Report from the CIPM Pension Fund Advisory Board

14 October 2026

Mr Hans Arne Frøystein,
CIPM Member, Chair of the PFAB

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Outline

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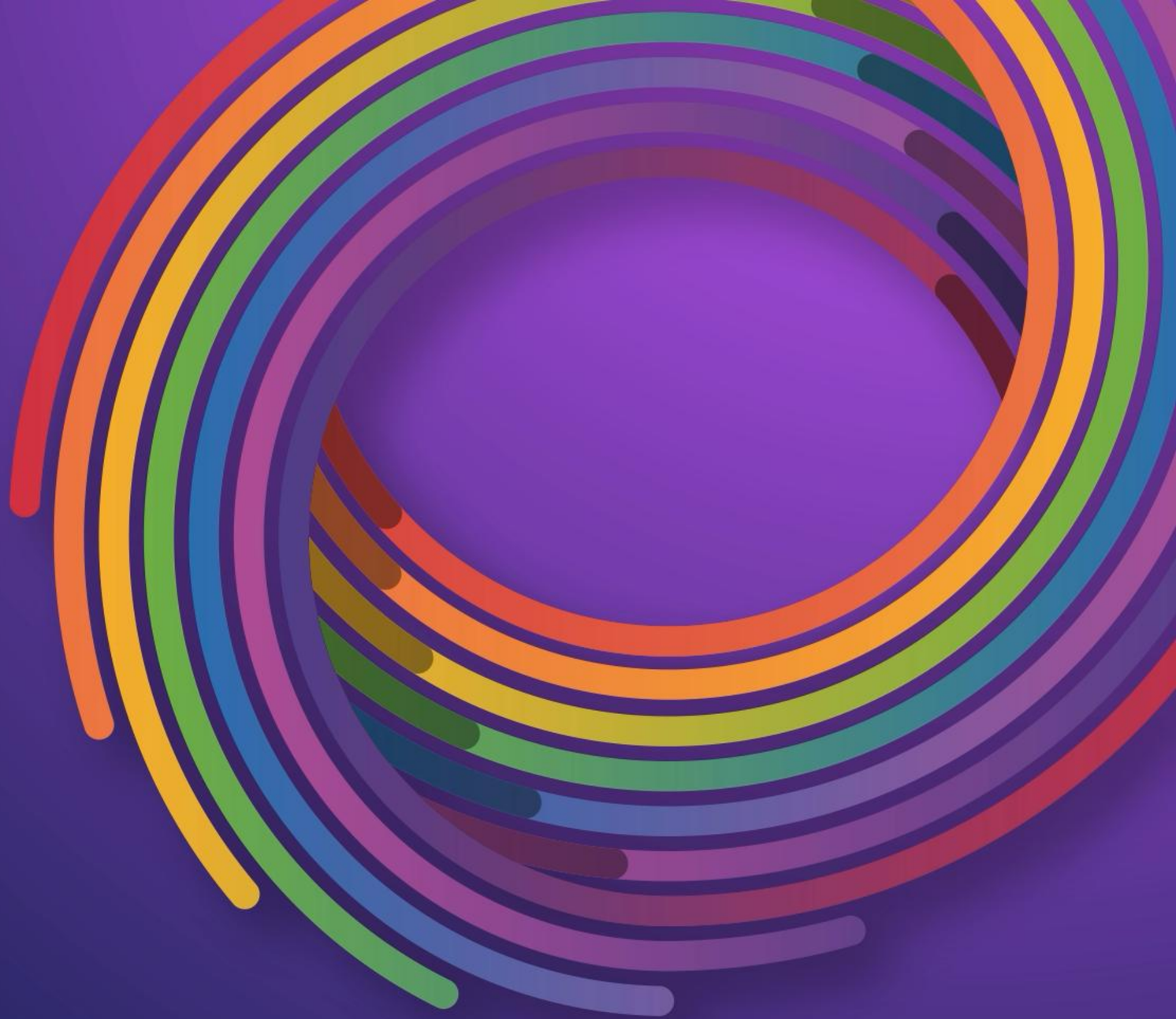
- Background
- Actuarial study, 2023
- Asset Liability Management Study
- New active investment strategy
- Onward



Pension Fund Advisory Board, PFAB

Hans Arne Frøystein	Chair, CIPM, from March 2025, replacing Georgette Macdonald
Takashi Usuda	CIPM Secretary
Philippe Richard	CIPM Vice Persident
Annette Koo	BIPM Director
Rahima Guliyeva	Staff Representative
Robert Wielgosz	Staff Representative, from June 2026, replacing Phillippe Mussay
Gustavo Martos	Staff Representative, from June 2026, replacing Vincent Gressier
Gerard Petit	Pensioners’ Representative
Ariana Rohrer	Executive Secretary, BIPM Legal Adviser
External expert	New expert appointed (CIPM Decision 8 October 2026), replacing Thomas Grenon

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Background

Pension and Provident Fund – establishment and administration

- The Pension and Provident Fund, for the staff of the BIPM, was established by the 3rd CGPM in 1901
- The responsibility for the administration of the Pension Fund was transferred to the CIPM by the 10th CGPM in 1954
- The Pension Fund is a “Pay as you go” scheme, funded through part of the BIPM budget, contributions from active staff, returns of investment, (extraordinary) cash injections
- The Pension Fund Advisory Board, PFAB, is established as a CIPM Sub Committee to provide advice for the CIPM on the long-term sustainability of the fund

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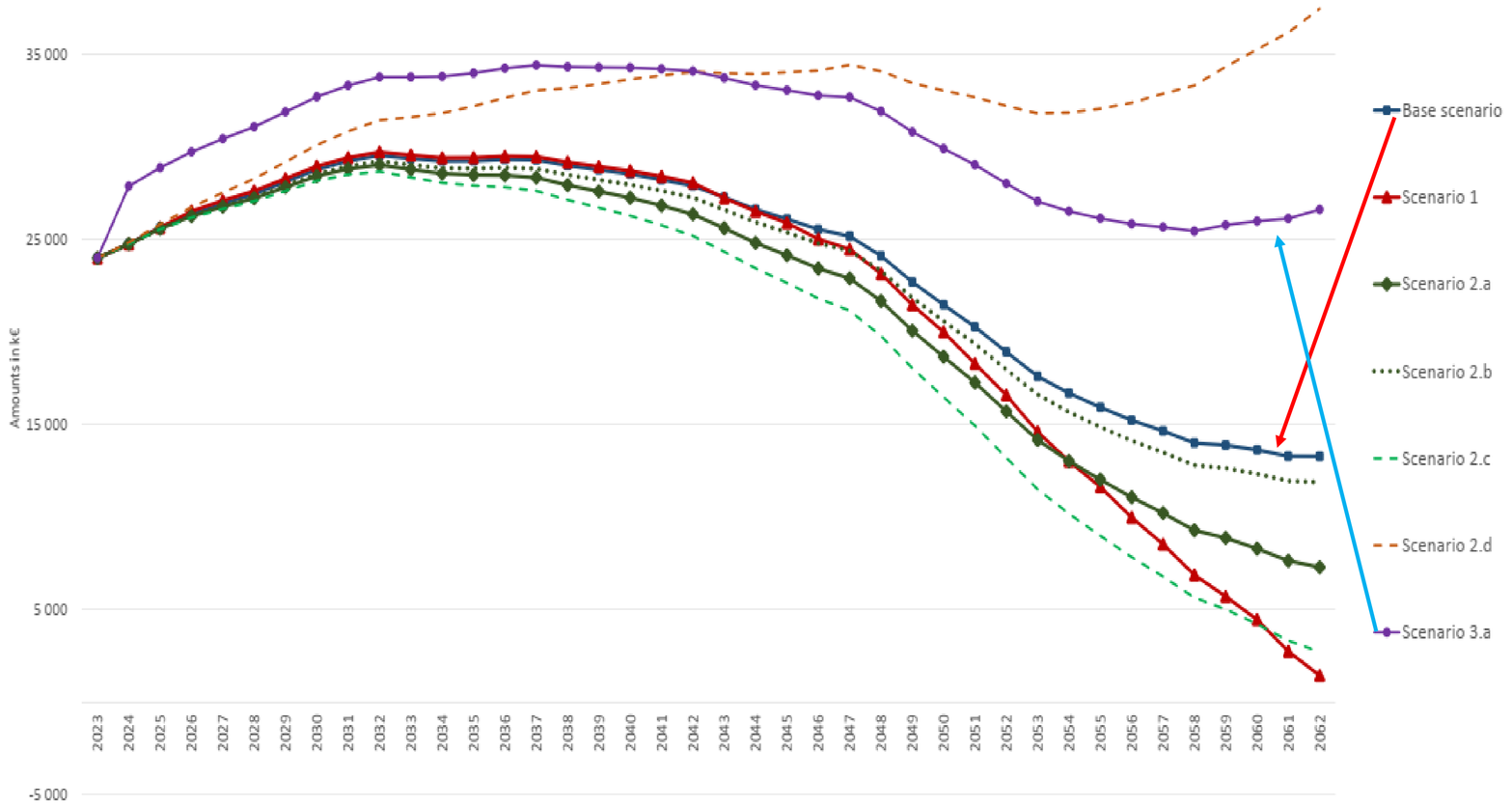
Actuarial study 2023

40-year projection

- Base scenario: No changes
- Scenario 3a: Base + 3 M€ cash
- Scenario 1, 2a, 2b, 2c, 2d: changes

Results

Projection of the asset value over the next 40 years – Focus on staff/pensioner conditions



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Actuarial study 2023

40 year projection: 3,9 % ROA vs 2,9 % ROA

Results

Expected return on asset sensitivity

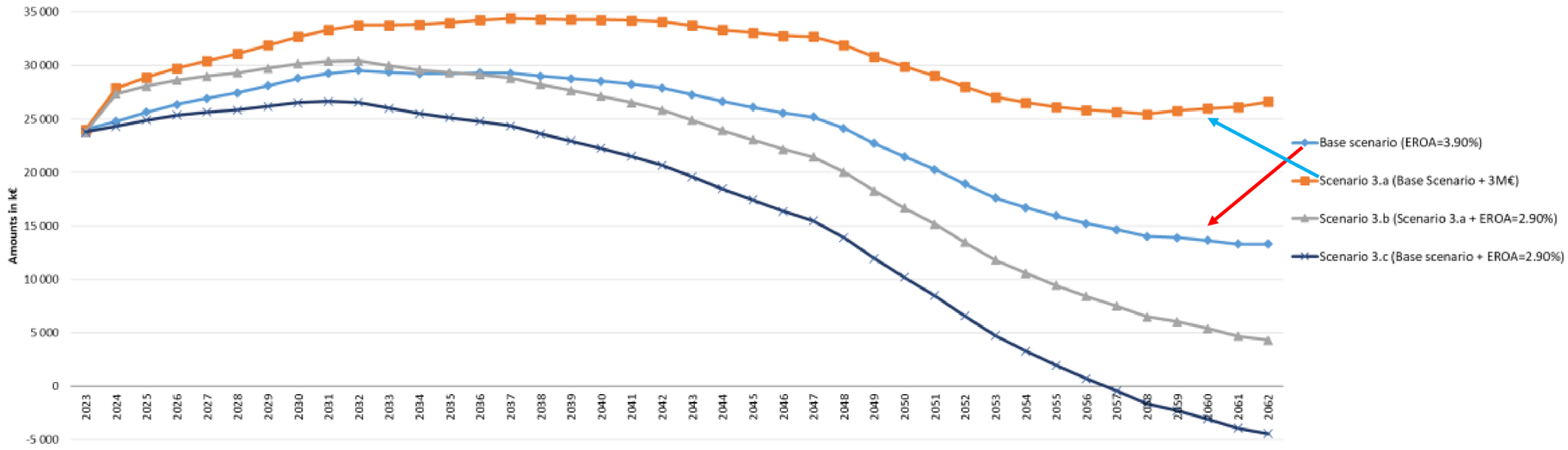

Figure: Projection of the asset value from 2023 to 2063 – Sensitivity to the long-term expected return on asset assumption

Actuarial study 2023

Assets vs liabilities

Results

Expected return on asset sensitivity

Scenario	Base scenario	Scenario 3.a	Scenario 3.b	Scenario 3.c
Asset value at end of 2032	€ 29.5 m	€ 33.8 m	€ 30.4 m	€ 26.6 m
Asset value at end of 2042	€ 27.9 m	€ 34.1 m	€ 25.9 m	€ 20.7 m
Asset value at end of 2052	€ 18.9 m	€ 28.0 m	€ 13.5 m	€ 6.6 m
Asset value at end of 2062	€ 13.3 m	€ 26.6 m	€ 4.3 m	€ - 4.4 m
Liabilities at end of 2062	€ 225.9 m	€ 225.9 m	€ 225.9 m	€ 225.9 m
Funding rate at end of 2062	5.88%	11.78%	1,91%	- 1,96%

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Actuarial study – follow up

Decision CIPM/112-31 (2023)

Recalling Decisions CIPM/106-07 (2017), CIPM/109-12 (2020), CIPM/110-18 (2021) and CIPM/111-15 (2022) and following the recommendations from the CIPM Sub-Committee on Finance meeting held on 6 October 2023, the CIPM decided to authorize a third exceptional transfer of 3 million euros of unreserved cash to the Pension Fund, effective by the end of 2023.

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Actuarial study – follow up

Decision CIPM/113-4 (2024)

The CIPM:

- **welcomed the report from the Pension Fund Advisory Board (PFAB), dated 8 December 2023, presenting the PFAB recommendations on the long-term sustainability of the BIPM Pension Fund.**

Following the recommendations of the PFAB;

- **endorsed the conclusions and recommendations formulated in the 2023 Actuarial Study and considered such a document as a valid expert actuarial analysis;**
- **requested the BIPM Director to conduct an Asset Liability Management (“ALM”) Study to develop an active investment strategy for the Pension Fund assets based on better financial returns; and**
- **decided that the next actuarial study should be conducted in 2028 to monitor the evolution of the assets and the liabilities of the pension scheme as well as to ensure its long-term financial stability.**

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Asset Liability Management Study

Modelling of 4 different portfolios targeting between 5 and 5.5% of yearly gross return

	Defensive Growth / No private Markets ASA #1	Defensive Growth inc. Private Markets ASA #2	Diversified Growth inc. Private Markets ASA #3	Diversified Growth inc. Private Markets + ASA #4
Defensive Assets	52.5%	50.0%	40.0%	40.0%
Growth Assets	47.5%	50.0%	60.0%	60.0%
Fixed Income	62.5%	57.5%	52.5%	52.5%
Listed Equities	37.5%	37.5%	42.5%	37.5%
Alternatives	0.0%	5.0%	5.0%	10.0%

	Defensive Growth / No private Markets ASA #1	Defensive Growth inc. Private Markets ASA #2	Diversified Growth inc. Private Markets ASA #3	Diversified Growth inc. Private Markets + ASA #4
Average 10-yrs return	5.1%	5.3%	5.5%	5.5%
Average volatility	9.2%	9.2%	10.2%	9.7%

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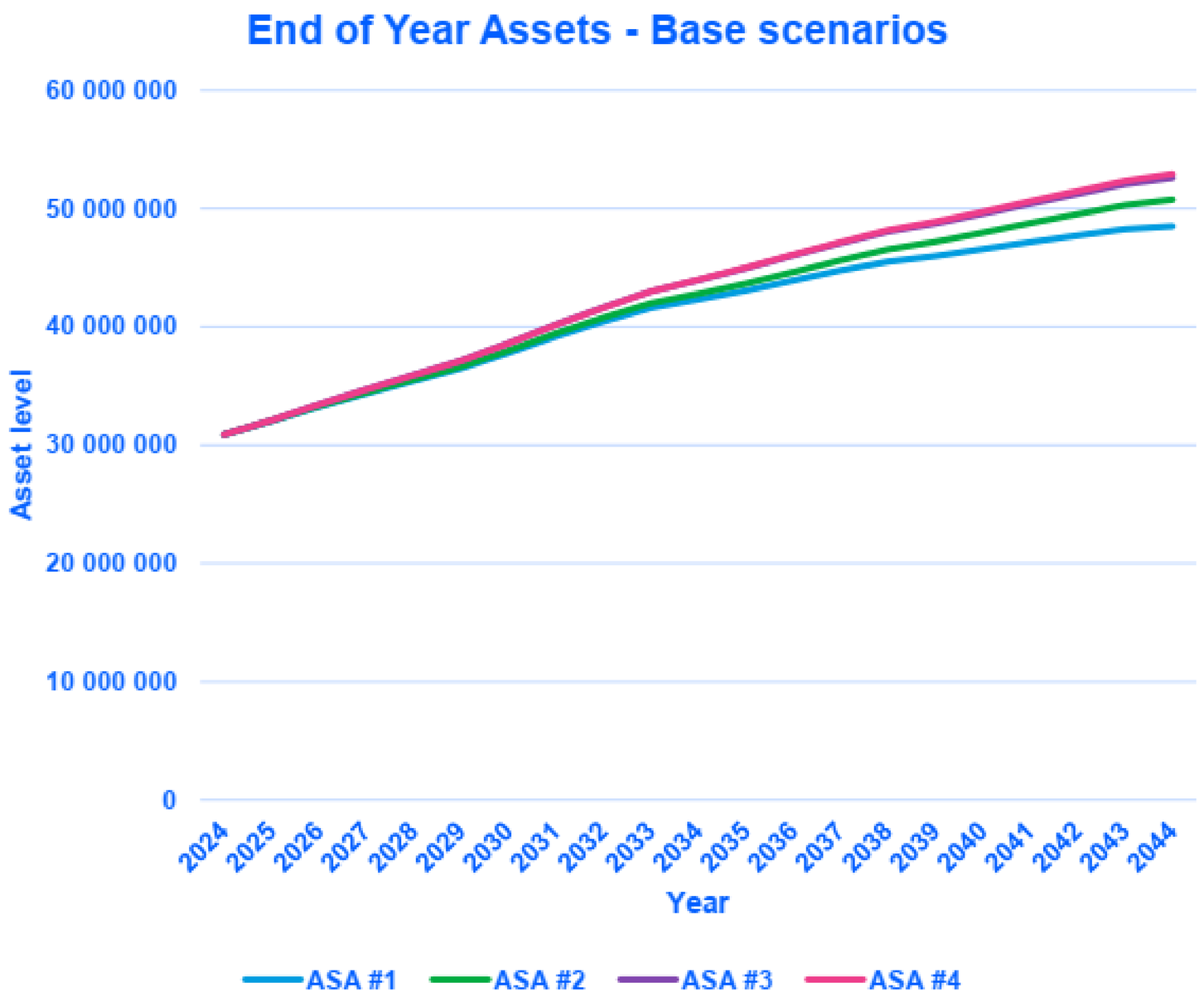
End of Year Assets - Base scenarios
60 000 000
50 000 000
40 000 000
30 000 000
20 000 000
10 000 000
0
Asset level
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
2036
2037
2038
2039
2040
2041
2042
2043
2044
Year
ASA #1
ASA #2
ASA #3
ASA #4

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New active investment strategy

Decision CIPM/114-3 (2025)

The CIPM

- **welcomed the report from the BIPM Pension Fund Advisory Board (PFAB) of 7 March 2025 that presented proposals for an investment policy for the assets of the BIPM Pension and Provident Fund (the Pension Fund);**
- **endorsed the conclusions and recommendations of the Asset Allocation Study annexed to the PFAB report as a valid expert analysis;**
- **adopted the following guidelines for the implementation of the investment policy relating to the assets of the Pension Fund:**

1. the investment of the assets of the Pension Fund should target a **performance rate of between 5 % and 5.5 % gross returns;**
2. the Pension Fund investment portfolio should include a **high level of diversification in terms of types of asset classes**;
3. the long-term strategic allocation of the assets of the Pension Fund should target a **growth versus defensive assets ratio of 50/50;**
4. a margin of +/- 5 % may be applied when deciding on rebalancing actions.

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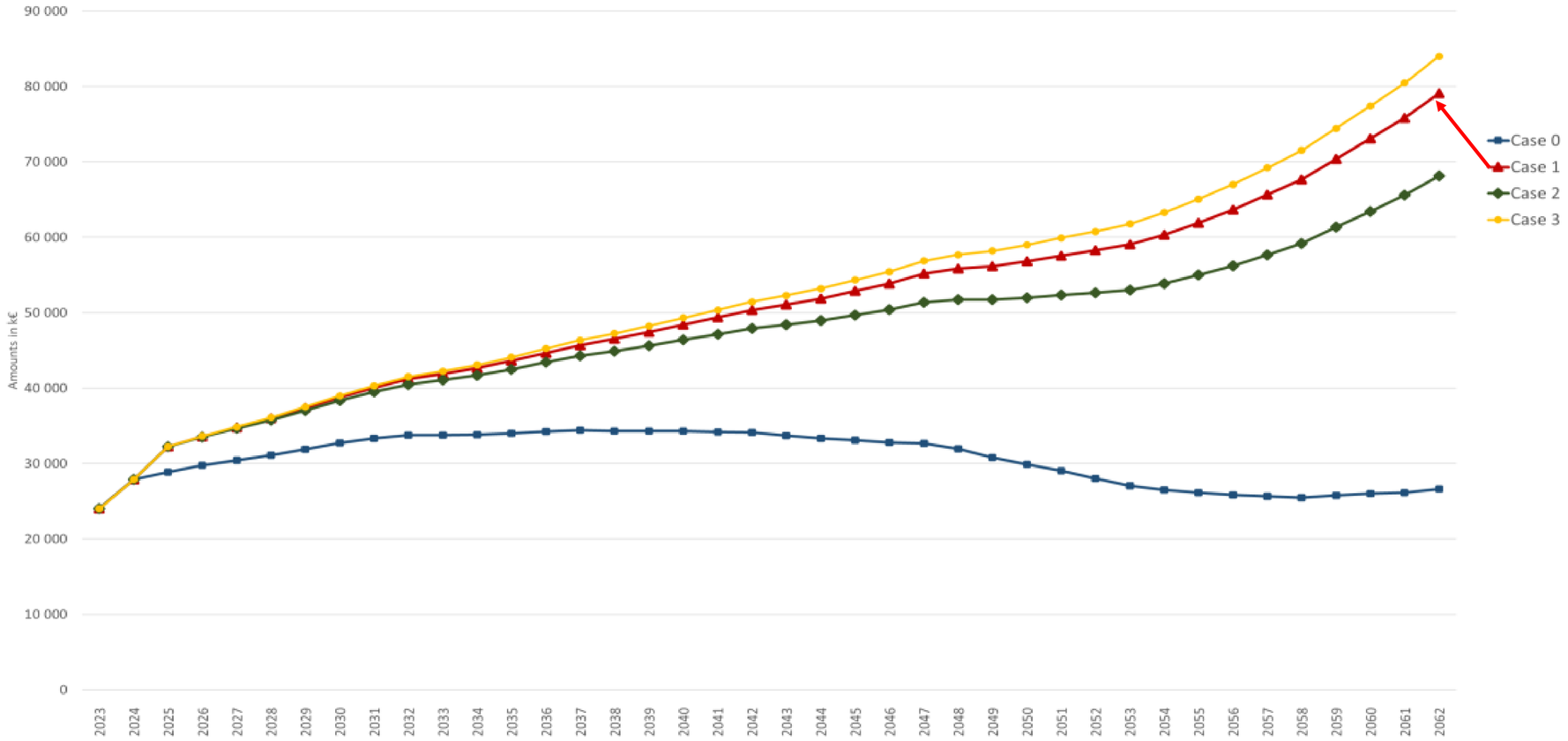
Update to the actuarial study – January 2026

Results

Additional projections and comparison with the base scenario (Case 0)



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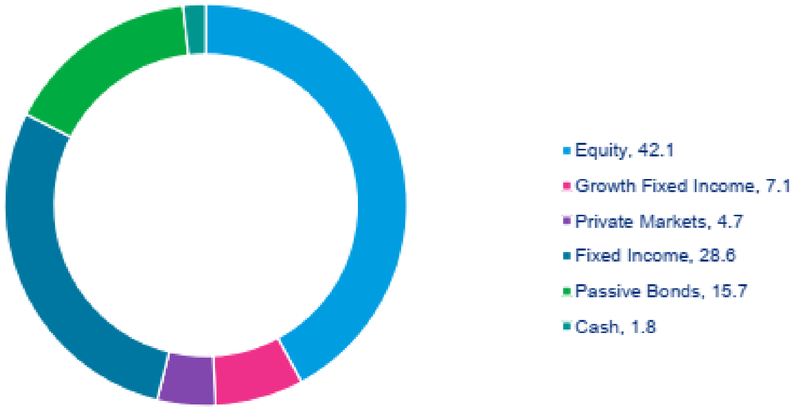
Investment report, per 30 June 2026

Asset and performance overview

	Q1 2026	Q2 2026	Quarterly return (%)	
			Total assets [gross]	Benchmark
Assets (EURm)	30.8	34.7	7.2	6.7

Asset allocation (%)



Total performance (%)



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Investment report, 30 June 2026

Asset allocation

Fund	Q1 2026 (EURm)	Q1 2026 (%)	Q2 2026 (EURm)	Q2 2026 (%)	B'mark allocation (%)
Emerging Markets Equity	1.9	6.0	2.2	6.5	5.0
European Equity	4.0	13.1	4.6	13.2	12.5
Global Small Cap Equity	1.7	5.5	2.0	5.8	5.0
Passive Global Equity UCITS	5.0	16.2	5.8	16.7	15.0
Global High Yield Bonds (Hedged)	2.4	7.8	2.5	7.1	7.5
Semi-Liquid Private Debt	-	-	1.6	4.7	5.0
Short Duration Bonds 1 (Hedged)	6.3	20.6	6.4	18.5	20.0
Short Duration Bonds 2 (Hedged)	3.5	11.3	3.5	10.1	11.0
Passive Euro Inflation Linked Bond	1.6	5.2	1.6	4.7	5.0
Passive Euro Bonds	3.8	12.2	3.8	11.0	12.0
Euro Cash	0.6	2.0	0.6	1.8	2.0
Total assets	**30.8**	**100.0**	**34.7**	**100.0**	**100.0**

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Key tasks onwards

Follow-up the investment portfolio, making necessary changes/rebalancing

Definition of new proper criteria and targets for long-term sustainability

Contribute to the process for reviewing conditions etc

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Thank you!
Questions?

