



44th ANNUAL MEETING – SEPTEMBER 2022

Annual Meeting of the International Fisheries Commissions Pension Society Information Paper and Highlights (Prepared by the NAFO Secretariat)

The annual meeting of the International Fisheries Commissions Pension Society (IFCPS) was hosted by the North Pacific Marine Science Organization (PICES) 5-7 April 2022 in Victoria, British Columbia, Canada, with an option to join by video-conference. The meeting was attended by the Executive Directors and Finance Officers of the seven International Fisheries Commissions with headquarters located in Canada and the United States of America. NAFO was represented by Fred Kingston, Executive Secretary, and Stan Goodick, Deputy Executive Secretary/Senior Finance and Staff Administrator. Also attending the meeting were the IFCPS directors appointed by the Governments of Canada and the United States of America.

Below are the highlights of the meeting and a copy of the meeting minutes can be made available upon request:

Investment Returns

The IFCPS Pension Plan achieved a positive return on investments of 10.8%, gross of investment management fees. The Fund outperformed the policy benchmark of 9.8% on a gross basis.

Plan Investment Return (before fees)	2021	2020	2 Year Average
IFCPS Portfolio Plan Investment Performance	10.8%	10.1%	10.5%
Market Benchmark	9.8%	10.4%	10.1%

The Plan's 9.8% net investment return for 2021 outperformed the Plan's actuarial investment return assumption of 5.1%. The 2020-2022 cumulative investment performance will be used in the next triennial actuarial valuation which is scheduled for January 1, 2023.

Plan Investment Return vs. Actuarial Assumptions (net of fees)	2021	2020	2 Year Cumulative
IFCPS Portfolio Plan Investment Performance	9.8%	9.4%	20.1%
Actuarial Objective	5.1%	5.1%	10.5%

Canadian Asset Mix Allocation

The Investment Policy WG reviewed the asset mix for the Canadian plan with Mercer, including alternative investments like commercial mortgages. It was agreed to move forward with the adoption of the alternative mix asset allocation as presented at the meeting to achieve higher investment returns with no increase to investment risk.

Discussion also took place around the pension asset mix and its green rating (internally calculated by Mercer as part of its corporate-social responsibility approach, value to clients), which has been moving in the right direction for the past few years. The Society encouraged Mercer, noting the core, conservation and sustainability of member commissions mandates, to move towards an even better rated portfolio.

Financial Position

The market value of NAFO's pension fund assets as of December 31, 2021, was \$8,436,535 (2020 - \$7,575,485)

The latest draft actuarial valuation as of January 1, 2020, indicated a deficiency in NAFO's pension fund of \$3,102,000 (2017 - \$3,206,000)

While the plan remains under-funded, it is not at risk of being unable to meet its pension obligations over the short term. Annual payments of \$310,200 are required to reduce the plan deficit (Deficit ÷ 10 years)

Employer contributions for the period 2021 – 2023 have been set at 12.8% of pensionable salaries.

The next actuarial valuation is scheduled for January 1, 2023.

2023 Annual Meeting

The next annual meeting of the IFCPS will be hosted by the Inter-American Tropical Tuna Commission (IATTC) during the week of 24 April 2023 in La Jolla, California, USA. It was agreed that the meeting would provide a virtual/hybrid option for those not able to attend in person.

**Quick Facts about NAFO's Pension Plan
As of December 31, 2021**

Plan	The Pension Plan of the International Fisheries Commissions Pension Society for Employees of Participating Commissions with Headquarters in Canada	
Participating Commissions	Northwest Atlantic Fisheries Commission (NAFO) North Pacific Anadromous Fish Commission (NPAFC) North Pacific Marine Science Organization (PICES) Pacific Salmon Commission (PSC)	
Plan Type	Defined Benefit Pension Plan	
Investment Funds	Investment Category	Fund Name
	Canadian Bonds	Mercer Universe Bond Fund
	Growth Fixed Income	Mercer Opportunistic Fixed Income Fund
	Canadian Equity	Mercer Canadian Equity Fund
	Global Equity	Mercer Global Equity Fund
		Mercer Global Low Volatility Equity Fund
		Mercer Global Small Cap Equity Fund
	Emerging Markets Equity	Mercer Emerging Markets Fund
NAFO		
Employees	11	
Pensioners	15	
Deferred Pensioners	2	
Asset Market Value	\$8,436,535 (2020 - \$7,575,485)	
Funding Status	The latest draft actuarial valuation as of January 1, 2020, indicated a deficiency in NAFO's pension fund of \$3,102,000 (2017 - \$3,206,000)	
Plan Solvency Ratio	In accordance with the latest draft actuarial valuation as of January 1, 2020, the solvency ratio of the Plan was approximately 68% (2017 - 62%). This means that if the Plan had been terminated on that date, the Plan assets would not have been sufficient to meet the estimated cost of all the benefits accumulated up to January 1, 2020.	
Deficit Funding	Annual funding required to reduce plan deficit: Deficit ÷ 10 years \$3,102,000 ÷ 10 = \$310,200 per year	
Future Valuation Date	The next actuarial valuation is scheduled for January 1, 2023	