal Champions:

VAIDAS PAUKŠTYS Portfolio Manager

ADAM WASTĀ Chairman of Supervisory Council, Swedbank Robur



WINNER

COMMUNICATION & ENGAGEMENT INNOVATION:

“GanAhorro de AforeMóvil” ¡Shop like always and earn free savings!

Víctor Rafael Baeza Bravo, Vice-President of Operations, Comisión Nacional del Sistema de Ahorro para el Retiro (CONSAR) | Mexico

Recognising that in Mexico, retirement saving is a distant concept with many people in the present failing to recognise the long-term benefits of pension contributions, CONSAR — the regulatory and supervisory body of Mexico’s pension system — recently launched the GanAharro de AforeMóvil initiative (“Shop like always and earn free savings!”), which is a first-of-its-kind rewards program for pension savers. The strategy includes a cash-back program that automatically benefits a user’s pension account, ranging from 1% to 30% in rewards. Currently more than 20 brands including Amazon, Starbucks and Spotify are signed up to the initiative. GanAharro de AforeMóvil leverages the popular AforeMovil app, which CONSAR created in 2017 to allow people to access their retirement accounts remotely whenever they wanted. Today the app has been downloaded 3.5 million times, has over 800 daily users and has made contributing to a pension much simpler by linking savings to tangible and immediate benefits. Nine months after its launch, 8,000 AforeMóvil users had already bought more than 58,000 products eligible for GanAharro rewards.

Internal Champions:

ABRAHAM EVERARDO VELA DIB President

VICTOR RAFAEL Baeza Bravo, Vice-President of Operations

MARLENE OLVERA SUÁREZ Deputy Director of Financial Inclusion

External Champions:

ARTURO HALGRAVES PÉREZ CEO, Gesto Pago de Servicios, S.A.P.I. de C.V.

ALBERTO JORGE GARCÍA SERVIN CTO, Gesto Pago de Servicios, S.A.P.I. de C.V.

JORGE HÉCTOR IGNACIO COSIO Y CUELLAR Comercial Director, Gesto Pago de Servicios, S.A.P.I. de C.V.



RUNNER UP



COMMUNICATION & ENGAGEMENT INNOVATION:

Staying Connected to Our Members

Bongi Mkhize, Chief Operations Officer/ Principal Officer, KwaZulu-Natal Joint Municipal Pension/
Provident Funds | South Africa

Established in 1996, the Natal Joint Municipal Pension Fund oversees three pension funds with over R21 billion (£980 million) of assets under management and 31,000 members, who include pensioners and beneficiaries spread through the province of KwaZulu-Natal and the whole of South Africa. To maintain communications, the NJMPF transformed its communications and now uses several digital channels to stay close to its members. The strategy is to distribute information to all stakeholders about the fund and its benefits in an efficient and timely manner in a language they understand. This communication campaign includes the use of audio newsletters, animated videos and addresses from the CEO. Recognising the diversity of its members, the NJMPF is the only fund in South Africa that provides this range of communication methods in a variety of languages (including English, sign language and isiZulu). Today, the NJMPF has begun to explore the use of voice recognition software, voice recording of all incoming and outgoing calls, online surveys, barcoded forms and web chat.

Internal Champions:

MBALENHLE NTULI Communication Officer

SIZWE TSHABALALA Communication Manager



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NOMINATED FINALIST



COMMUNICATION & ENGAGEMENT INNOVATION:

MOBIKEZA

Godwin Simba, Managing Director, Octagon Pension Services Limited | Kenya

With over 120,000 members in Kenya, Uganda and Zambia, Octagon Pension Services administers more than \$1.2 billion (£929 million) in retirement savings. To provide pension solutions for people with irregular income streams working in the informal economy, Octagon Pension Services has developed "Mobizeka," a robust micro-pension platform designed to help people save for retirement in a flexible, convenient and affordable way. For example, in Kenya, pension coverage is extremely low at only around 20%, with informal sectors constituting up to 50% of the economy. Mobizeka (a combination of the word 'mobile' and 'wekeza,' Swahili for savings) provides members with flexible investment choices based on their individual risk profile. A member can make a deposit anytime with no minimum contribution required. In addition, members can access benefits once per quarter and choose when to retire. The solution, which is an in-house development, is a result of several months of research, prototyping and testing.

Internal Champions:

HUMPHREY OKENO Business Development Executive

EVE WANGARI Communication and PR

FAITH NJERI Client Relationship Manager

External Champions:

JAVAN OWINO IT Manager, Blue ICT Solutions





NOMINATED FINALIST

COMMUNICATION & ENGAGEMENT INNOVATION:

Voluntary contribution starter gift voucher

Marius Esparon, Assistant Risk Manager, Seychelles Pension Fund | Seychelles

The Seychelles Pension Fund, with 43,860 active members, has total assets of SCR3.3 billion (£1.4 billion) yet was struggling to engage with younger savers despite heavy marketing. Therefore, fund officials decided to repackage voluntary contributions as a gift. Members were given the option to make a one-off payment on behalf of any person they chose through a voucher, which would include a standing order form. This initiative was introduced to inspire a snowball effect, and at the start of 2019, the fund set an ambitious target of SCR20 million for employee and employer contributions. To instill a savings culture in the Seychelles, this voucher initiative was supported through marketing campaigns throughout the year (geared around dates such as Christmas, Valentine's Day and Mother's Day). Despite a slow start, the effort resulted in SCR28 million in voluntary contributions (40% above the target), which was the most the fund had collected in any year since its launch in 2006.

Internal Champions:

DAREL BRISTOL Head of Corporate Communication



WINNER

 **NATIONWIDE**
SUPER

TECHNOLOGY INNOVATION:

GoalTracker

Ian Morante, CEO, Nationwide Super | Australia

GoalTracker, is designed by Russell Investments Master Trust for Nationwide Super and all other members, which oversees around A\$15 billion (£8.5 billion) in superannuation assets, is the first personalised superannuation offering. It approached retirement saving in the same way the fitness industry uses devices to set and track individuals' goals, and the firm hopes this approach will help combat Australia's retirement savings gap (estimated to reach A\$14 trillion by 2050). For members who use GoalTracker's online portal or mobile app, the service uses proprietary modelling to produce an annual retirement income projection before ascertaining if there will be a shortfall for the lifestyle an individual has in mind for their retirement. GoalTracker then selects an optimal mix of assets to achieve their goal, which is reviewed quarterly and adjusted automatically as necessary. So far, the analysis of those using GoalTracker shows the proportion of members on track to reach their retirement goal has improved by approximately 40%, thanks to increased engagement.

Internal Champions:

JEFF FRANKS Marketing Manager

External Champions:

JODIE HAMPSHIRE Managing Director Australia, Russell Investments

TIM FURLAN Director, Superannuation, Russell Investments



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RUNNER UP



TECHNOLOGY INNOVATION:

Mijnwaardeoverdracht.nl

A collaboration by APG, Blue Sky Group, Hyfen, Nationale Nederlanden, PGGM | The Netherlands

In the Netherlands, manual value transfers between pensions can take up to nine months and often are prone to mistakes. To combat these issues, Hyfen developed Mijnwaardeoverdracht.nl, a platform designed to create a common infrastructure between different providers' front and back offices so they could "speak" to each another and create a much more efficient process. Reflecting a shared initiative among Dutch pension funds to put the customer first, this new platform allows the timeframe for a value transfer to be reduced to the legally determined 10 working days. Development began in 2018 and Mijnwaardeoverdracht.nl went live in September 2020 with four pension service providers and insurers signed up (accounting for a combined market share of 50%). Over time, more firms are expected to join, and the developers at Hyfen are aiming for over 90% coverage of the Dutch pension market. This fall, the platform will be publicly announced in the pension sector and supported by trade bodies, with a public roll-out expected in November.

Internal Champions:

HIDDE TERPOORTEN CEO, Hyfen

JAN VAN DER LAAN Manager Pensioenuitvoering, APG

PATRICK LAMERIS Klantmanager, PGGM

LAURE VAN WAARDENBURG Manager New Technologies, Nationale Nederlanden

LUUK VAN TOL Manager Pensioenservice, Blue Sky Group



NOMINATED FINALIST

grandhood

TECHNOLOGY INNOVATION:

Grandhood

Jon Lieberkind, Founder & Co-CEO, Grandhood | Denmark

Targeting the self-employed and small to medium enterprises, Grandhood's mission is to help savers who are underserved in the pension market. For example, in Denmark, around 300,000 employees, most of whom work in SMEs, save very little for retirement. Grandhood, a Danish fintech, was founded in 2017 to provide company pension products to small businesses, and since its 2019 launch, more than 100 small businesses have signed up. Earlier this year, the company signed a partnership agreement with Velliv, one of Denmark's largest pension and insurance companies, which will help it provide better administration services and more products to its members. As a 100% digital operation, Grandhood was designed to be an engaging update to Denmark's dated pension industry, eliminating physical paperwork with an entirely digital onboarding process. As a much cleaner and simpler solution, Grandhood is making pension provision more affordable and accessible for SMEs, while also encouraging younger people to engage with retirement planning.

Internal Champions:

MATHIAS BREDKJÆR Founder & Co-CEO

External Champions:

JOHAN LORENZEN Entrepreneur and board member, Grandhood

MARIA HJORTH Deputy CEO at VP Securities A/S

JIMMY FUSSING NIELSEN Partner, Heartcore Capital



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NOMINATED FINALIST

PensionDanmark

TECHNOLOGY INNOVATION:

Unique booking-app

Torben Møger Pedersen, CEO, PensionDanmark | Denmark

Among the 50 largest pension funds in Europe, PensionDanmark manages €36 billion (£33 billion) in pensions and insurance assets on behalf of 753,000 members. In 2018, the firm faced a problem: Many of its members using their pension and insurance schemes to pay for physiotherapist and chiropractor treatments faced significant administrative burdens. The system was complicated by healthcare intermediaries, and if a member paid for a treatment themselves, seeking a reimbursement could be difficult. Therefore, PensionDanmark created a fully integrated booking system that connected customers of Danish insurance and pension providers with clinics, allowing for treatments to be easily booked and invoices to be automatically created and sent to the right departments. With no transaction fees for members, the system was designed to give them more choice and flexibility in booking appointments. It also improved the efficiency of insurance and pension plan providers. In addition to driving greater customer satisfaction, the new system has achieved a 98% coverage of all clinics in the Danish psychologist, physiotherapist and chiropractor space with an estimated 400,000 treatments being booked each year via the system (achieving savings of £4 million).

Internal Champions:

FLEMMING TOVDAL SCHMIDT COO

External Champions:

HENRIK WULFF CHRISTENSEN CEO, KirCACs



WINNER



INVESTMENT INNOVATION:

Fondo Pensione Nazionale BCC/CRA Sustainable Report

Sergio Carfizzi, General Manager, Fondo Pensione Nazionale BCC/CRA | Italy

Fondo Pensione Nazionale (FPN) is the complementary pension fund for Italian banks, and in 2019 became the first Italian pension fund to publish a sustainability report. Over the past two years, FPN had been gradually integrating ESG factors into its investment process, but in 2019, the fund started engaging with metrics set by the Sustainability Accounting Standards Board (SASB). Using the SASB's ESG scores in its investment selection, more than €300 million of FPN's illiquid assets were invested into securities with high ESG scores. FPN did this to maximise investors' returns over the long term, acknowledging that many companies with high ESG ratings are likely to experience greater profitability and dividend payouts. The organisation acknowledged that trying to find harmonisation on this issue among asset managers has been a challenge but nonetheless hopes its entire illiquid portfolio will soon be invested along these lines. Feedback from members has been positive, and returns have benefitted from this greater diversification, with yields of 10% being obtained at times.



RUNNER UP

INVESTMENT INNOVATION:

Investment approach to contribute positively to economic, societal and environmental outcomes

Kristian Fok, Chief Investment Officer, Cbus (United Super) | Australia

Australian superannuation fund Cbus manages over A\$54 billion (£34 billion) on behalf of 774,000 members and has delivered average annual returns of 8.98% for the past 36 years. In 2016, the fund established a new long-term investment strategy to align returns with broader ESG concerns, through an initiative called the Climate Transition Risk Management Strategy. Consulting with academics and experts in the field, Cbus started working with MSCI's low-carbon transition scoring system and incorporated it into its A\$1.6 billion Global Value Strategy with a view to extending it across other strategies. This effort has led to more activity on both the environmental and social side of ESG investing, with Cbus establishing a 1% allocation of its default option (equating to A\$500 million) to climate-related opportunities. It has also designed a new investment sleeve to invest up to 10% of the Cbus portfolio in affordable housing projects. After three bond issuances, this sleeve now holds A\$88 million in bonds from the National Housing Finance and Investment Corp.

Internal Champions:

ALEXANDRA WEST Portfolio Head, Strategy, Innovation & Strategic Investments

NICOLE BRADFORD Portfolio Head, Responsible Investment

LINDA CUNNINGHAM Head of Debt & Alternatives

External Champions:

NATHAN DALBON Chief Executive, National Housing Finance and Investment Corporation (NHFIC)

EMMA HERD Chief Executive Officer, Investor Group on Climate Change (IGCC)



NOMINATED FINALIST

INVESTMENT INNOVATION:

Climate leadership: AP1 divests from fossil fuels

Urban Hansson Brusewitz, Chairman, AP1 (Första AP-fonden) | Sweden

Earlier this year, one of the five pension funds in the Swedish national income pension system — Första AP-fonden, or AP1 — announced that it would halt its investment in fossil fuels. AP1, which has SEK366 billion (£324 billion) in assets under management, made the decision after determining that companies in the coal, oil and natural gas sectors faced greater uncertainty as society increasingly transitions to a low-carbon economy. In addition to this divestment decision, AP1 plans to develop measurable targets and a roadmap for its portfolio to become carbon neutral by 2050. “Our assignment is to manage the fund’s assets in an exemplary way through responsible investments and achieve high returns for the long term” while “supporting sustainable developments without compromising the fund’s targeted investment returns,” said AP1 chairman, Urban Hansson Brusewitz. “Divesting from fossil fuels is an efficient way for the fund to manage the financial risk associated with a transition in line with the Paris agreement,” he added. The fund will also promote investments in companies that will be part of a profitable and sustainable economy over the long term.

Nominated by:

CINDY COLTMAN Senior Policy Officer, Both ENDS



NOMINATED FINALIST



INVESTMENT INNOVATION:

Nest goes tobacco free across all its portfolios

Helen Dean, CEO, Nest | United Kingdom

Earlier this year, Nest, the UK's largest defined contribution multi-employer pension scheme, which oversees over £11.6 billion for its 9.2 million members, decided to eliminate tobacco investments from all of its portfolios. While tobacco divestment is not a new theme, Nest has become the first UK DC pension scheme to do so across both its entire active and passive portfolios. This means that all of Nest's nine million members will not be invested in tobacco stocks regardless of whether they are invested in Nest's default fund, its ethical strategy or any of its other funds. The decision was based on an in-depth analysis of increased anti-tobacco government regulation, share price performance and lack of product diversification. The decision process took two years because not only were copious amounts of research involved, the transition had to be explained individually to each of Nest's fund managers. As of the end of December 2019, the 12-month performance of Nest's flagship fund was up 16.9% and up 8.9% over five years (net of charges).

Nominated by:

DIANDRA SOOBIAH Head of Responsible Investment


MAJA KRASNICKA Investment Proposition Executive



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**The awards were presented
on behalf of all judges by:**

Chris Battaglia
CEO, WorldPensionSummit
Vice President and Group Publisher
Pensions & Investments

Don Ezra
P&I Advisory Board Member & Happily Retired
Former Co-chair, Global Consulting,
Russell Investments Worldwide

Nikki Pirrello
Associate Group Publisher
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