Forum on Pensions and Social Security
Pan Pacific Orchard Hotel, Singapore
December 14-15, 2013

“Ensuring Ethical Investment and Addressing IFIs Influences”

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Govt. Share (12%) + Employee’s share (%)

Pension Fund

Services
- Separation pay
- Disability pay
- Death claims
- Old age pension
- Survivorship pension

Investments
- Government bonds
- Corporate bonds
- Equities
- Loans to members
- Etc.
Socially Responsible Investing

- Socially responsible investing (SRI), also known as sustainable, socially conscious, "green" or ethical investing, is any investment strategy which seeks to consider both financial return and social good.
- In general, socially responsible investors encourage corporate practices that promote environmental stewardship, consumer protection, human rights, and diversity.
Socially Responsible Investing

- Some avoid businesses involved in alcohol, tobacco, gambling, pornography, weapons, and/or the military.

- The areas of concern recognized by the SRI industry can be summarized as environment, social justice, and corporate governance—as in environmental social governance (ESG) issues.
Investment dilemma

SRI

High ROI
“to do good while performing well”
High yielding investments

“Violent” industries

Polluting industries

Extractive industries
GSIS Investment Policy

Sec. 36, RA 8291

“...That investment shall satisfy the requirements of **liquidity**, **safety/security** and **yield** in order to ensure the **actuarial solvency** of the funds of GSIS...”
MEMBERSHIP COVERAGE

1,649,330 – Active Members

245,157 – Old Age Pensioners

113,883 – Survivorship Pensioners

Total: 2,008,370

data as of June 2013
Loans and Investments Portfolio
(as of Sept. 2013)

- Fixed income: 48%
- Loans to Members: 31%
- Equities: 17%
- Real Estate: 4%
- PINAi: 0%
- Others: 0%
The Phil. Investment Alliance for Infrastructure or PINAI Fund

- A private equity fund for infrastructure development in the Philippines

- Its an investment alliance between ADB, GSIS, Algemene Pensionen Groep (APG) of The Netherlands and Macquaire Group

- Macquarie Infrastructure and Real Assets (MIRA), a global infrastructure asset manager, will serve as the investment manager
Equity Contribution

(PINAI Fund = $625 million)

- GSIS, $400, 64%
- APG, $150, 24%
- MIRA, $50, 8%
- ADB, $25, 4%
〉 The investment is classified category F1 for impacts on the environment, involuntary resettlement, and indigenous peoples.

〉 The fund will apply ADBs prohibited investment activities list

〉 Abide by applicable national laws and regulations and comply with ADBs Safeguard Policy Statement (2009)

〉 Establish an appropriate Environmental Social Management System (ESMS) satisfactory to ADB
The PINAI Fund’s ESMS include arrangements to comply with national labour laws and ADBs Social Protection Strategy to ensure adherence to internationally recognized core labour standards, including provisions to prohibit any discrimination against women in hiring and to provide equal pay for men and women for equal work.
Includes appropriate provisions prohibiting corruption, money laundering, and the financing of terrorism, and remedies for ADB in the event of noncompliance.