



**CDPQ** invests constructively to generate sustainable returns over the long-term. As a global investment group managing funds for public pension and insurance plans, we work alongside our partners to build enterprises that drive performance and progress. We are active in the major financial markets, private equity, infrastructure, real estate, and private debt. As of December 31, 2023, CDPQ's net assets totalled \$434 billion CDN.

**1. First, can you provide a little background on your adoption of the GIPS® standards?**

**CDPQ:** CDPQ has been GIPS-compliant since 2002, so we have long been familiar with the GIPS standards and their requirements.

As a globally significant investment manager for public-sector organizations, we come under intense scrutiny. Being transparent with our clients by following industry best practices in performance calculation and disclosure is essential to us. The GIPS standards also help to increase client and stakeholder confidence in the quality of published data.

**2. Can you describe your experience adopting and maintaining compliance with the GIPS standards? Is it hard work?**

**CDPQ:** Attaining compliance was straightforward for us. The first step was to review and fully understand the GIPS® Standards Handbook sections that were relevant, and their implications for us at CDPQ.

We then engaged an external auditing firm to help us implement the GIPS standards and validate the compliance of our performance history and calculation methodologies.

Once these validations were complete, we set up the GIPS policies and procedures manual and implemented reporting processes. Once the procedures were established, maintenance became routine and uncomplicated. In an interesting development, it is now possible to engage firms specializing in this implementation process.

Over the years, we have utilized the materials from and support of CFA Institute staff to understand better and interpret the GIPS standards and their periodic changes.

**3. Once implemented, what are the requirements for maintaining compliance with the GIPS standards?**

**CDPQ:** After implementation and initial verification, maintenance consists of an annual update, which we choose to then have verified by external auditors.

The verification process provides us with the rigour to document and safeguard all significant changes and decisions impacting investment strategies, in addition to the fundamentals of GIPS compliance (Firm Definition, Composite Creation, Data Quality, Performance Measurement, and Reporting).

**4. What are the benefits to GIPS standards compliance that you have discovered in recent years?**

**CDPQ:** The positive impact of our GIPS standards compliance is felt at many levels of the organization, both in our internal processes and external communications. More specifically, our compliance:

- Provides a rigorous framework for measuring and presenting returns that ensures our annually published returns' quality, completeness, consistency, and comparability.
- Provides a robust framework for our internal controls, policies, and procedures for calculating and presenting returns.
- Increases the confidence of internal and external parties, such as depositors, management, and the board of directors, in the quality of published data.
- Demonstrates our commitment to international best practices in performance disclosure to our depositors and partners.

Finally, CDPQ is recognized for its transparent communication of financial and investment results; our compliance with the GIPS standards has contributed significantly to this distinction.



Deloitte provides audit and assurance, consulting, financial advisory, risk advisory, tax, and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights, and service to address clients' most complex business challenges. Deloitte LLP, an Ontario limited liability partnership, is the Canadian member firm of Deloitte Touche Tohmatsu Limited. Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity

### **5. How does the verification process work with CDPQ?**

**Deloitte:** As the appointed GIPS standards verifier for CDPQ, we needed to work efficiently with our client to ensure that the verification process was completed promptly and effectively.

We built our verification plan based on open and frequent communication, a key determinant of success that we have been particularly focused on. It was essential to establish clear lines of communication from the start. We met with CDPQ before we began the verification to clarify their expectations and to ensure that they understood the verification process and what was required of them. We also agreed to set up regular check-ins over the project timeline to ensure everyone was on the same page.

Another critical success factor when working with CDPQ was ensuring that the process stayed on track and that everyone knew what needed to be done and when. We clearly guide our clients on what documentation and information is required for the verification process. We also ensure that they understand what is needed and that they provide the information promptly. While doing that, we remain flexible and adaptable in our approach. We know that every verification client is different, and we adjust our approach to meet their specific needs and find solutions to any issues that arise in the scope or completion of the verification project.

At Deloitte, we have developed various tools that can help automate specific tasks and make the verification process more efficient. For example, with CDPQ, we used such tools for data quality and performance calculation testing.

In addition to the above elements, we maintain professionalism throughout the verification process. This includes responding to client inquiries, respecting their time, and maintaining confidentiality.

In conclusion, we have worked efficiently with CDPQ as their GIPS standards verifier. From day one, we established clear communication, developed a timeline, provided clear guidance, were flexible, used technology, and maintained professionalism. This helped us build a strong relationship critical to a successful verification project.

### **6. What benefits do you see in verification?**

**Deloitte:** We believe verification helps to enhance:

- Credibility with current and potential customers and partners.
- One's reputation as a Canadian institutional pension fund manager.
- Process validation within an established, standard framework.
- Auditor application of expert judgement to the GIPS standards, helping to ensure that they are correctly understood.