

2021 ANNUAL REPORT

of the Pacific Pension & Investment Institute



March 23, 2022

Dear Friends and Members:

I am pleased to present the 2021 Annual Report of the Pacific Pension & Investment Institute (PPI). This report highlights PPI's dedication, creativity, and perseverance through another challenging year. I am immensely grateful for the steadfast support of PPI's members, who stood by us during a difficult period and embraced our adoption of new technology in service of our mission. Your commitment to our community is deeply appreciated, and we strive daily to earn that support and justify your faith in our efforts.

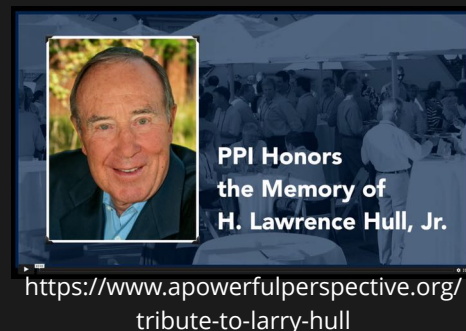
While this Annual Report is a retrospective of a year fraught with challenges, we also made great strides in 2021 to establish a foundation for future growth. The PPI network is a vibrant ecosystem for exchanging ideas, where members continuously learn from one another through open and honest dialogue. Our community grew even stronger over the past year, anchored by a shared commitment to this central purpose.

Our collective influence is derived from a broad range of perspectives. They can result in a powerful impact that extends beyond the investment world and into our society. As we continue to navigate a challenging operating environment, I look forward to working with you to expand our reach and to make positive contributions to the communities in which we operate.

In 2021 we lost our beloved Founder, Larry Hull. I know that he is smiling down upon us, gratified that we carry on in the institutional spirit and culture he created and nurtured. Please join me in thanking PPI's Management Team, which met this moment with courage and a pioneering spirit. They are unique and dedicated professionals, and it is an honor to serve with them to advance the critical work that lies ahead.

Sincerely yours,

Lionel C. Johnson
President



PROGRAMS

PPI introduced a hybrid convening model in 2021, blazing yet another trail as we have throughout the pandemic. While most organizations opted for an either-or experience, the inclusive nature of the virtual option proved invaluable for an organization with many members located in places with varying restrictions on travel.

PPI delivered a range of programs in 2021 that included two virtual roundtables, several salons, and our inaugural hybrid convening in Pasadena, California. As the pandemic progressed into its second year, the PPI Community continued to convene regularly. It addressed several pressing concerns and trends for institutional investors, such as inflation, the commodity supercycle, supply chain bottlenecks, central bank digital currencies, the global energy crunch, the impact of net-zero initiatives in developing economies, diverse and inclusive human capital, opportunities versus risks of doing business in China, and Asia's multipolarity.

Our innovations in 2021 included an expanded suite of programs, the launch of a leadership development series to engage a cohort of future executives within our membership, and the incorporation of next-generation perspectives into our roundtable sessions. Convening virtually allowed us to recruit a broader range of speakers worldwide, and technology remained key to bridging our members remotely. This was particularly evident at our Asia Pacific Roundtable in October. We delivered a first-in-class hybrid program experience with opportunities for physical and virtual attendees to interact meaningfully.

2021 PROGRAMS RETROSPECTIVE



<https://www.ppi.institute/2021-programs-retrospective>

MEMBERSHIP

It is clear how much our members value PPI and all we offer. Members regularly stress the importance of knowledge sharing and the importance of a culture that invites interaction and builds community. The tribulations of the past two years have borne out this value, and our membership is poised to propel us to new heights in 2022.

PPI ended 2021 with 103 member organizations, including 51 asset owner/allocator members and 52 asset manager/advisor members. We will resume a smart-growth approach to membership in 2022, balancing the diversity of voices in the room alongside the number of organizations in the fold. Our members provide the intellectual capital PPI thrives on and the financial resources we depend on. PPI's members are the lifeblood of our mission, our primary source of revenue, and our raison d'être.

Asset Owners and Allocators on December 31, 2021

Alaska Permanent Fund	Florida State Board of Administration	Oregon State Treasury
Alberta Investment Management Corporation	FM Global	PKA
Alberta Teachers' Retirement Fund	Fremont Group	Public Employee Retirement System of Idaho
AustralianSuper	Future Fund	QIC
BCI	GIC Private Limited	San Francisco Employees' Retirement System
British Airways Pension Investment Management Ltd.	Government Pension Investment Fund - GPIF	San Jose Retirement System
British Columbia Pension Corporation	Hassana Investment Company	Seattle City Employees' Retirement System
CAAT Pension Plan	Hong Kong Monetary Authority	South Dakota Investment Council
California Public Employees' Retirement System	Los Angeles County Employees Retirement Association	State of Wisconsin Investment Board
California State Teachers' Retirement System	Margaret A. Cargill Philanthropies	Teacher Retirement System of Texas
Carnegie Corporation of New York	Minnesota State Board of Investment	Teachers' Retirement System of the State of Illinois
Cascade Asset Management Company	Municipal Employees' Retirement System of Michigan	The City of New York Office of the Comptroller
Cbus	National Council for Social Security Fund, People's Republic of China	Third Swedish National Pension Fund – AP3
Citizen Investment Trust, Nepal	National Pension and Provident Fund, Bhutan	Washington State Investment Board
CN Investment Division	National Railroad Retirement Investment Trust	West Virginia Investment Management Board
Columbia Investment Management Company, LLC	New Zealand Super Fund	
Creaegis	NewYork-Presbyterian Hospitals Investment Office	
Development Bank of Japan	NIIF Limited	
Employees Provident Fund, Nepal	Ontario Power Generation	
First Swedish National Pension Fund – AP1		

Asset Manager and Advisors on December 31, 2021

Actis	Equilibrium Capital Group	PGIM
Affinity Equity Partners	Federated Hermes	Power Sustainable
Afina International	FountainVest Partners (Asia)	Quantum Advisors
AllianceBernstein	Franklin Templeton	RockCreek
Angelo, Gordon & Co.	Goldman Sachs Asset Management	Sagard Holdings
Antler	GroveStreet	Siguler Guff & Company
Apollo Global Management	Guggenheim Partners	Silicon Valley Bank Capital
Ascendent Capital Partners	Hamilton Lane Advisors	Sit Investment Associates, Inc.
Asia Alternatives Management	Hayfin Capital Management	Sumitomo Mitsui Trust Asset
B Capital Group	Hillhouse Capital	Management
Barings	IFC Asset Management Company	Sustainalytics
Bridge Investment Group	Institutional Real Estate, Inc.	Synergy Fund Management Group
Bridgewater Associates	Jasper Ridge Partners	Tokio Marine Asset Management
Brookfield Asset Management	Joy Capital	Co.
Campbell Lutyens & Co.	JP Morgan Asset Management	Unison Capital
Capital Group	Meridiam	Wellington Management Company
Cartica Management	Mitsubishi Corporation	William Blair
CDH Investments	Morgan Stanley	
China International Capital Corporation, US	Nikko Asset Management	
	Ortec Finance	

Lifetime Members on December 31, 2021

Ronald E. Bornstein
John Campbell OBE
Margaret Carpenter
Ambassador Chas W. Freeman Jr.
Ta-lin Hsu
Takeshi Kadota
Doug Pearce
Shelley I. Smith
Theresa J. Whitmarsh
Ambassador Linda Tsao Yang

Friends of PPI on December 31, 2021

Oliver Bolitho	Arthur Mitchell
Derek Brodersen	Ambassador Clark T. Randt
Howard Chao	Angela Rodell
Barry Gonder	Catherine Savage
Sandra Haas	Kazuo Seki
Geoffrey A. Hirt	John D. Skjervem
Howard L. Hull III	Ambassador Paul W. Speltz
Takajiro Ishikawa	Peter H. Sullivan
Shigeki Kimura	James Timmins
Joseph Konzelmann	Conrad Yan
Wayne Kozun	Yuelin T. Yang

LEADERSHIP

There has been a noticeable strengthening of PPI over the past two years. As we explored a variety of platforms and virtual venues together, the notion of convening became more intentional, and members seized opportunities to connect in ways previously unimagined. “Community time” became a staple of the PPI experience, and it was tightly integrated into our enhanced and expanded programming. It all required a higher level of commitment, one our members were all too willing to provide. With their support and your guidance, PPI thrived.

The support provided by PPI’s Board is rivaled only by the stability and continuity of our management team. Our governance structure is enviable and speaks to each director and team member’s commitment to PPI. This structure was tested again in 2021 in previously unimaginable ways. The results were impressive, emblematic of a community that draws from the best and brightest and a board reflective of that membership.

PPI leaders on December 31, 2021

Board of Directors

Gordon Bajnai
Kevin Bong
Derek Brodersen
Jeb Burns
Ajit Dayal
Mark Delaney
Ted Eliopoulos
Marcie Frost
Robert Maynard
Laura Nashman
Sheila Patel
Marlene Puffer
Angela Rodell
Catherine Savage
John D. Skjervem
Allyson Tucker
Osamu Yamamoto
Conrad Yan

Officers

Angela Rodell, Chair
Jeb Burns, Immediate Past
Chair
Mark Delaney, Vice Chair
Conrad Yan, Secretary
Derek Brodersen, Treasurer
Lionel C. Johnson, President

Management Team

Lionel C. Johnson, President
James F. Apostol, Vice President &
Chief Operating Officer
Gwen Bough, Executive Assistant
Sabina Ong Gotuaco, Finance &
Administration Director
Piin-Fen Kok, Senior Program
Director
Shu Li, Program Director
Evie Fong, Program Manager
Mark Conrad Mancao, Chief of Staff



OPERATIONS

Various terms have emerged over the years to describe businesses comprised primarily of knowledge workers that do not conform to the traditional office model. We commonly call them fully or partially “remote” or “distributed” teams. These terms connote a situation with members detached from their core, adrift in isolation. Yet, many such teams are successful and achieve benefits that cannot be derived from a collocated model. The members of these teams are empowered to shine wherever they may be working. Rather than resemble a traditional hub-and-spoke diagram, these teams look more like constellations of stars with interconnected clusters and nodes.

It is toward this constellatory model that the PPI Management Team transitioned in 2021. The constellation metaphor speaks to our commitment to empowering us to shine wherever we are and ensure that the threads that connect the team are distinctly PPI (our culture).



FINANCE

PPI outperformed financial expectations and achieved a net surplus of \$160,458 in 2021. The favorable variance is due to several factors, including a second grant from the U.S. Small Business Administration’s Paycheck Protection Program (PPP), diligent member-retention and recruitment efforts, and relentless expense monitoring. However, the timely determination of PPI’s eligibility for the U.S. Internal Revenue Service’s Employee Retention Tax Credit tipped the scales well in our favor. PPI earned a \$183,149 credit that refunded our share of Social Security tax on qualified wages in 2020 and 2021.

Meanwhile, the investments we made in technology continue to pay dividends, dwarfed only by those reaped from our reinvestment in our fantastic management team. We will rely heavily on both this year and beyond, cultivating dynamic and compelling programmatic content and fostering the PPI culture for our members. Our financial performance mirrored the resourcefulness displayed by our team and our members during a challenging year.

The following Statement of Activities reflects total Revenue and Support of \$2,613,081, a decrease of \$953 or almost at par from the prior year. Total Expenses were \$2,432,623 a decrease of \$106,279 or 4% from the prior year. The total change in 2021 net assets is \$160,458.

Statement of Activities

For the Year Ended December 31, 2021
With Comparative Totals (USD) for the Year Ended December 31, 2020

	2021	2020
REVENUE		
Membership Dues	2,092,400	2,075,450
Roundtable Registration	113,991	175,786
Executive Seminar Registration	-	-
Investment Income	(6,679)	36,098
Total Revenue	2,199,712	2,287,334
SUPPORT		
Grant	383,369	226,700
Contributions	-	70,000
In-Kind Donations	30,000	30,000
Total Support	413,369	326,700
TOTAL REVENUE & SUPPORT	2,613,081	2,614,034
EXPENSES		
Program Services	1,685,852	1,777,748
Support Services	746,771	761,145
Total Expenses	2,432,623	2,538,893
Loss on refunded contribution	(20,000)	-
CHANGE IN NET ASSETS	160,458	75,141
Net assets without donor restrictions, beginning of year	2,267,297	2,192,156
Net assets with donor restrictions, end of year	-	75,141
Net assets without donor restrictions, end of year	2,427,755	2,267,297

Hover over the charts to view the percentages

2021 Revenue Sources



2021 Expense Allocation



The financial information presented is from the audited financial statements. Interested parties can obtain a complete copy of the audited financial statements by contacting our office.

Our Statement of Beliefs on DIVERSITY, EQUITY, AND INCLUSION

The Pacific Pension & Investment Institute (PPI) is committed to advancing diversity, equity, and inclusion (DEI) within our organization and in the global institutional investor community. We believe that DEI strengthens organizations, and PPI benefits from a diverse and inclusive management team, board, and membership. Likewise, our member institutions are strengthened when they are more representative and inclusive.

Diversification goes beyond portfolios. For institutional investors, diversifying portfolios is a given. The same principle applies to diversifying teams. DEI enhances the stewardship of capital. As controllers of large pools of capital, our members can influence meaningful improvement in DEI.

Actions matter more than words. For this reason, PPI encourages the exchange of actionable ideas. And there is value in a global conversation. PPI helps our international community to consider DEI in the context of different parts of the world, reflecting the global nature of the asset management industry and the institutional investor community. We believe that PPI can play a unique role in facilitating discussions and inspiring actionable ideas for promoting this critical set of issues.

Acknowledgements

We are enormously grateful to the consultants with whom we worked in 2021 for their many contributions to PPI's programs and institutional development: Attorneys Gary Bethel and Laura Devane, Littler Mendelson; Attorney Robert Burlingame, Amplitude IP; Gabriel Ross, Global Policy Initiatives; Jeremy Dillard, Andrew Armstrong, Ver Pasamic, Nanaz Benyamini, and Raymond Eng, (CPAs), SingerLewak; Joel Horsager, Sound Advice; Bruce Webster, Don't Wonder production; Liz Williams, Williams Corporate Events; Dr. Martha Summerville, Summerville Consulting; Mitchell Hughes, Beacon Pointe; Han Yik, Strategic Focus Investment; Amber Rhoton and Nicole McKamie, Amplified HR; Dan Hernandez, Professional Computer Support; Jonathan Kaufmann and Rebecca Altman, Third Plateau.

Once again, we thank you, our loyal members and friends, for your steadfast support of PPI and our important mission, throughout 2021!

