



ASIA PACIFIC  
FOUNDATION  
OF CANADA

FONDATION  
ASIE PACIFIQUE  
DU CANADA

# ANNUAL REPORT

Preparing for a Changed World

2021 - 2022





“We live in a remarkable period in history, one of transformation, innovation, and global community. For Canada – a young, Pacific trading nation brimming with new talent and fresh ideas – our future must necessarily connect with the Asia Pacific, the world’s new nexus of growth and opportunity.”

The Hon. Pierre Pettigrew,  
Chair of APF Canada Board



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# STRATEGIC PILLARS

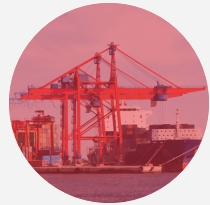
## Cross-Cutting Themes

### EDUCATION

Increasing young Canadians' awareness and understanding of Asia by enhancing curriculum and promoting study abroad and internships in Asia.

### NETWORKS

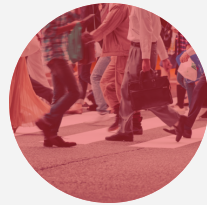
Supporting transpacific organizations that convene business, government, and academic stakeholders.



### BUSINESS ASIA

Analyzing key economic trends in trade, investment, and global value-chains that matter to Canada and the Asia Pacific.

[Learn more](#)



### PERSPECTIVES ASIA

Synthesizing perspectives on Canada-Asia engagement through surveys and big data analytics.

[Learn more](#)



### STRATEGIC ASIA

Examining strategic and security related events and trends in the Asia Pacific and their impact for Canada.

[Learn more](#)



### DIGITAL ASIA

Exploring how technologies of the Fourth Industrial Revolution impact Canada's current and future engagement with the Asia Pacific.

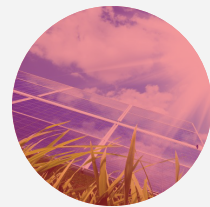
[Learn more](#)



### ENGAGING ASIA

Providing research and analysis on Asia's importance to Canadians directly engaged with the Asia Pacific.

[Learn more](#)



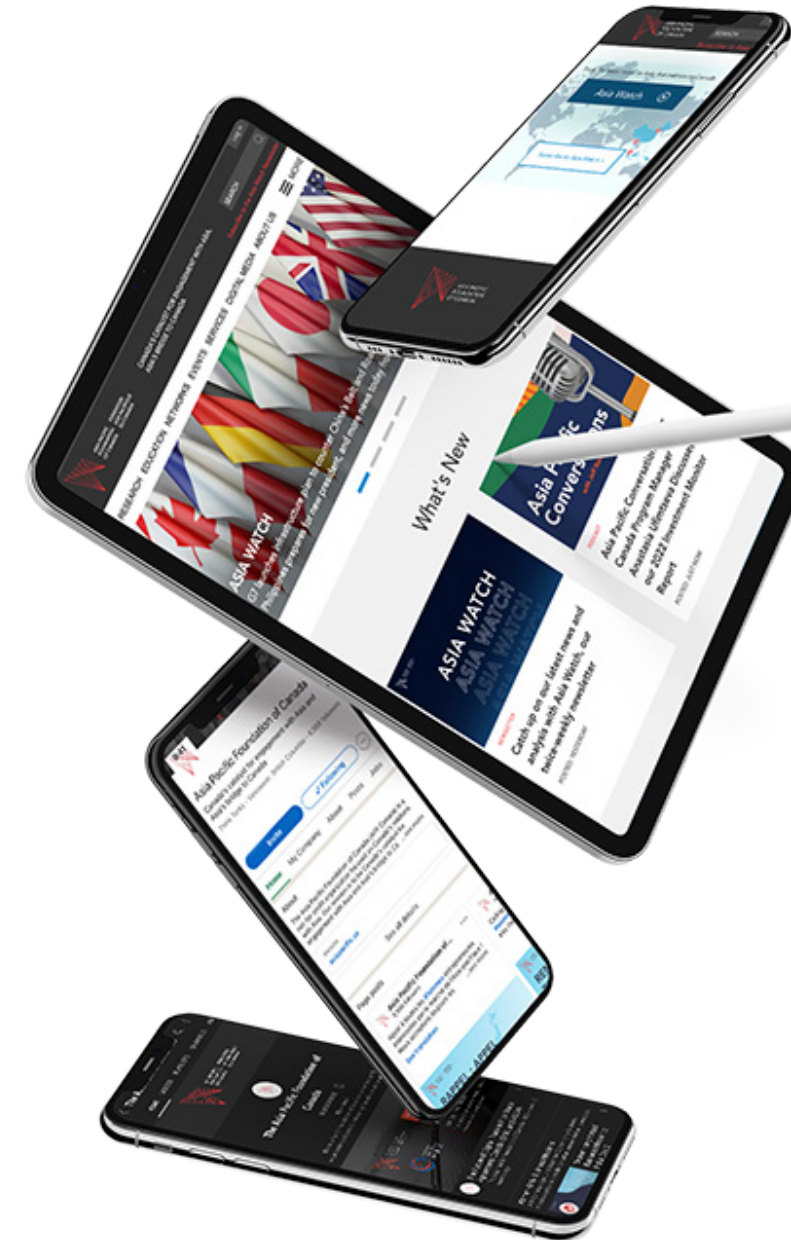
### SUSTAINABLE ASIA

Examining sustainable development in Asia from economic, social, and environmental dimensions and its implications for Canada.

[Learn more](#)

# YEAR AT A GLANCE

- ▲ 5% Increase in website visits
  - ▲ 10% Increase in web users
  - ▲ 20% Increase in LinkedIn followers
  - ▲ 6% Increase in Twitter followers
  - ▲ 4% Increase in Facebook followers
  - ▲ 25% Increase in Instagram followers
  - ▲ 50% Increase in YouTube views
  - ▲ 23% Increase in Asia Watch subscribers
- 19 Events
  - 6 Major Reports
  - 6 Case Studies
  - 2 Virtual Women's Business Missions
  - 1 Policy Brief
  - 1 Major Survey
  - 29 Dispatches
  - 5 Podcasts
  - 6,885 E-publication subscribers





## LETTER FROM THE CHAIR OF THE BOARD

In a year rattled by geopolitical upheaval, economic uncertainty, and the very real effects of climate change, Canadians are rightfully concerned for their future and Canada's security and economic prosperity in a changed world.

The headlines this year have been discouraging. From the relentless disruption of the pandemic and the appalling war in Europe to an alarming rise in nationalism and rights abuses across a globe increasingly battered by floods, fire, and droughts, as Canadians look out their windows on the world, the picture can seem bleak at times.

And yet, we live in a remarkable period in history, one of transformation, innovation, and global community. For Canada – a young, Pacific trading nation brimming with new talent and fresh ideas – our future must necessarily connect with the Asia Pacific, the world's new nexus of growth and opportunity.

There is little question that the United States will continue to be Canada's primary economic partner and that China will continue to play an important role in our economic future. But the realities of the post-pandemic

recovery period have exposed cracks and strains in these relationships, particularly in the context of protectionist economic policies, and suggest our relations with these two superpowers must evolve – each in very different ways – from what we have grown used to in recent decades.

Now, more than ever, Canada must pursue an active policy of economic diversification, one anchored in the dynamic economies of the broader Asia Pacific, where innovation-driven sustainable growth, rapid digitalization, young STEM talent, and a desire for international collaboration underpin much of the region's post-pandemic economic planning.

I am encouraged by the Government of Canada's stated intention to develop an ambitious, long-term 'Indo-Pacific strategy' that will step up Canada's engagement and presence in the region, and proud to sit on its advisory committee seeking independent perspectives and recommendations on how Canada can better engage with the region through trade and investment, diplomacy, public- and private-sector partnerships, and academic exchanges.

Led by our new President and CEO, Jeff Nankivell, I am also encouraged by the hard work of our dedicated staff at the Asia Pacific Foundation of Canada during this 2021-2022 fiscal year in preparing Canada and Canadians for a changed world. From its work in public health and geo-strategic policy to empowering women entrepreneurs and advancing inclusive growth across APEC economies, our Foundation continues to lead Canada's engagement and relations with the Asia Pacific across a broad spectrum of projects, initiatives, and activations. I look forward to the exciting work ahead, including the Canada-Asia Sustainability Tracker project that will monitor and analyze environmental, social and governance events and developments throughout Asia and our upcoming Canada-in-Asia Conference that for the first time will bring together Canadian alumni in Asia alongside government, business, and organizational leaders across the region.

As you will read in the pages of this Annual Report, APF Canada's drive to support Canadian government, business, and civil society stakeholders in taking advantage of opportunities and navigating potential obstacles for engagement in dynamic Asia has never been stronger.

With ambitious free trade agreements already in play and more under negotiation, and with all eyes on Canada's new Indo-Pacific strategy, Canada has the opportunity to demonstrate its commitment to the Asia Pacific and its promise of future economic prosperity. These efforts must be sustained and made accessible to all Canadians. APF Canada remains committed to these efforts and is uniquely positioned as Canada's leading research centre on Asia to provide the analysis, policy advice, business intelligence, and network capacity building that will help Canada and Canadians gain economic and political traction in the region in the years ahead.

**THE HON. PIERRE PETTIGREW**  
Chair of the Board,  
Asia Pacific Foundation of Canada



## LETTER FROM THE PRESIDENT AND CEO

Having admired and benefited from the work of APF Canada throughout my three-decade career as a Canadian diplomat and manager of development co-operation programs in Asia, I felt privileged – and, to be honest, just plain lucky – to be offered the opportunity to join the Foundation as President and CEO last September. Thanks to generous and patient support from so many people – my predecessor, the distinguished Stewart Beck, APF Canada’s wise and creative vice-presidents, Jeff Reeves and Christine Nakamura, our dedicated board of directors, our talented teams in the Vancouver and Toronto offices, and our many long-time supporters, partners, and stakeholders across the country – I am finding my new professional life to be all that I dreamed it would be. I am deeply grateful for the welcome and goodwill so unstintingly offered by so many, which I think bodes very well for us all to achieve success together in the years to come.

As APF Canada’s 2021-2022 year came to an end amid a new era of geopolitical uncertainty and economic anxiety, I was struck by the necessity and opportunity for Canada and Canadians to strategically reset our relations with the economies, institutions, and peoples of the Asia Pacific – a region that will be the leading source of global economic growth and innovation for decades to come.

Today, as we urgently seek to diversify our export markets and import sources in the context of sustainable post-pandemic recovery – with an increasingly assertive China and a United States that has shown itself in recent years to be a less than wholly reliable trading partner for Canada – the mandate of the Asia Pacific Foundation of Canada to promote engagement in Asia and prepare Canadians for the ‘Asian century’ is more relevant than ever. Our ongoing work in this critical space, defined in our Five-Year Strategic Plan (2019-2024) by three areas of

activity – Research, Education, and Networks – is adapting and evolving in light of these changes, as detailed in the pages of this annual report.

Asia’s remarkable growth story is well documented, and there is rich material across our [website](#) tracking, analyzing, and relating the dramatic transformation for Canadian stakeholders in government, business, academia, and civil society. Beyond the quantitative data, I am often asked about the qualitative aspects of this story – why Canada? Why now? At what opportunity cost?

The answers lie in the unique nature of Asia’s emerging markets, the extraordinary growth of its middle classes, and the region’s rapid urbanization. In mature markets like the U.S., Canadian businesses seeking new customers must disrupt established consumption habits and wrest market share from established players. In the emerging markets of Asia, every percentage point of economic growth represents millions of households crossing an income threshold that changes their consumption patterns. These are new households with money to spend on better education and health care, higher quality food and clothing, information technology services, financial products, and leisure experiences – products and services Canada can and should deliver.

This is the core promise of growth in Asia for Canadians – the opportunity to compete in new markets for services and goods that consumers in large and growing numbers, every year, are considering for the first time in their lives.

Add to Asia’s consumption transformation the rise in urbanization, and the Canadian opportunity only expands. By 2050, the region’s urban population will have grown by 1.3 billion. These are future city dwellers whose homes have yet to be built – along with the new roads, water supply, shopping malls, schools, and rapid transit systems they will use.

This urbanization will need to meet ever-higher standards for reduced carbon footprint and energy efficiency, providing high-value opportunities for innovative clean technologies and approaches. Again, expertise and technology Canada can and should deliver.

While there is great promise for Canada in this remarkable Asian growth story, we should be under no illusion; the international and local competition is fierce, and there are risks to navigate. But Canada cannot afford to ignore or miss out on this remarkable opportunity, as it represents the surest path toward our country’s future prosperity.

This is why APF Canada is supportive of the Government of Canada’s stated intention to develop an ambitious, long-term, and sustained ‘Indo-Pacific strategy’ to step up Canada’s engagement in the region. And why our work next year will focus on the new Canada-Asia Sustainability Tracker, or CAST, mapping and analyzing critical environmental, social, and governance events and developments for Canadian interests in the region, and the first-ever Canada-in-Asia Conference to be held in Singapore in February 2023, bringing together Canada’s university alumni from across the Asia Pacific to build new connections and networks for Canadians and their partners in the region – an essential foundation for a new era of deeper and broader engagement for Canada.

As we prepare for a changed world, I invite you to stay tuned as a new stage in our national journey begins.

**JEFF NANKIVELL**  
President and CEO,  
Asia Pacific Foundation of Canada

# THE YEAR IN REVIEW

Preparing for a Changed  
World

A Change in Leadership

Continuing Projects

New Projects

Women's Business  
Missions and Networks

Building Networks

Combatting Anti-Asian  
Racism

Youth Initiatives

John H. McArthur  
Fellows

The Way Forward  
Continuing Efforts

## PREPARING FOR A CHANGED WORLD

By nearly all measures, the Asia Pacific is, and will remain, the world's most dynamic region with regard to economic growth and opportunity, environmental and climate change challenges, political developments, security issues, and shifting demographic trends. As McKinsey & Company related in its prescient 2019 report, *Asia's Future is Now*, the region is on track to top 50 per cent of global GDP by 2040 and drive 40 per cent of the world's consumption, representing a fundamental shift in the world's centre of gravity.

As we enter a period of post-pandemic recovery and grapple with a protracted war in Europe, we find ourselves in a changed world of economic anxiety and geopolitical uncertainty. From fractured supply chains and strained political alliances to the rise of nationalism and protectionism, few economies have been left untouched, least of all in the Asia Pacific. Amid the negative impacts of these global disruptions, however, a counter-narrative emerges in Canada-Asia relations, one anchored in the positive outflows of technological advancement, rapid digitalization, bustling urbanization, and a renewed desire for collaboration and shared innovation.

For nearly four decades, with financial support of the Government of Canada through Global Affairs Canada

and the endowment provided through a conditional grant agreement in 2005, the Asia Pacific Foundation of Canada has played a unique and strategic role in helping Canadians engage with the Asia Pacific region. Today, our research continues to inform government policy and support Canadian businesses as they venture into Asian markets. Our programs help prepare Canadians to interact with the Asia Pacific, building a greater understanding of Asian and Pacific cultures and business practices. Our events convene experts from both Canada and the Asia Pacific to facilitate partnerships, innovation, and trade. In the context of helping Canada prepare for a changed world, we remain focused on building the Foundation's ability to be relevant to the needs of Canadian stakeholders and raising Canada's game in the region at this critical – and exciting – time of transformation and opportunity.

Indeed, as Canada seeks to diversify its export markets and import sources in the aftermath of the pandemic and amid heightened superpower competition, APF Canada's mandate to promote engagement in Asia is more relevant than ever; and even more so in the context of the Government of Canada's anticipated development of an ambitious, long-term 'Indo-Pacific strategy' to step up Canada's engagement in the region – in diplomacy, trade,

investment attraction, public- and private-sector research partnerships, academic exchanges, culture, and people-to-people engagement.

APF Canada firmly believes that Canadians will benefit from the Asia Pacific's growing economies and growing middle class populations through expanded opportunities in trade, investment, and innovation, that Canadian involvement in strategic issues throughout the region will allow us to influence regional security and defence development and to show leadership through engagement, that Canadian educational services, health-care expertise, and financial products and services are well-positioned to meet the region's shifting demographics, and that Canada can demonstrate the value of its globally-leading technology in addressing issues such as food security, water management and energy transition, and play a leading role in discussions around the existential threat of climate change.

APF Canada's work this past fiscal year, in alignment with our *Asia-Pacific Foundation of Canada Act* mandate to "develop closer ties between the peoples and institutions of Canada and the peoples and institutions of the Asia Pacific region, and to promote capacity development in persons and entities that share an interest in the Asia Pacific

region and the building of networks between them," and the 'strengthen' phase (2021-2023) of implementation of our Five-Year Strategic Plan (2019-2024), has focused on identifying, consolidating, and refining our most valuable research, education, and networking efforts for greatest impact in the region and at home.

Of particular note are two new initiatives launched this year, the Canada-Asia Sustainability Tracker (CAST) and the Canada-in-Asia Conference. In consolidating our research efforts, the Foundation began work this year on the CAST platform, a new suite of data-driven services that will offer the Canadian public, businesses, governments, and other institutions and organizations a new tool for understanding and decision-making based on the real-time identification and analysis of significant developments and Canadian interests at the local level across key regions of Asia. It will also bring greater strategic coherence to our research agenda.

Bolstering our ongoing networking activities, the Canada-in-Asia Conference is a new signature event in the region to be convened jointly by APF Canada and Universities Canada in Singapore in February 2023. It represents the first-ever effort to bring together alumni of Canadian universities from across Asia – alongside key Canadi-

an leaders in business, government, and academia – to engage with current and potential regional partners in support of Canada's Indo-Pacific step-up.

Further details of these APF Canada initiatives are detailed in The Way Forward section of this year's annual report.

There is an urgent need for action and deeper understanding of Canada's interests in the Asia Pacific. APF Canada is well-positioned to meet this moment, providing the kind of high-level intelligence and evidence-based analysis needed to develop Canada's role in the region. This past year, the Foundation has leveraged its work to support Canadian governments and businesses in engaging more effectively with Asia Pacific economies and in Asian markets while continuing to provide the Canadian public with the knowledge needed to address the unique opportunities and challenges unfolding in the region.

What follows is an overview of APF Canada's research, programming, activities, outputs, and results for the 2021-2022 fiscal year, from April 1, 2021, to March 31, 2022, and our continuing efforts in preparing Canadian private and public sector stakeholders to take advantage of opportunities and to navigate potential obstacles for engagement in Asia in a changed world.

## FROM THE ASIA PACIFIC FOUNDATION OF CANADA'S FIVE-YEAR STRATEGY

**Our Five-year Strategic Vision is to be the pre-eminent thought-leader within Canada on Asia Pacific affairs and Asia Pacific engagement for Canadian governments, Canadian businesses, and the Canadian people.**

### Five-year Strategic Objectives:

- To shape public debate within Canada on Asian affairs through data-informed research.
- To inform the next generation of Canadian Asia scholars and practitioners through curriculum development and engagement.
- To support innovative research on the Asia Pacific through a robust grants program for post-graduate scholars, junior researchers, and Distinguished Fellows.
- To identify and examine current and emerging issues in Asia with relevance to Canadian economic, security, and political interests.
- To facilitate international connectivity between Canada and Asia through domestic and regional networks.
- To provide strategic direction for the Canadian private sector in engaging with or expanding to Asia in high-priority industries such as artificial intelligence and clean technology.
- To develop a more sustainable funding model for the Foundation in support of these efforts.

# A Change in Leadership

The Board of the Asia Pacific Foundation of Canada was pleased to announce the appointment of Jeff Nankivell as the new President and CEO of APF Canada on June 2, 2021, with an effective start date of September 7, 2021. Most recently the Consul General of Canada in Hong Kong and Macau (August 2016-May 2021), Jeff joined the Foundation following a 33-year career in Canada’s Foreign Service with a focus on Canadian engagement in Asia.

From 2011 to 2016, Jeff served as Director General responsible for Canada’s official development assistance in Asia, first with the Canadian International Development Agency (CIDA) and then with Global Affairs Canada. He held various positions at CIDA between 1988 and 2008, working on programs related to China, Russia, strategic policy, and international financial institutions. He was posted three times to Canada’s embassy in Beijing – in the development assistance section 1991-95 and 2000-2004, and as Deputy Head of Mission 2008-2011. Jeff has spent more than 17 years living in Asia.

“Jeff understands the opportunities, complexities, and nuanced geopolitical realities of the Asia Pacific very well. I look forward to working with him as he charts a new and exciting course for the Foundation in the coming years,” said APF Canada Board Chair, The Hon. Pierre Pettigrew, in a press release announcing Jeff’s appointment.

Added Jeff in the same news release: “I believe APF Canada’s mandate is more relevant today than ever. Canada’s engagement with Asia is fundamental to our future prosperity and security and will depend on pursuing our interests while ensuring an international order consistent with our Canadian values. I look forward to working with the APF Canada team and the Foundation’s network of Asia thinkers to deepen that engagement across this dynamic region as we embrace the ‘Asian Century.’”

The Board thanked outgoing APF Canada President and CEO Stewart Beck, who retired on August 10, 2021, after seven years in the role, for his work in successfully positioning the Foundation as a leading interlocutor and catalyst for enhanced engagement with Asia. In a published announcement, Board Chair Pierre Pettigrew highlighted Stewart’s work in connecting innovative ecosystems on both sides of the Pacific, building the Asia Business Leaders Advisory Council into a robust international network of 11 Asian economies, supporting the development of global talent and its mobility, and establishing ‘Asia competence’ as a vital component of Canada’s school curriculum and corporate training.

## FUNDED PROJECTS FISCAL 2021-22

Project/Endeavour	Funding Body
APEC-Canada Growing Business Partnership	Global Affairs Canada
Artificial Intelligence in APEC: Progress, Preparedness and Priorities	APEC Business Advisory Council (ABAC) International Secretariat
Asia Business Leaders Advisory Council 2021 Virtual Meeting	Air Canada Business Council of Canada Caisse de dépôt et placement du Québec Canadian Commercial Corporation CPP Investments Export Development Canada Invest in Canada Sun Life Financial
Asia Competence for Tech Professionals	Canada’s Digital Technology Supercluster Canadian Forest Products Ltd. (Canfor) Mosaic Forest Management Teck Resources Limited
Asia Pacific Curriculum Project	Government of British Columbia - Ministry of Education
Report: A Canadian Arctic Policy for the Indo-Pacific	Department of National Defence - MINDS Program
Diversity and Inclusive Growth Strategy for Canadian Women Entrepreneurs in the Asia Pacific	Air Canada Federal Economic Development Agency of Southern Ontario
‘Duelling Superpowers: What does this mean for the rest of us?’ A Conversation with Zanny Minton Beddoes, Editor-in-Chief of The Economist and APF Canada’s John H. McArthur Distinguished Fellow	Deloitte Canada
Economic Engagement with Priority Markets in the Asia Pacific: A Survey of Thought Leaders on Engagement with Indonesia and Singapore	Export Development Canada Global Affairs Canada Invest in Canada
Engagement with the Council for Security Cooperation in the Asia Pacific	Global Affairs Canada
Enhancing MSME Participation in ASEAN Regional and International Trade	Global Affairs Canada through the Export Deployment Mechanism for Trade and Development



Project/Endeavour	Funding Body
Investment Monitor	Alberta Hong Kong Office Export Development Canada Government of British Columbia Toronto Global
Takehashi Project	Ministry of Foreign Affairs of Japan
Raising Awareness of the CPTPP in Vietnam	Global Affairs Canada through the Export Deployment Mechanism for Trade and Development
Translating Asia Pacific COVID-19 Experiences for Canada	Public Health Agency of Canada

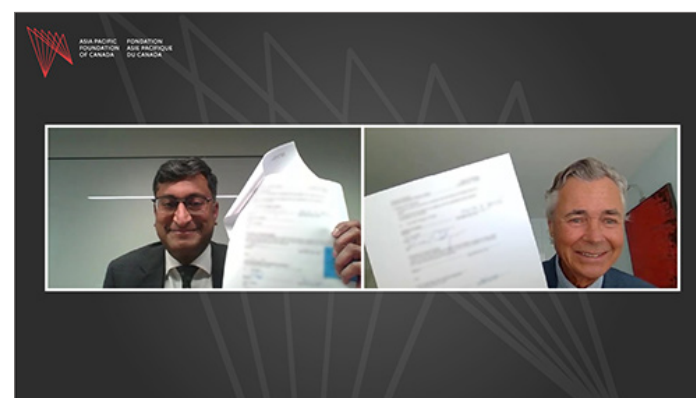
## Continuing Projects

### THE APEC-CANADA GROWING BUSINESS PARTNERSHIP

At the end of this fiscal year, APF Canada welcomed the support of the Government of Canada through Global Affairs Canada in funding the Phase II expansion of the [APEC-Canada Growing Business Partnership](#). The Partnership, in which APF Canada has collaborated with the Government of Canada and the Asia-Pacific Economic Cooperation (APEC) Secretariat since 2016, is a capacity-building project designed to address key challenges faced by micro, small and medium enterprises (MSMEs) in APEC developing economies. It has helped innovative entrepreneurs scale up their businesses, improve business management practices, and access resources and connections with a focus on sustainable, inclusive growth and poverty reduction, particularly among women- and youth-led businesses.

Phase I focused on the economies of Vietnam, the Philippines, Indonesia, and Peru, offering best-practice tools, ideas, knowledge, and critical connections derived from Canadian experience and tailored to the local markets of APEC developing economies. Phase II represents a four-year project for the Foundation and its dedicated Partnership team, supported by a C\$2.31-million contribution

from the Government of Canada through Global Affairs Canada's Pan-Asia Regional Development Program. It will build on the gains made in Phase I by replicating the Partnership's work in three new APEC developing economies: Malaysia, Thailand, and Papua New Guinea. APF Canada will continue its work in Indonesia, the Philippines and Vietnam, extending its engagement with these economies and furthering the reach of the Partnership's findings and results.



A signing ceremony for Phase Two of the APEC-Canada Growing Business Partnership was held on March 4, 2022, with The Hon. Pierre Pettigrew (Chair of the Board, Asia Pacific Foundation of Canada) and Mr. Paul Thoppil (Assistant Deputy Minister, Asia Pacific, Global Affairs Canada).



In finalizing Phase I, the Partnership team hosted a successful two-day virtual capstone conference summarizing and reflecting on the project's findings. The event was held during the APEC Small and Medium Enterprises Working group in May. Under the banner, 'Transforming the Asia Pacific Through Entrepreneurship and Innovation,' the 'capstone event' drew 116 attendees, included the release of a [policy paper](#) and policy toolkit, and reflected on pressing challenges for MSMEs in developing APEC economies, including MSME digitalization, gender and entrepreneurship, the impact of COVID-19, and inclusive economic recovery. The capstone research paper is available in the Annexes to this annual report.

### ASIA WATCH

Our twice-weekly newsletter [Asia Watch](#), providing analysis of the latest news, issues, and trends in Asia through a Canadian lens, remains our most impactful regularized outreach product, reaching a subscribed audience of over 4,000 readers every Tuesday and Thursday. Produced and

promoted by our research and communications teams, eight original stories each week are reposted and archived on the Foundation's Asia Watch [webpage map](#) and repurposed across our social media channels, including on Instagram, where they are 'recreated' as shareable, visual stories.

With a 23 per cent increase in subscribers this year, Asia Watch is a unique, high-value, APF Canada-branded product that reaches stakeholders across government, business, academia, and the media who rely on the newsletter to inform their work and decision-making. Special Editions of Asia Watch allow the Foundation to bring a particular focus to events, issues, and anniversaries that have broader implications for Canadians interested or operating in the Asia Pacific. This year, APF Canada produced three Special Editions, also republished on our website as short dispatches: [Marking Canada's National Day for Truth and Reconciliation](#) (September 30), [Ten Things to Asia Watch](#) in 2022 (December 16), and [Asia's Response to the War in Ukraine](#) (March 1).

# New Projects

## THE PHAC PAPERS

COVID-19 has disrupted the world like no other public health issue in recent times. Far from being solely a public health crisis, this major global disruption has also impacted trade, politics, travel, the environment, and civil liberties. And it has spurred public health questions around medical supply chains, digital solutions, and legal and policy frameworks to manage future pandemic responses.

Asian states, which suffered significantly from past health crises like SARS and MERS, have been leading the development of public health policy frameworks for many years and have been at the forefront of technological solutions to COVID, including contact tracing, telemedicine, and other digitally-enabled health systems and solutions. Asia has also become the centre of a growing number of global supply chains in recent years and is a major source of medical goods for Canada.

Leveraging our comprehensive work tracking COVID-19 responses across Asia in the early months of the pandemic, including our [COVID Asia Tracker](#) and year-long 'COVID-19 Conversations' dispatch series, at the end of last year, APF Canada submitted a successful proposal to the International Health Grant managed by the Public Health Agency of Canada (PHAC). The result this year was the [Translating Asia's COVID-19 Experience for Canada](#) research initiative, a five-part research report series examining the diverse COVID-19 experiences of multiple economies in the Asia Pacific region in the first year of the pandemic (2020) and drawing key take-aways for Canada.

Our objective, in line with the 'strengthening' phase of our Five-Year-Strategic Plan, was to consolidate our research efforts and expertise around a timely project with high value and impact and support Canada in taking a leading role in the global health space by deepening its knowledge of Asia's experiences with COVID-19.

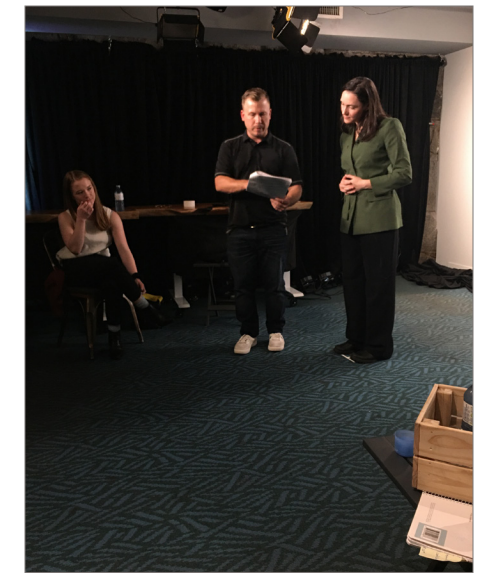
Our analyses provided policy recommendations for Canada, including important structural recommendations to help the federal government reform Canada's pandemic preparedness and build comprehensive response strategies to health crises in the future. APF Canada's researchers examined the first year of the pandemic across four focus areas, each with its own report:

- [Summary Report](#): Featuring research, analysis, and key findings from the four policy reports dissecting the experience of Asia Pacific economies as they responded to COVID-19.
- [International Engagement in Global Health](#): Exploring pandemic responses from prominent international organizations that pivoted their programs, research, and funding to address the challenges of COVID-19.
- [Cross-border Trade Flows](#): Providing an overview and analysis of the pandemic's impact on global value chains and the trade of medical products, such as personal protective equipment and vaccines, between Canada and the Asia Pacific region.
- [Digital Innovation for Pandemic Response](#): Exploring the development and rollout of digital technologies deployed in pandemic response and health care, including the enabling policy, legal, institutional, and societal factors facilitating the development and adoption of digital tools for public health.
- [Public Health and Pandemic Response](#): Examining the institutions, public health policies, and legislation either in place before COVID-19 or rapidly developed and modified at its onset, with an in-depth analysis of the factors in pandemic response that allowed Australia, Japan, New Zealand, Singapore, South Korea, Taiwan, and Vietnam to bring COVID-19 under control and prevent heavy death tolls through 2020.

The project culminated in a webinar event in March, '[Pandemic X: Are We Ready for "The Next Time?"](#)' which drew an audience of more than 80 health and policy experts from around the world. 'Pandemic X' featured project participants Dr. Peter Berman, Professor at the School of Population and Public Health, University of British Columbia, and Dr. Kelley Lee, Professor of Health Sciences and Canada Research Chair Tier 1, Simon Fraser University, alongside our APF Canada project research leads, Candice Ruck, Senior Researcher, Global Health, and Daniela Rodriguez, Project Manager, Digital Asia. The reports in the [Translating Asia's COVID-19 Experience for Canada](#) series are available in the Annexes to this annual report.



APF Canada's Post-graduate Research Scholar, Olivia Adams, participates in a tutorial video production for the government of Vietnam at Oh Boy! Productions in Vancouver, Canada



## THE EXPERT DEPLOYMENT MECHANISM PROJECTS

Under the Expert Deployment Mechanism for Trade and Development (EDM), an umbrella project funded by Global Affairs Canada through Cowater International, APF Canada's research team delivered and developed two technical assistance projects this year – one for Vietnam and the other for ASEAN. 'Raising SME Awareness of the CPTPP in Vietnam' was initiated in response to a technical assistance request from Vietnam's Multilateral Trade Policy Department and Ministry of Industry and Trade to develop public information and training tools for MSMEs to increase their awareness of the obligations and opportunities created by the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), of which Canada and Vietnam are members. The project culminated in November with a guidebook, workshop series, and a video tutorial featuring members of the Foundation's Business Asia and Education teams.

In September, APF Canada was awarded a second contract through Cowater International to provide technical assistance to the Association of Southeast Asian Nations

(ASEAN). The ASEAN Secretariat sought to better understand Canada's approach to including MSMEs in trade through Canada's free trade agreements (FTAs) and Canadian federal and provincial policies and programs. The project implementation team worked with the Government of Malaysia, the ASEAN member state leading the project. Currently in production is a guidebook to prepare ASEAN officials for Canada-ASEAN FTA negotiations and a workshop focused on Canada's approach to inclusive trade and MSME participation in trade. (These deliverables were completed in April 2022.)

The EDM project's activities and products to date, with editorial and multimedia production support from the Foundation's communications team, have been well-received by participating stakeholders and highlight the Foundation's ability to leverage its in-house trade, investment, education, and policy expertise while leveraging its network of experts to position the Foundation as a valued contributor and leading think-tank as Canada explores greater engagement with the dynamic economy of Vietnam and an FTA with ASEAN.



## THE ARCTIC POLICY PAPER

In April, our Strategic Asia research team received funding from the Mobilizing Insights in Defence and Security (MINDS) program of Canada's Department of National Defence to study the Arctic's geopolitics and offer strategic advice on how Canada can reposition its leadership on Arctic issues with a focus on Asian non-Arctic states.

Comprising nearly 40 per cent of Canada's landmass and 162,000 km of its coastline, the Arctic is an essential part of Canada's national identity and embedded in our history and culture. It is also an area of key strategic importance for Canada, particularly in the context of Canadian sovereignty and competing interests in the region – including those of Indo-Pacific states whose activities, capabilities, and influences in the Arctic are developing disproportionately faster than their North American and European counterparts.

With the Government of Canada identifying the Indo-Pacific as a region of renewed strategic importance, a direct linkage between Canada's interests in the Arctic and those in the Indo-Pacific has become increasingly relevant and important – more so, arguably, than the relationships that have historically underpinned Canadian Arctic diplomacy, including those with the G7, NATO, and liberal democracies within traditional Western policy discourse.

So argue our Vice-President, Research & Strategy, Dr. Jeffrey Reeves, and Policy Researcher, Angela Wang, the authors of the project's capstone policy brief, [A Canadian Arctic Policy for the Indo-Pacific](#). In this ground-breaking work on Canada's role in the Arctic in the context of an ascendant Asia, the policy brief maps out the Arctic objectives of Asia's predominant actors in the region – China, Japan, Singapore, and South Korea. The brief then provides policy options for greater Canadian integration in the Indo-Pacific's emerging Arctic ecosystem and a new framework for Canadian involvement in the Arctic that is more comprehensive, inclusive, and supportive of the country's broader engagement in the Indo-Pacific.

Project researcher Angela Wang presented the paper's findings at the 14th Polar Law Symposium 2021, hosted virtually by the Polar Cooperation Research Centre (Kobe University, Japan), the Polar Law Institute (University of Akureyri, Iceland), and the Arctic Centre (University of Lapland, Finland) and was invited to host a session at the Arctic Circle Japan Forum in Tokyo, Japan in 2023. The Policy Brief is available in the Annexes to this annual report.

## Women's Business Missions and Networks

APF Canada's Women-only Business Mission Series (2019-2023) supports the Government of Canada's dual efforts to promote international trade diversification and advance women's economic empowerment by encouraging Canadian businesswomen to expand into the dynamic economies of the Asia Pacific.

With support from the Government of Canada, as part of the Women Entrepreneurship Strategy Ecosystem Fund, and presenting sponsorship from Air Canada, these trade missions provide Canadian women-led or -owned companies with the opportunity and support they need to access key markets in the Asia Pacific, including pre-mission training, B2B connections, in-market promotion, and public conferences with high-level speakers.

With previous missions to Japan, South Korea, and Taiwan, this year the Foundation convened two new missions – to Australia and New Zealand (December) and India (March). Originally conceptualized as a series of in-market missions, with the advent of travel and health restrictions related to COVID-19, project lead Christine Nakamura, Vice-President, Central Canada Office, and her Toronto-based team successfully pivoted the missions to virtual formats.

### AUSTRALIA AND NEW ZEALAND

APF Canada's fourth women's business mission to the Asia Pacific, the [First Canadian Women-only Virtual Business Mission to Australia and New Zealand](#), brought together Canadian women entrepreneurs with businesses from Australia and New Zealand to promote gender-inclusive trade, support MSMEs, and catalyze international partnerships between Canadian companies and foreign markets.

The Australia and New Zealand mission was mounted in partnership with SheEO (a Canada-based international mentoring/disruptive financing network of women in business) and supported by Indigi-X (a Canada-based international Indigenous network) with strong support from the private and public sectors, and in particular from the Government of Canada's Trade Commissioner Service in both economies. It included a trilateral focus on highlighting opportunities for Indigenous women in international trade and hosted 19 delegates from across Canada, providing them with 120 B2B meetings from mid-December 2021 through the end of January 2022.



### INDIA

APF Canada's fifth women's business mission, the [First Canadian Women-only Virtual Business Mission to India](#), was presented in partnership with the Canada-India Business Council and supported by contributions from the Government of Canada through the Federal Economic Development Agency for Southern Ontario, and with strong support from the Government of Canada's Trade Commissioner Service in India. It was organized under the theme 'Growing Smarter' and focused on education, green solutions, agri-tech, and health tech to spotlight Canadian women entrepreneurs' innovations in these sectors.

The mission connected nine specially selected Canadian women-led companies in the education and health-care sectors with potential Indian partners through B2B meetings and convened high-level discussions on promoting women's economic empowerment in the bilateral context, and business opportunities for entrepreneurs and MSMEs.

In addition to bringing together 300 registrants from multiple countries and generating 210 B2B meetings between delegates and potential partners in-market, this year's missions enhanced Asia business and cultural competency among Canadian women entrepreneurs and business leaders.



## Women's Business Missions Funders and Supporters

### Funding Partners

Federal Economic Development Agency of Southern Ontario (Total \$1,754,836; \$530,166 in FY21-22)

Air Canada (Total \$50,000; \$15,000 in FY21-22)

### Supporting Organizations

#### Australia & New Zealand

Export Development Canada (EDC)

Global Affairs Canada

Trade Commissioner Services

Australian Trade and Investment Commission (Austrade)

Consulate General of New Zealand in Vancouver

High Commission of Australia to Canada

High Commission of New Zealand to Canada

New Zealand Trade and Enterprise (NZTE)

Smart Mango

Te Whenua Consulting

SheEO

Kristal Kinsela Consulting

INDIGI-X

VentureLab

#### India

Export Development Canada (EDC)

Global Affairs Canada

Trade Commissioner Services

ASSOCHAM

Confederation of Indian Industry (CII)

Federation of Indian Chambers of Commerce and Industry (FICCI)

High Commission of Canada to India

Indo Canadian Business Chamber

Trilegal

Bennett Jones LLP

Canada-India Business Council

## Women's Business Missions Impact (As of June 25, 2021)

**101** women supported in starting a new business

**535** women supported to strengthen entrepreneurial skills

**985** women connected with networking, matchmaking, and mentorship opportunities

**480** women supported in growing their business in markets abroad

**201** women supported to engage in traditionally under-represented sectors

**419** underrepresented women supported

**575** women supported in growing an existing business



## THE CANADIAN WOMEN'S INTERNATIONAL NETWORK (CANWIN)

In May, building on the success of its trade mission series, APF Canada launched [CanWIN](#), the Canadian Women's International Network, to connect women thought-leaders, entrepreneurs, and gender equality organizations to advance economic equality and empower Canadian women entrepreneurs through engagement with international growth markets in Asia.

Supported by contributions from the Government of Canada through the Federal Economic Development Agency

for Southern Ontario, CanWIN is a growing multilateral network and international ecosystem of women in business who can help Canadian women to diversify into Asian markets. It was launched by inaugural Chair Dr. Lois Nahirney (President & CEO, dnaPower) and Vice-Chair, Ms. Janice Fukakusa (Chancellor, Metropolitan University of Toronto) on May 27 with an online event that drew 235 registrants from across Canada and the world.

# Building Networks

A central objective of APF Canada's Five-Year Strategic Plan (2019-2024) is to facilitate international connectivity between Canada and Asia through domestic and regional networks. In the current 'strengthening' phase (2021-2023) of the Plan, APF Canada's networking activities this year included taking on additional secretariat responsibilities with the Council for Security Cooperation in the Asia Pacific (CSCAP) and deepening partnerships through APEC channels to contribute relevant research to ongoing institutional efforts and develop closer network relations with other member state committees.

APEC-specific activities included bolstering our participation in the Pacific Economic Cooperation Council (PECC), building on our role as secretariat to the APEC Business Advisory Council (ABAC), and solidifying our role as Canada's designated Asia Pacific Economic Cooperation (APEC) Study Center. Furthermore, this year, the Foundation hosted two Asia Business Leaders Advisory Council (ABLAC) meetings, welcomed a new cohort of Distinguished Fellows, and participated in several successful joint webinars with our new institutional partner, the Chile Pacific Foundation.



## ABLAC

Established by APF Canada in 2016, the [Asia Business Leaders Advisory Council \(ABLAC\)](#) comprises a high-level group of Asian (27) and Canadian (22) business leaders convened annually by the Foundation to identify and articulate opportunities for improved Canada-Asia business engagement. Council membership is represented across Canada, and more than 10 Asia Pacific economies, and annual meetings are held in cities in Canada and Asia. Since its inception, ABLAC has emerged as a unique forum to catalyze dialogue and action.

In April, following the postponement of ABLAC 2020 due to the pandemic, ABLAC convened for the fifth time in a virtual setting. More than 150 ABLAC members and guests attended the two-day meeting to discuss several timely issues related to the overarching theme, 'Broad Diversification – Strengthening Canada-Asia Engagement after COVID-19.' The key take-away echoed throughout the meeting: engagement with Asia is as important as ever and will be crucial for Canada's own post-COVID economic recovery. It was noted that the various sub-regions within the broader Asia Pacific region will each face their own challenges and present unique opportunities.

The Opening Plenary Session included pre-recorded video remarks from The Hon. Mary Ng, Canada's Minister of

Small Business, Export Promotion and International Trade, and The Hon. Seamus O'Regan, Canada's Minister of Natural Resources. Dr. Jeffrey Reeves, the Foundation's Vice-President, Research & Strategy, closed the session by providing a 'state of the region' overview of the primary political, economic, security, environmental, and technology trends in the Asia Pacific and highlighted new challenges and opportunities for Canada to engage with the region.

The Closing Plenary Session featured a pre-recorded address by The Hon. Marc Garneau, Minister of Foreign Affairs Canada, followed by an engaging keynote address by Mark Carney, Vice Chair and Head of ESG and Impact Fund Investing, Brookfield Asset Management, and Former Governor of the Bank of England and the Bank of Canada. Dominic Barton, ABLAC Honorary Chair and Ambassador of Canada to China, joined Mr. Carney following the keynote address to moderate a lively virtual fireside chat.

ABLAC 2021 virtual panel discussions included: opportunities for digital collaboration with Southeast Asia, opportunities related to the environment and carbon commitments in Northeast Asia, and the growing importance of trade and investment with South Asia in Canada's broad diversification efforts. The Council's final recommendations were captured in the [ABLAC 2021 Summary Report](#), which is available in the Annexes to this annual report.

In February, APF Canada hosted a special ABLAC virtual roundtable, 'A New Trade Architecture Emerging in

the Asia Pacific: What Does This Mean for Business?' A members-only event hosted by Goldy Hyder, ABLAC 2022 Chair and President & CEO of the Business Council of Canada, the roundtable focused on the mega free trade agreements underpinning a new trade architecture in the Asia Pacific: the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Regional Comprehensive Economic Partnership (RCEP), and the Digital Economy Partnership Agreement (DEPA), the first and only multilateral digital trade policy instrument.

Speakers included ABLAC members Shirley Crystal Chua, Founder and Group CEO, Golden Equator (Singapore); Martha Hall Findlay, Chief Climate Officer, Suncor (Canada); Kevin D. Strain, President & CEO, Sun Life (Canada); and, Jennifer Westacott, Chief Executive Officer, Business Council of Australia (Australia). The roundtable was an opportunity for ABLAC members to welcome new members to the Council, connect about business challenges and opportunities in the current environment, and learn more about plans for ABLAC in 2023.

## DISTINGUISHED FELLOWS

APF Canada's [Distinguished Fellows](#) are subject matter experts in various aspects of Canada-Asia relations and provide the Foundation with valuable insight and guidance, participating in dialogues and public events, offering public commentary, informing research projects, and responding to domestic and international media requests.

In May, APF Canada convened its new 2021-2023 cohort of Distinguished Fellows to provide an overview of APF Canada's research and work plan for 2021-2022 and solicit the contribution and engagement of the Fellows in the Foundation's work, including collaborative opportunities with the Pacific Economic Cooperation Council (PECC) network. With a more equitable gender balance and greater regional representation than in past years, the new cohort met again in December to discuss APF Canada's new CAST project, raising important questions around data veracity and intellectual property considerations as the Foundation ramps up the development of this new data-driven tool tracking, analyzing, and mapping significant developments and Canadian interests at the local level across key regions of Asia.

## ABAC

APF Canada serves as the secretariat for Canada's APEC Business Advisory Council (ABAC) members, providing research, analysis, and administrative support. This private sector body presents recommendations to APEC Leaders in an annual dialogue and advises APEC officials on business sector priorities and concerns. ABAC meets four times each year, and ABAC representatives also attend Senior Officials' Meetings, the Annual Ministerial Meeting, and the sectoral Ministerial Meetings.

This year, the Foundation was pleased to welcome Joseph Fung (Principal Director of Fairchild Capital Management and Managing Partner of Saltagen Ventures) and Timothy Dattels (Partner with global investment firm TPG, and Chair of TPG Asia) to ABAC Canada. Joining serving member Janet De Silva (President and CEO of the Toronto Region Board of Trade and ABAC Digital Working Group Chair 2022), Fung assumed the role of ABAC Sustainability Working Group Co-Chair 2022 and Dattels as Regional and Economic Integration Working Group Co-Chair 2022. All three ABAC Canada members are also members of ABLAC, with deep and long-standing ties to the Foundation and its work to strengthen network engagement across the Asia Pacific.



**Janet De Silva**

President and CEO  
Toronto Region Board of Trade



**Timothy Dattels**

Partner and Chair, Asia  
TPG



**Joseph Fung**

Managing Partner  
Saltagen Ventures



ABAC II Meeting in Vancouver

In August, ABAC Canada Members Jan De Silva and Joseph Fung, along with APF Canada staffer Stephanie Lee, participated in the ABAC III Plenary Meeting, where recommendations included in the ABAC Canada-led report, [Artificial Intelligence in APEC: Progress, Preparedness and Priorities](#), were endorsed. Artificial Intelligence (AI) promises to revolutionize the global economy, contributing as much as US\$16 trillion in additional economic output by 2030 and boosting global GDP by 14 per cent. AI will foster continued economic growth and global integration, particularly in APEC's fast-growing and technologically integrated economies. The report was funded by ABAC's Digital Working Group to provide a granular analysis of the AI agenda in APEC economies and is available in the Annexes of this annual report.

Toward the end of this year, the Foundation shifted its networking efforts to support ABAC Canada members, in consultation with Global Affairs Canada (which provided additional funding support) and the Province of British Columbia, in organizing and planning the ABAC II Meeting in Vancouver (April 25-28, 2022) and an ABAC Cyber-

security Symposium (April 25, 2022) along the margins of the ABAC II Meeting. Both events will be highlighted in APF Canada's 2022-23 Annual Report.

### CSCAP & PECC

This year, working with Global Affairs Canada, APF Canada successfully lobbied for Canada's Member Committee to be reconstituted in the Council for Security Cooperation in the Asia Pacific (CSCAP), a non-governmental 'Track 1.5' process for dialogue that provides independent business and research input for regional policy-making processes. APF Canada is now CSCAP's acting interim secretariat, providing the Foundation with the ability to contribute to regional discussions on Asia's strategic affairs. The Foundation is currently working with CSCAP member committees from New Zealand, Australia, Singapore, and Vietnam to advance a three-part study group on Asia's pandemic security as it applies to COVID-19, leveraging our extensive research work earlier in the fiscal for the Public Health Agency of Canada.

Demonstrating our broad networking capacity and expanding security expertise, Distinguished Fellow Stéphanie Martel and research collaborator Dr. Jennifer Mustapha of Huron University College at Western University attended the CSCAP Study Group on Women, Peace and Security meetings in June and September, respectively. And our Vice-President, Research & Strategy, Dr. Jeffrey Reeves, gave a presentation at a CSCAP Northeast Asia Peace and Cooperation Study Group Session in November and the CSCAP Steering Committee Meeting in December.

In our work this year with the Pacific Economic Cooperation Council (PECC), a non-profit international organization of 26 member committees established to promote co-operation and dialogue in the Asia Pacific (and the only non-governmental official observer of APEC), our Canadian PECC Committee Chair Don Campbell was a panellist at the 36th Pacific Economic Community Seminar, 'Economic Transformation and the Future of Work in the Asia Pacific after the Pandemic,' organized by the Chinese Taipei Pacific Economic Cooperation Committee in October. In February, CANPECC Committee Chair Campbell and Vice-Chair Hugh Stephens, also a Distinguished Fellow with APF Canada, participated in a course-charting meeting with APF Canada President and CEO Jeff Nankivell and the Foundation's Vice-President, Research

& Strategy (and new CANPECC member) Jeff Reeves, to discuss emergent opportunities to leverage Canada's PECC presence in the region in the context of Canada's forthcoming Indo-Pacific strategy.

### CHILE PACIFIC FOUNDATION

Our institutional partnership with the Chile Pacific Foundation, an advocate for Chile's free trade projection towards Asia Pacific markets, continued to produce successful collaborations this fiscal. In the fall, the Foundation co-produced the final two webinars in the four-part series on 'ASEAN and the Americas.' Two of APF Canada's Distinguished Fellows, Bart Édes and Jonathan Fried, participated as panellists on digital trade, and our John H. McArthur Research Fellow, Elina Noor, and Vice-President Research & Strategy, Jeff Reeves, participated in the concluding webinar on the impact of China's Belt & Road Initiative. The series was a highly successful initiative in terms of productive dialogue. It expanded the reach of the Foundation's work, attracting three of our largest event audiences this fiscal, adding more than 350 new people to our events list, and supporting an increase of almost 200 new subscribers to our Asia Watch newsletter.

# Combatting Anti-Asian Racism

While much of APF Canada’s work is focused on trade and investment, geopolitics, and security issues, the *Asia-Pacific Foundation of Canada Act* also defines our purpose as one rooted in “promoting mutual awareness and understanding of the cultures, histories, religions, philosophies, languages, life styles and aspirations in the Asia-Pacific region and Canada and their effects on each other’s societies” and “collecting information and ideas relating to Canada and the Asia-Pacific region and disseminating such information and ideas within Canada and the Asia-Pacific region.”

In the early months of the COVID-19 pandemic, an international health crisis originating in Asia, the Foundation, its allies, and like-minded organizations and individuals began tracking growing anti-Asian sentiment in Canada, including racist attacks and hate crimes. Across Canada, there was abundant evidence of increased violence and hostility, particularly against Asians and Canadians of Asian descent.

To better understand their experiences of anti-Asian racism during the pandemic, the Foundation convened 23 young adults who self-identified their ethnicity as East Asian for an in-depth conversation on Canadian society, diversity and multiculturalism, and anti-Asian racism. The focus group format allowed us to gauge perspectives on building an inclusive space drawing on the participants’ experiential knowledge of growing up and/or living in Canada.

The findings and recommendations emerging from these conversations were captured in a report released in May, [‘Anti-Asian Racism: Where Do We Go From Here?’](#) Key take-aways from this study, with observations and recommendations informing our future curriculum and youth initiatives, include:

- Anti-Asian hostility, bias, and discrimination are not new phenomena but have been exacerbated by the pandemic.
- Harmful stereotypes and ‘microaggressions’ are prevalent and persistent and often have long-term, social, and psychological impacts.
- Two areas where change can effectively shape a more inclusive and tolerant space are education and mass media.
- Building an equitable and inclusive society must be a continuous effort evolving with the times and needs.

A copy of the report is available in the Annexes to this annual report.

The Anti-Asian Racism report, particularly its findings around the need for education and a continuous effort to combat racism, prompted the creation of a new resource webpage under our cross-cutting education pillar. A ‘living’ portal or information, resources, training opportunities, cultural initiatives, self-care links, and multimedia resources, our [Anti-Asian Racism](#) landing page received 4,310 pageviews this year and continues to be updated as new resources are identified or shared with the Foundation.

# Youth Initiatives

APF Canada is committed to the long-term goal of improving the ‘Asia competence’ of Canadians so they are better informed and prepared to engage with the peoples and economies of the Asia Pacific. For the Foundation, this work starts with young Canadians, Canada’s future stakeholders and leaders in our country’s relations with the dynamic economies of Asia.

## KAKEHASHI PROJECT

The [Kakehashi Project](#), which APF Canada administers on behalf of Japan’s Ministry of Foreign Affairs, is a Government of Japan-funded bilateral education exchange program that offers Canadian students and young professionals the opportunity to learn about Japanese society, politics, economy, and culture through curated exchange and education tours to Japan.

Since the start of this collaboration in 2013, the Foundation has received approximately C\$10 million from Japan’s Ministry of Foreign Affairs for its work on the project, which is a significant contributor to our Asia competence work. Through the program, APF Canada facilitates exchanges for some 100 young Canadians and 30 Japanese students each year.



Due to COVID-19-related travel restrictions, in-person exchanges were suspended for the 2021-2022 fiscal year. But APF Canada’s Kakehashi team, led by Program Manager Siân Jones, quickly pivoted to online programming, organizing or co-organizing 14 events this year, including two well-attended alumni events and two virtual high-school exchanges. The alumni event in May, ‘Kakehashi’s Lasting Legacy – International Exchange for Life Experience and Life Change,’ was a success, featuring opening remarks from Japan’s Ambassador to Canada, H.E. Yasuhisa Kawamura, and drawing more than 50 participants from Canada and Japan.

## ELECTION WATCH

In addition to its ongoing Asia Pacific Curriculum work this fiscal, including the completion of two new modules – Asia Pacific and Climate Change and Preserving Canada’s Heritage Languages – that will be available to Canadian high-school teachers and other educators next fiscal, in November, the Foundation’s education team resumed its successful student election watch (EW) series.

This youth initiative convened a small group of graduate and undergraduate students and young professionals to monitor developments in the closely watched South Korean presidential election on March 9. EW members met every week virtually, joining the discussion from Montreal, Calgary, and Vancouver. They familiarized themselves with the campaign platforms of the major candidates and the major economic, social, and political issues animating the country’s voters. The group produced six published dispatches, touching on economic inequality, gender, South Korea-China relations, and North Korea policy.

In February, APF Canada formed its Philippines Election Watch, with students and young professionals participating from Montreal and two cities in B.C. – Vancouver and Squamish. The Korea Election Watch and Philippines Election Watch were the eighth and ninth such initiatives, respectively. Previous election watches have focused on the Philippines (2016), Bangladesh, India, Indonesia, Sri Lanka, Taiwan, and Myanmar.

# John H. McArthur Fellows

The [John H. McArthur Distinguished Fellowship](#) was established by APF Canada in 2017 in honour of John H. McArthur, former Chair of the APF Canada Board of Directors, an Officer of the Order of Canada, and Dean Emeritus at Harvard Business School before his death in 2019. Supported by the creation of a \$2-million fund, the Distinguished Fellowship is awarded to an accomplished global thought leader to elevate the work of the Foundation through public engagement.

This year's Fellowship was awarded to Zanny Minton Beddoes, renowned global economics expert and Editor-in-Chief of *The Economist*. Beddoes' virtual keynote address in June, 'Duelling Superpowers: What does this mean for the rest of us?', drew 691 attendees, our largest event of the year.

Signature, branded events like the McArthur Distinguished Fellowship demonstrate APF Canada's impact on public debate and help to promote understanding of and interest in Canada-Asia relations. Built on its success, this year the Foundation launched the inaugural John H. McArthur Research Fellowship to provide opportunities for exceptional, mid-career scholars working on programs and research areas directly relevant to Canada and Canada's interests in Asia.

This year's Research Fellowships were awarded to Elina Noor, Director of Political-Security Affairs and Deputy Director, Washington, D.C. Office at the Asia Society Policy Institute, and Tabitha Grace Mallory, Founder of China Ocean Institute and Affiliate Professor, Jackson School of International Studies, University of Washington. A native of Malaysia, Noor's work focuses on security developments in Southeast Asia, global governance and technology, and preventing/countering violent extremism. Mallory specializes in Chinese foreign environmental policy and researches China and global ocean governance.

These Research Fellows have supported various research projects and contributed to our briefings and events. Elina Noor hosted a 12-part podcast series, [Between the Binary](#), highlighting the priorities, prospects, and challenges of technology in the Global South through the voices of experts in and from the Global South, which was launched this year with production support from the Foundation.

## Evaluation of the Asia Pacific Foundation of Canada (December 2021)

The 2021-22 fiscal year also saw the completion and publication of [an evaluation of the Foundation's work](#) by the Evaluation Division of Global Affairs Canada, to be undertaken at regular intervals under the conditional grant agreement ("the CGA") related to the \$50-million endowment provided to the Foundation by the Federal Government in 2005.

The evaluation covered APF Canada operations and activities from April 1, 2014, to March 31, 2020, as well as the relationship between the Foundation and Global Affairs Canada.

Among the key findings, the evaluators concluded that:

- The programming conducted by the Foundation produced solid results that aligned with, and were supportive of, the mandate outlined in the CGA.
- The Foundation was able to undertake new and relevant programming that responded to changing contexts.
- Stakeholders found value in the Foundation's activities, particularly improved awareness of the Asia Pacific region through the publication of a large number of products.

# The Way Forward

In preparing for a changed world of economic instability and geopolitical uncertainty, it remains the guiding principle of APF Canada that there is an urgent need for a deeper understanding of Canada's interests in the Asia Pacific and a deeper commitment to meaningful engagement within the region.

Despite the many challenges of the past year – from the lingering global health crisis, a new war in Europe, and escalating great power competition – the Foundation remains committed to the vision outlined in its 2019 Five-Year Strategic Plan to solidify its position as Canada's leading research centre working on Asia Pacific affairs, leverage its research and networks to support Canadians in engaging more effectively with Asian countries and markets, and provide Canadians with the knowledge and expertise they will need to meet the unique opportunities and challenges unfolding in the world's most dynamic and fastest-growing region.

APF Canada's five-year strategic plan envisages three phases: refocusing (2020-2022), strengthening (2022-2023), and marketing (2023-2024). As we look to the next 12-to-18 months, the Foundation will move from a state of realigning programs to one of consolidating our most valuable research, education, and networking efforts for the greatest impact in Canada and Asia.

This more focused approach to supporting Canada-Asia engagement comes at a critical juncture. With the Government of Canada's renewed commitment to economic diversification now taking shape and the release of an ambitious, long-term 'Indo-Pacific strategy' to step up Canada's engagement in the region anticipated, the next 18 months may be as pivotal and impactful as any period in the Foundation's 38-year history.

While APF Canada will continue to deliver the high-value outputs and programming for which it is best known, including innovative research, international events, women's trade missions, surveys, and education and training initiatives, the coming year will see the Foundation consolidate its work around two major undertakings: the Canada-Asia Sustainability Tracker (CAST) and the Canada-in-Asia Conference.

- The Foundation played a positive convenor role between peoples and institutions of Canada and the Asia Pacific region through the fostering of various networks.
- The Foundation was well managed with a strong governance and organizational structure.
- The Board has done an effective job of governing the Foundation and of managing the endowment capital in a prudent manner.
- The Foundation has also been successful in mobilizing external funding sources.

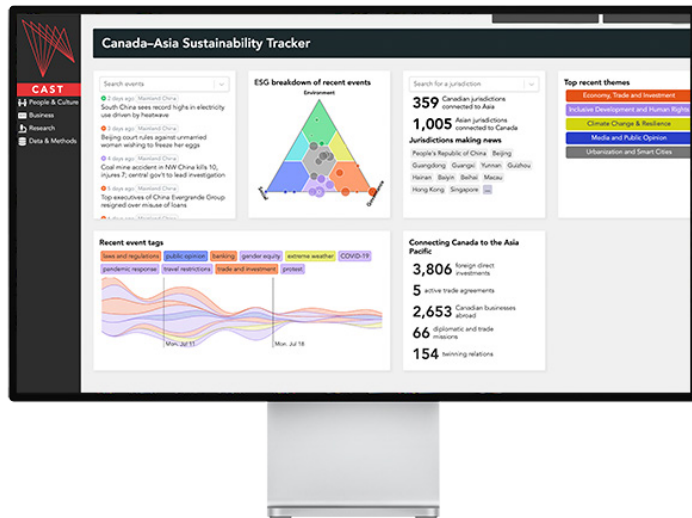
While examining government relations, the evaluation found a few areas in need of further clarification, related to overlap between the 1984 Asia-Pacific Foundation of Canada Act and the CGA, as well as the strategic-level and operational-level relationships between Global Affairs Canada and the Foundation.

In a joint formal response to the recommendations of the evaluation, GAC and APF Canada undertook (among other actions) to review and update the CGA to streamline its conditions and reporting requirements, and to develop a mutually agreeable mechanism for annual sharing of institutional strategic perspectives.



## CAST

An all-of-organization initiative, CAST is an integrated database and data visualization platform that incorporates micro- and macro-level datasets on Canada's engagement in Asia at the sub-national level, with analysis of community-level events using local-language, open-source media, social media, leadership statements, and policy announcements to create real-time, actionable intelligence. In line with emerging trends, CAST is focused on Environmental, Social and Corporate Governance (ESG) developments across the region. The largest portion of CAST's outputs will be made publicly available, with niche components like bespoke reports, briefings, and net assessments made available to clients with specialized interests as paid services in line with the 'market' phase of our Five-Year Strategic Plan. In this way, we will be able to grow the overall scope of CAST sustainably over time, thus expanding what is available to all users for free while providing customized support to those who would benefit directly from more specialized analysis.



Already under development, CAST will transform our research operations by building an online platform and a new suite of services that will bring greater strategic coherence to our research agenda and greater efficiencies in managing information, knowledge, and insights from our various projects. Ultimately, this new signature product will provide the Canadian public, businesses, governments, and other institutions and organizations with a new tool for understanding and decision-making based on real-time data and analysis. The Foundation's Board of

Directors has allocated \$800,000 over two years from APF Canada's endowment capital to support the development and launch of this new project, and the project team is in discussion with potential development partners in the private and public sectors.

## CANADA-IN-ASIA CONFERENCE 2023

The Canada-in-Asia Conference, to be convened jointly by APF Canada and Universities Canada (the national association of Canada's university presidents) in Singapore in February 2023, represents a new signature Canadian event in the Asia Pacific region and the first-ever effort by Canada's universities to convene their alumni in Asia together with key Canadian leaders in government, business, and academia, and their partners in the region.

Canada's universities are global leaders in developing the knowledge, skills, and leading research that demonstrate Canada's unique capabilities and contributions. That said, their many alumni in the region have been an under-utilized resource for deepening Canada-Asia relations.

With long-term plans to hold the event in Singapore every two years, the Foundation believes the Canada-in-Asia Conference will catalyze a new and transformative phase of Canada-Asia engagement, building extensive people-to-people and institutional linkages among Canada-connected people around the region and between the region and Canada. Centred on the role of Canada's universities and their alumni in stepping up Canadian engagement in Asia, the event – and the networks it creates and re-activates – will help advance the Government of Canada's Indo-Pacific strategy, establishing new ties and strengthening existing ones to further accelerate connectivity and partnerships across the region.

In addition to establishing formal co-operation with Universities Canada in co-convening the conference, the Foundation has received universal enthusiasm for this initiative directly from university leaders, corporate CEOs, federal and provincial governments, local Canadian chambers of commerce in Asia, and business organizations on both sides of the Pacific.

## Continuing Efforts

In addition to launching these two major projects next year, the Foundation will continue its work on other ongoing and new initiatives to support our key national- and provincial-level stakeholders in government, business, and academia while continuing to provide opportunities for public education through our Asia competence efforts.

The Foundation will continue to build on its widely recognized programs to empower women entrepreneurs in Canada and their counterparts in Asia through our business missions, CanWIN, and international development projects such as the new phase of the \$2.5-million APEC-Canada Growing Business Partnership project.

We will continue to build on our role as Canada's secretariat for the APEC Business Advisory Council (ABAC), the Council for Security Cooperation in the Asia Pacific (CSCAP), and the Pacific Economic Cooperation Council (PECC), as well as APF Canada's own Asia Business Leaders Advisory Council (ABLAC), and strengthen our network of distinguished fellows as a source of relevant insights, and advice for Canadians, and feedback on our own work and projects.

We will further advance APF Canada's Asia competence through work with provincial and national partners across primary and secondary schools on Asia curriculum for students, the establishment of a new network and fellowship program for young professionals, and by developing Asia competency programming for young and mid-career professionals in the private sector.

And we will continue to contribute to anti-Asian racism advocacy by working with stakeholders across Canada in education, government, NGOs, and industry, and by championing the National Coalition of Canadians Against Anti-Asian Racism (NCCAAR) and its work in support of initiatives led by Asian Canadian youth that enhance access to community services and ensure representation for Asian Canadians.

And finally, as Canada's leading research centre on Canada-Asia relations, the Foundation will be ready to take on new mandates and projects arising from the Government of Canada's forthcoming Indo-Pacific strategy and the next chapter it represents in Canada-Asia relations and engagement. We will also be prepared to respond directly to the significant trend of increased interest from Canada's private sector, education sector, public institutions, and civil society in diversifying their Asia-Pacific connections, to provide the broadest possible range of Canadians with the information, analysis, and organized activities necessary to navigate the risks and access the opportunities offered by the world's most dynamic region.



# OUR IMPACT

Asia Watch  
Digital Presence  
Top 10 Dispatches

Key Numbers  
Online and Social Media  
A Year in Policy Reports  
and Briefs

Our National Opinion  
Poll and Surveys  
Top 5 Events

We remain committed to providing Canadians with the knowledge needed to address the unique opportunities and challenges unfolding in the Asia Pacific and to educate the next generation of Canadian scholars and practitioners, particularly in the context of pandemic recovery.

In line with the *Asia-Pacific Foundation of Canada Act* and our Five-Year Strategic Plan and vision to be the predominant thought-leader in Canada on Asia Pacific affairs and Asia Pacific engagement for Canadian governments, Canadian businesses, and the Canadian people, this fiscal the Foundation continued to provide high-level intelligence and evidence-based analysis to help develop Canada's potential leading role in the region, particularly in the context of preparing for a changed world vis-à-vis the COVID-19 pandemic.

In this 'strengthening' year of our 5-Year Strategic Plan, the Foundation continued to refine its publication and dissemination strategies for research projects and products, promote our virtual and hybrid events, and leverage our website, social media channels, and new multimedia offerings to increase the reach of the Foundation's outputs, expand our stakeholder network, and amplify the integrity of the APF Canada brand in a world mainly operating online and virtually.

From our twice-weekly Asia Watch news intelligence service and research reports and policy briefs to our timely and topical dispatches, event activations, and comprehen-

sive national opinion poll, the Foundation has continued to align its output and outreach activities within a set of strategic priorities with the highest impact.

We remain committed to providing Canadians with the knowledge needed to address the unique opportunities and challenges unfolding in the Asia Pacific and to educate the next generation of Canadian scholars and practitioners, particularly in the context of pandemic recovery.

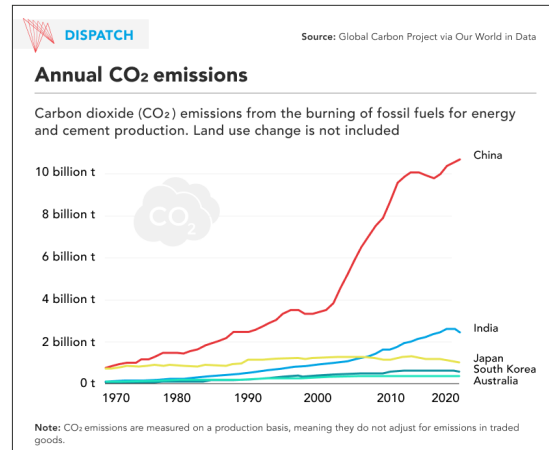
As the section that follows demonstrates, our work continues to resonate with Canadians interested in building or growing trade and investment opportunities in the dynamic markets of the Asia Pacific and with actors in Asia interested in the unique opportunities Canada represents across diverse sectors, from resources and technology, to clean energy and health care solutions. For stakeholders on both sides of the Pacific interested in enhanced policy, education, and cultural engagement, our work this fiscal has had an equal impact, strengthening our transpacific partnerships and solidifying collaborative spaces while continuing to demonstrate the Asia Pacific Foundation's institutional value as Canada's premier Asia research centre.

# Asia Watch

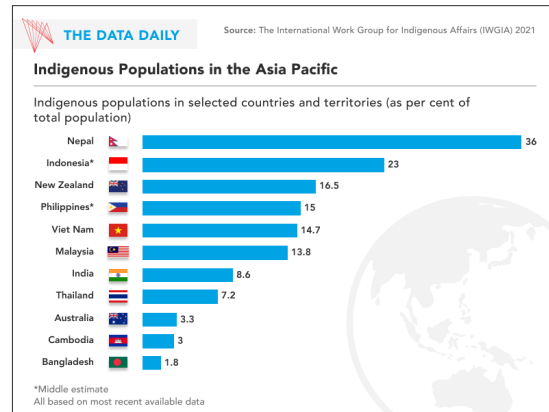
Asia Watch – APF Canada’s twice-weekly analysis of the latest news, issues, and trends in Asia, including COVID-19 recovery tracking – is arguably the jewel in our Foundation’s publications crown, reaching 4,076 subscribers, a 23 per cent increase over the previous fiscal.

Produced and promoted in partnership by our Research and Communications teams, Asia Watch goes out every Tuesday and Thursday via MailChimp, with individual stories reposted and archived on our [interactive Asia Watch webpage map](#) and repurposed across our social media channels, including Instagram, where they are ‘recreated’ as visual stories in that increasingly popular app (now owned by and integrated with Meta, formerly Facebook).

A unique, high-quality, APF Canada-branded product, we know anecdotally that stakeholders across government, business, academia, and the media look forward to Asia Watch landing in their inboxes and use its content to inform their work and decision-making. Special Editions of Asia Watch take a ‘deeper dive’ into significant event, dates, and anniversaries and are repurposed as Dispatches on our website’s publications stream. Our three special editions this fiscal included [Ten things to ‘Asia Watch’ in 2022](#) (December 16, 2021), [Marking Canada’s National Day for Truth and Reconciliation](#) (September 30, 2021), and [Asia’s response to Russia’s invasion of Ukraine](#) (March 1, 2022). The Asia Watch newsletter also links to our latest reports, polls, dispatches, and events, and features The Data Daily infographic twice each week.



Ten things to 'Asia Watch' in 2022



Marking Canada’s National Day for Truth and Reconciliation

**Asia Pacific Responses to Russia's Invasion of Ukraine**  
Region split between neutrality, condemnation, and actions toward Ukraine and Russia

Support for invasion	Officially neutral	Condemnation of invasion, no action	Condemnation of invasion, aid to Ukraine, sanctions against Russia	No official statement
Myanmar (SAC)	Bangladesh	Indonesia‡	Australia	Bhutan
	China	Maldives	Japan	Mongolia
	India*	Myanmar (NUG)	New Zealand	
	Pakistan	Nepal‡	Singapore	
	Sri Lanka	Philippines	South Korea	
	Most ASEAN member states*	Timor-Leste	Taiwan	
	ASEAN	Pacific Islands Forum		

\*Excluding Indonesia, Philippines, Myanmar (both SAC and NUG), and Singapore.  
\*India has committed humanitarian aid to Ukraine, though remains officially neutral.  
‡ Statement of condemnation for a military “attack” or “invasion” did not identify Russia by name.

Asia’s response to Russia’s invasion of Ukraine

# Digital Presence

The Asia Pacific Foundation of Canada continues to expand its presence in the digital spaces where information is increasingly accessed and shared, leveraging our website, new media channels, and social media platforms to deliver timely, informative content that adds value to the Canada-Asia conversation while enhancing engagement with our networks and stakeholders across governments, business, academia, the media, and civil society.

By promoting the Foundation’s research outputs, project deliverables, and event activations through Twitter, Facebook, LinkedIn, Instagram, and YouTube, and by strategically engaging partners, decision-makers, and like-minded audiences in these spaces, we are able to facilitate an exchange of information and ideas that enriches the Canadian conversation on Asia.

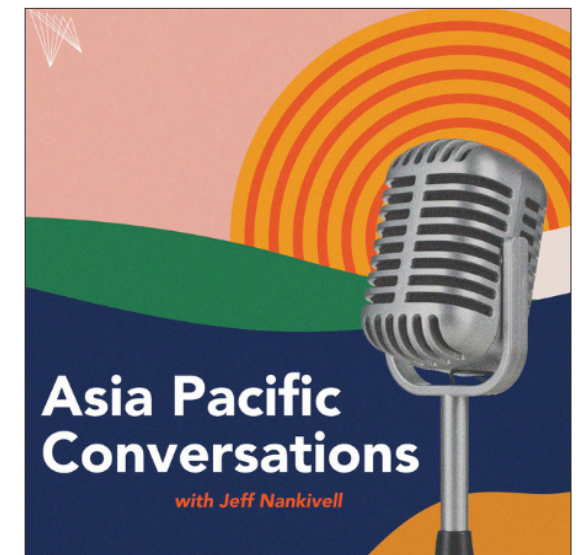
This year, in preparing for a changed world, much of that conversation revolved around the aftermath of the global COVID-19 disruption and explored pathways to economic and social recovery – with the many lessons gleaned from the experiences of Asian economies translated for Canada and Canadian audiences.

The Foundation further enhanced its digital media content streams this past fiscal, presenting our many virtual events as edited webinars and producing proprietary podcasts, including [Between the Binary](#), a limited series podcast highlighting the priorities, prospects, and challenges of technology in the Global South hosted by John H. McArthur Research Fellow Elina Noor, and [Asia Pacific Conversations](#), in which our President & CEO Jeff Nankivell discusses emergent issues and ideas with thought-leaders from across the Asia Pacific.

Our interactive approach to APF Canada’s digital brand strategy has been successful year on year. As illustrated through the data-driven key performance indicators listed below, this past year saw a steady uptick in the flow of visitors and followers.



Between the Binary



Asia Pacific Conversations

# Top 10 most viewed dispatches

BY PAGEVIEWS



17,317 PAGEVIEWS

## Japan's Vaccine Hesitancy Has Implications for COVID Control, and the Summer Olympics

Published: May 20, 2021

[Read more](#)



5,293 PAGEVIEWS

## 10 Things to 'Asia Watch' in 2022

Published: December 16, 2021

[Read more](#)



4,477 PAGEVIEWS

## The G7's B3W Infrastructure Initiative, a Rival to China's BRI

Published: July 5, 2021

[Read more](#)



3,822 PAGEVIEWS

## Anti-Asian Racism in Canada: Where Do We Go from Here?

Published: May 4, 2021

[Read more](#)



3,038 PAGEVIEWS

## China Goes its Own Way as the World Opens Up, But a Course Correction is in the Cards

Published: March 2, 2022

[Read more](#)



3,023 PAGEVIEWS

## 5G Geopolitics and the Philippines: The Huawei Controversy

Published: December 22, 2021

[Read more](#)



2,821 PAGEVIEWS

## DEPA: The World's First Digital-Only Trade Agreement

Published: October 7, 2021

[Read more](#)



2,707 PAGEVIEWS

## Places, Parties, and Politicians: A Primer on South Korea's 2022 Presidential Election

Published: February 22, 2022

[Read more](#)



2,521 PAGEVIEWS

## China's Demographics and Growth Potential in an Age of Machine Knowledge Capital

Published: January 5, 2022

[Read more](#)



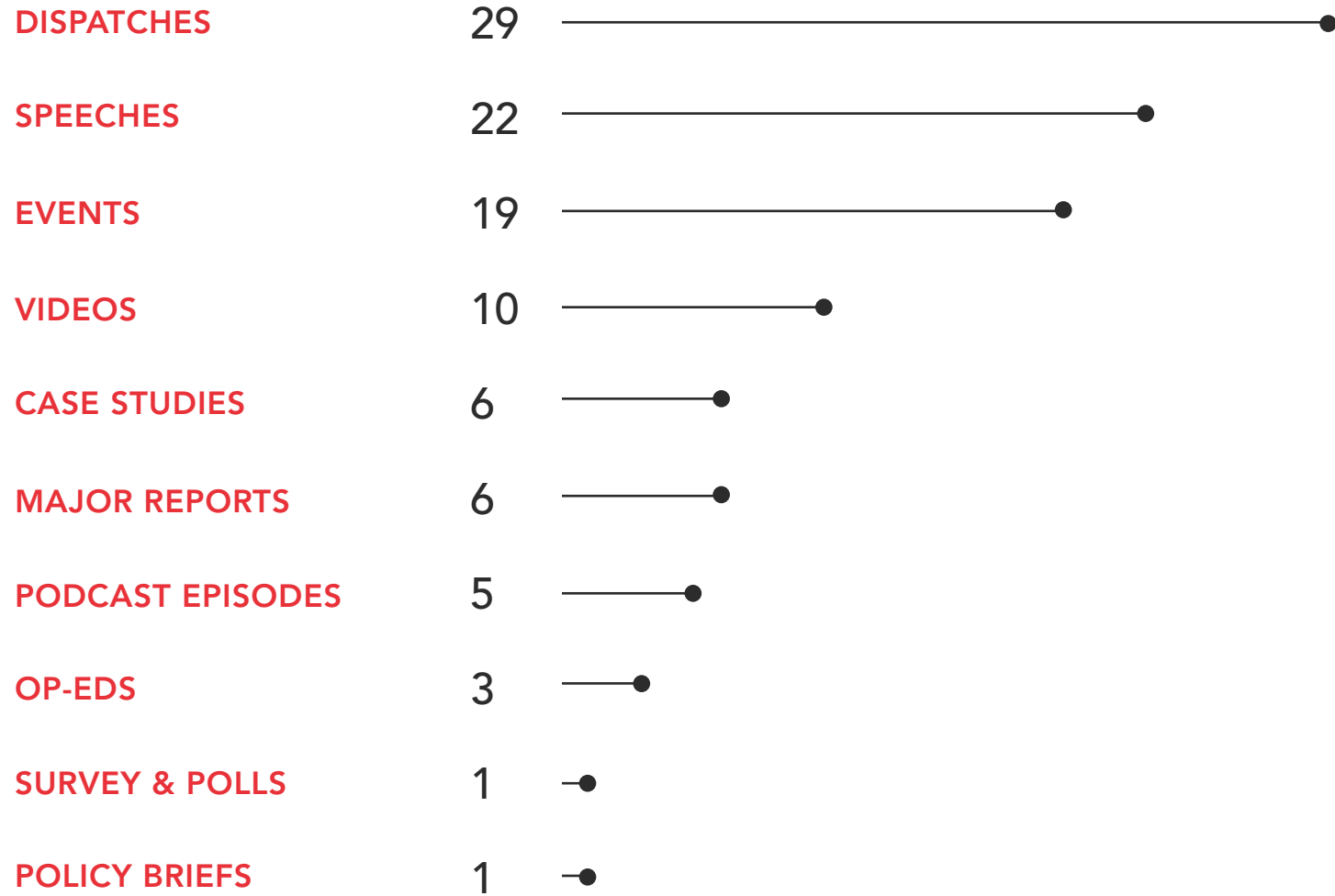
2,296 PAGEVIEWS

## The Trans Bhutan Trail: A Holistic Approach to Local Development

Published: October 29, 2021

[Read more](#)

# Key Numbers

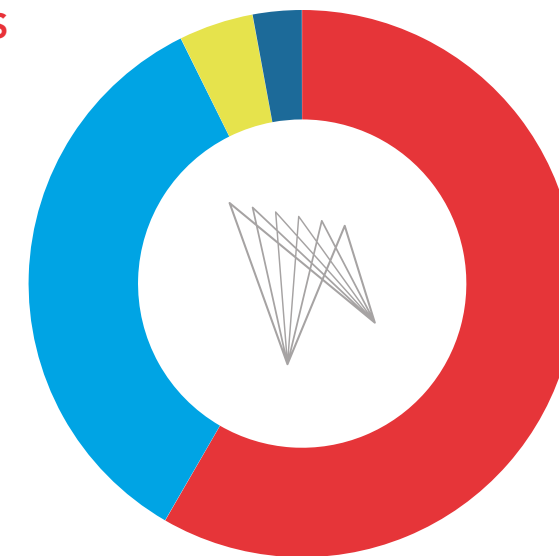
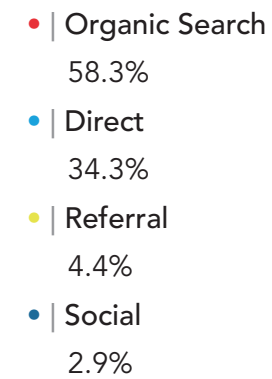


# Online and Social Media

## TOP COUNTRIES



## TOP CHANNELS



## TOP SECTIONS

- About Us
- Networks
- Education
- Events
- Research

## VISITS

244,653 (21-22) vs 232,619 (20-21)

## PAGE VIEWS

756,818 (21-22) vs 770,689 (20-21)

## TOP PUBLICATIONS

- Dispatches
- Asia Watch
- Blog
- Reports

## DEVICES

Mobile: 35.19%

## SOCIAL MEDIA



### Facebook

▲ Followers increased 4%

From 3,913 in 2020/21 to 4,022 in 2021/22



### Twitter

▲ Followers increased 6%

From 7,795 in 2020/21 to 8,287 in 2021/22



### LinkedIn

▲ Followers increased 20%

From 5,470 in 2020/21 to 6,565 in 2021/22



### YouTube

▲ Views increased by 50%

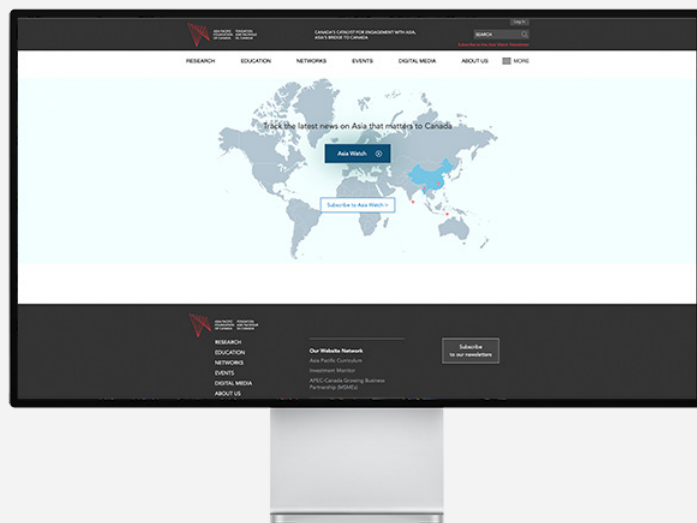
29.7k total views to date  
From 5.8k views in 2020/21 to 8.7k views in 2021/22



### Instagram

▲ Followers increased 25%

From 759 in 2020/21 to 949 in 2021/22



### Subscribers

6,885



### Media Hits

592

# A Year in Reports and Policy Briefs

## SURVEYS AND POLLS



### 1 Investment Monitor 2021: Report on Post-COVID Recovery and Foreign Direct Investment Between Canada and the Asia Pacific

Published: April 28, 2021

Author: Asia Pacific Foundation of Canada

[Learn more](#)

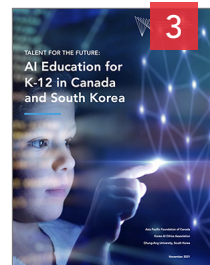


### 2 Anti-Asian Racism in Canada: Where Do We Go from Here?

Published: May 4, 2021

Author: Sreyoshi Dey, Erin Williams

[Learn more](#)



### 3 Talent for the Future: AI Education for K-12 in Canada and South Korea

Published: December 17, 2021

Author: Asia Pacific Foundation of Canada, Korea AI Ethics Association, Humanities Research Institute, Chung-Ang University

[Learn more](#)



### 4 China's Demographics and Growth Potential in an Age of Machine Knowledge Capital

Published: January 5, 2022

Author: Dan Ciuriak

[Learn more](#)



### 5 Nurturing the Next-Generation AI Workforce: A Snapshot of AI Education in China's Public Education System

Published: March 7, 2022

Author: Xiaoting (Maya) Liu

[Learn more](#)



### 6 Translating Asia Pacific COVID-19 Experiences for Canada

Published: March 8, 2022

Author: Asia Pacific Foundation of Canada

[Learn more](#)



### 7 2021 National Opinion Poll: Canada's Generational Perspectives on Asia

Published: December 7, 2022

Author: Asia Pacific Foundation of Canada

[Learn more](#)

## APEC-CANADA GROWING BUSINESS PARTNERSHIP REPORTS



### A Multi-Pronged Approach to Inclusive Growth for MSMEs

Published: July 30, 2021

Author: Asia Pacific Foundation of Canada

[Learn more](#)

## INVESTMENT MONITOR REPORTS



### Investment Monitor 2021: Report on Post-COVID Recovery and Foreign Direct Investment Between Canada and the Asia Pacific

Published: April 28, 2021

Author: Asia Pacific Foundation of Canada

[Learn more](#)

# Our National Opinion Polls & Surveys

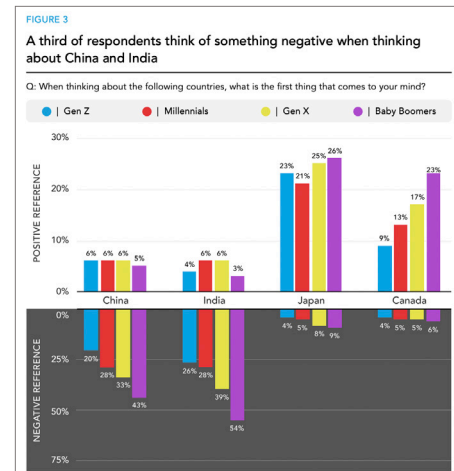
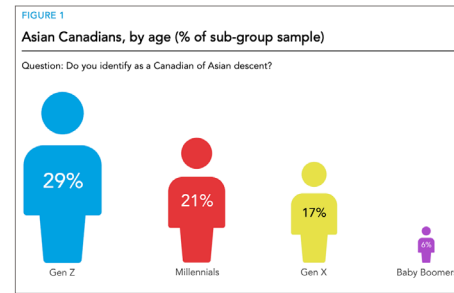
## 2021 NATIONAL OPINION POLL: Canada's Generational Perspectives on Asia

Since 2004, the Asia Pacific Foundation of Canada has been conducting national opinion polls (NOPs) to assess Canadians' attitudes toward countries in the Asia Pacific and their perceptions of Canada-Asia relations. These legacy longitudinal polls have been instrumental in drawing a portrait of Canadians' perspectives on Asia and the region's increasing relevance to Canada's future prosperity and security.

In the past fiscal year, APF Canada published its 2021 NOP under the theme [Canada's Generational Perspectives on Asia](#). In keeping with this thematic approach, the survey explored generational divides in knowledge, awareness, and perceptions of Canada-Asia relations, specifically looking at differences in opinion between Baby Boomers, Generation X, Millennials, and Generation Z.

The survey report was released on December 7, 2021, at a webinar event with more than 110 attendees. The NOP quickly caught the attention of national and international media networks, which picked up our NOP findings.

According to our 2021 NOP, 29% Gen Z and 21% of Millennials identify as Canadians of Asian descent, similar to the most recent population census. Against this backdrop, our NOP results show that China – Canada's leading trade partner in Asia and boasting the largest Asian diaspora in Canada – remains top-of-mind for Canadians when thinking about Asia. Compared with previous NOPs, we now see a growing share of Canadians thinking about Japan and India when considering Asia, indicating a shift in awareness about the region.



### NOP Top Media Hit

TORONTO STAR

#### What Canadians think about Asian immigration, culture and technology

"A majority of Canadians think that Asian technology, immigrants, culture, and economic growth will positively impact Canada in the next 10 to 20 years, according to a new study by the Asia Pacific Foundation of Canada . . ."

By Fabian Dawson,  
Monday, Dec. 13, 2021

[Read more](#)

# Top 5 Events

## BY ATTENDANCE



When: June 18, 2021  
Where: Virtual  
Attendees: 691



When: September 27, 2021  
Where: Virtual  
Attendees: 196

## John H. McArthur Distinguished Fellow Event: Duelling Superpowers: What does this mean for the rest of us?

Speakers: Zanny Minton Beddoes, Editor-in-Chief of *The Economist* and APF Canada's 3rd John H. McArthur Distinguished Fellow (keynote); Dr. Indira V. Samarasekera, Ph.D., O.C. (moderator).

The growth and strength of the Chinese economy and President Xi Jinping's more aggressive foreign policy approach have put China and the U.S. on a collision course that threatens to upend our global order, argued Zanny Minton Beddoes, Editor-in-Chief of *The Economist* and APF Canada's 3rd John H. McArthur Distinguished Fellow, in a [compelling keynote address](#) on June 18, 2021. The John H. McArthur Distinguished Fellowship is an initiative of the Foundation to honour John H. McArthur, a world-renowned business educator and former Chair of the APF Canada Board of Directors. Supported by a \$2-million fund and a growing number of donors, the Fellowship is awarded to an accomplished global thought-leader who will elevate the work of the Foundation through public engagement. Past recipients include Michael R. Bloomberg (2019) and Fareed Zakaria (2017).

## China's Belt and Road Initiative and Its Foreign Policy Implications

Key Speakers: Andrés Bórquez, Assistant Professor and Coordinator of the Chinese Studies Program at the Institute of International Studies, University of Chile; Elina Noor, Director, Political-Security Affairs, Asia Society Policy Institute, and John H. McArthur Distinguished Fellow; Dr. Jeffrey Reeves, Vice-President Research & Strategy, Asia Pacific Foundation of Canada.

In this fourth and [final joint webinar](#) in the 'ASEAN and the Americas' series with our institutional partner, the Chile Pacific Foundation, participants discussed China's Belt & Road Initiative and its impact on the political and social dynamics in the Indo-Pacific. With a specific focus on implications for the foreign policies of Canada and Chile, the three presenters explored differing perspectives on the BRI – from a massive, international, investment-lending program for China to exert and project influence and geopolitical power (the view from the West) to a valuable and transformative collaboration between China and the expanded Indo-Pacific region, especially in the most developing countries (the view from Southeast Asia).



### ASEAN and Geopolitics: Its Role as a Middle Path Approach to Asia

Speakers: Ambassador Jorge Heine, Research Professor of International Relations at the University of Boston and former Ambassador of Chile to China; Stéphanie Martel, Assistant Professor, Political Studies, Queen’s University, and Asia Pacific Foundation of Canada Distinguished Fellow; Dr. Jeffrey Reeves, Vice-President Research & Strategy, Asia Pacific Foundation of Canada.

In this [second joint webinar](#) on the ASEAN region with the Chile Pacific Foundation, participants focused on ASEAN’s emerging presence on the global stage and the opportunities for engagement for Canada and Chile. In the context of the current geopolitical climate, including growing U.S.-China competition, the presenters explored the urgent need to address the importance of a balanced approach to regional affairs and the need for engagement and dialogue between Pacific states. The ASEAN approach, they argued, provides an example of a “middle path” that has lessons for both Chile and Canada.

When: June 9, 2021

Where: Virtual

Attendees: 169



### International Governance for Digital Trade: The Future of Digital Trade in Free Trade Agreements for Canada, Chile, and ASEAN

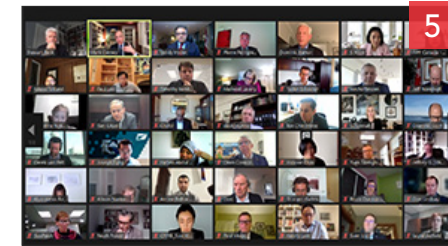
Speakers: Rodrigo Yáñez, Vice Minister of Trade, General Directorate of International Economic Relations, Chile; Bart Édés, policy analyst, author, and Asia Pacific Foundation of Canada Distinguished Fellow; Jonathan Fried, Ambassador, Rtd, and Asia Pacific Foundation of Canada Distinguished Fellow.

In this [third virtual roundtable](#) with the Chile Pacific Foundation, webinar participants discussed the opportunity-laden and disruptive power of the rapid transition to a digital economy, with digital services now outpacing trade in physical goods thanks to the power of the internet to penetrate foreign markets. While the ‘Digital Revolution’ is taking place globally, participants explored how ASEAN member states are pivoting especially quickly, with new and changing opportunities for Canada and Chile, including influencing the global regulatory landscape and scaling digital assets to meet new market demands in the Asia Pacific.

When: September 14, 2021

Where: Virtual

Attendees: 126



### Asia Business Leaders Advisory Council 2021

Keynote Speaker: Mark Carney, Vice-Chair and Head of ESG and Impact Fund Investing, Brookfield Asset Management; Former Governor of the Bank of England; Former Governor of the Bank of Canada.

The Asia Business Leaders Advisory Council (ABLAC), a high-level group of Asian and Canadian business leaders convened annually by APF Canada since 2016 to identify opportunities for improved Canada-Asia business engagement, held its [fifth annual meeting](#) in a virtual setting on April 7-8, 2021. ABLAC members and guests convened virtually to discuss several timely issues related to the overarching meeting theme, ‘Broad Diversification – Strengthening Canada-Asia Engagement after COVID-19.’ The key take-away from the ABLAC 2021 meeting was that engagement with Asia is as important as ever and will be crucial for Canada’s post-COVID economic recovery. Dedicated panel discussions covered opportunities for digital collaboration with Southeast Asia, collaborations related to the environment with Northeast Asia, and trade and investment with the South Asia region. Mark Carney, Former Governor of the Bank of England and the Bank of Canada, made a keynote address to ABLAC participants. The candid talk was followed by a fireside chat moderated by Ambassador Dominic Barton, ABLAC Honorary Chair and former Ambassador of Canada to China.

When: April 7-8, 2021

Where: Virtual

Attendees: 123



# IN THE NEWS

April 2021 - March 2022

## APRIL 2021

**NATIONAL POST**

**APRIL 19, 2021**

**It's time for Canada to embrace democratic, imperiled Taiwan, experts say**

“There’s more that we could do. We’ve been excessively cautious and deferential to China,” said Hugh Stephens, an Asia Pacific Foundation fellow and former head of Canada’s trade office in Taiwan. “We’ve tended to self-censor more than we really needed to.”

Featuring Hugh Stephens, a Distinguished Fellow at APF Canada

[Read more](#)

## MAY 2021

**NATIONAL POST**

**MAY 7, 2022**

**Canada, India have a bungled trade past; Could COVID and China finally unite the two?**

“India has “already gone a long way down the road with the EU,” said Beck, who is now president of the Vancouver-based Asia Pacific Foundation of Canada. “They’ve gone a long way down the road with us. So rekindling the conversation and going back to the table isn’t a difficult exercise, and particularly if they demonstrate some degree of sincerity.”

Featuring Stewart Beck, a Distinguished Fellow at APF Canada

[Read more](#)

## JUNE 2021

**NATIONAL POST**

**JUNE 7, 2021**

**Different rules for lesser mortals; Hockey millionaires can skip the border quarantine**

“In 2009, the Asia Pacific Foundation of Canada tallied the entire “Canadian diaspora” at roughly 2.8 million people; that would be 3.2 million people today.”

Featuring APF Canada

[Read more](#)

## JULY 2021

**iPOLITICS**

**JULY 14, 2021**

**Determining Canada’s role in the new great game**

“Democracy, as we understand it in the West, has evolved over the last 400 years, and for many countries in the East, democracy has never been understood or accepted as a legitimate form of government. Is now the time to rethink whether the ‘Western nations’ application of a liberal democracy fits into the global picture, and should we recognize that our Eurocentric view doesn’t match the current landscape?”

By Deanna L. Horton and Stewart Beck, Distinguished Fellows at APF Canada

[Read more](#)

## AUGUST 2021

**Forbes**

**AUGUST 28, 2021**

**Two Men In Japan Die After Receiving Moderna Covid-19 Shots From Supply Suspected Of Contamination**

“In 1994, the government stopped mandating vaccines against common infectious diseases after surprisingly high numbers of meningitis infections in people given the vaccine for measles, mumps and rubella (MMR), according to the Asia Pacific Foundation of Canada.”

Featuring APF Canada

[Read more](#)

## SEPTEMBER 2021

**The New York Times**

**SEPTEMBER 30, 2021**

**Biden, You Should Be Aware That Your Submarine Deal Has Costs**

“On the surface, AUKUS provides a way to aid the deployment of advanced military hardware in Asia and draw a clearer line between countries standing with China and those standing against it. But the agreement also reflects the problems of great power competition. It’s not clear whether it will help address the security challenges posed by China — or be worth the costs.”

By Van Jackson, a Distinguished Fellow at APF Canada

[Read more](#)

## OCTOBER 2021

**THE HILL TIMES**

**OCTOBER 13, 2021**

**Analysts question whether China can meet ‘high standard’ to join CPTPP, as Taiwan bid encouraged**

“Sharon Zhengyang Sun, a distinguished fellow at the Asia Pacific Foundation and trade policy economist at the Canada West Foundation, said Canada could have added benefit through China joining the trade deal as Canada does not have a separate trade pact with Beijing, unlike many other members of the CPTPP.”

Featuring Sharon Zhengyang Sun, Distinguished Fellow, APF Canada

[Read more](#)

## NOVEMBER 2021

**THE DIPLOMAT**

**NOVEMBER 30, 2021**

**An Optimistic Outlook for ASEAN and China: A conversation with a longtime Asian economic trend watcher**

“[Bart] Edes says that’s not going to happen but extraordinary growth in areas like e-commerce, which is expected to be worth about \$1 trillion by 2030, free trade deals and pacts like the Regional Comprehensive Economic Partnership will act as a stimulus for growth.”

Featuring Bart Edes, a Distinguished Fellow at APF Canada

[Read more](#)

## DECEMBER 2021

### BIV

DECEMBER 3, 2021

#### China remains key to Canada's economic development

"The contrast between public sentiment and Canada's trading relationship with China is especially strong in B.C. While opinion polls from researchers like the Asia Pacific Foundation of Canada regularly rank B.C. among the provinces most wary of Chinese investment, the province also contributed 24% of Canada's merchandise exports to China in 2020, the most of any province."

Featuring APF Canada

[Read more](#)

## JANUARY 2022

TORONTO STAR

JANUARY 4, 2022

#### It's time for a policy reset on Canada-China relations

"What Canada needs is a clear, coherent and principle-based framework to guide our relations with China, one that is based solidly on our national interests and with the flexibility to differ from actions of the United States or other allies if our interests do not align."

By Kevin Lynch, former APF Canada Board of Directors, and Jeffrey Reeves, Vice-President, Research & Strategy at APF Canada

[Read more](#)

## FEBRUARY 2022

### EASTASIAFORUM

FEBRUARY 6, 2022

#### Japan slams the borders shut on Omicron

"The high sensitivity of the Japanese public to COVID-19 — and especially to the government's response — may be related to deeper social changes. Shifting values are leading many Japanese people to question traditional compliance with authority figures and to expect more freedom from traditional group, family, and work structures."

By Yves Tiberghien, a Distinguished Fellow at APF Canada

[Read more](#)

## MARCH 2022

### iPOLITICS

MARCH 22, 2022

#### Digital governance is key to a successful Indo-Pacific strategy

"As policymakers formulate and execute their respective strategies, they'd be wise to keep in mind Asia's burgeoning digital economy. Asia has much to offer, both from the perspective of North American capabilities and the opportunities that abound in its US\$2.3-billion digital economy."

By Deanna Horton, a Distinguished Fellow at APF Canada

[Read more](#)

# FINANCIAL STATEMENTS

Statement of Financial Position

Statement of Operations

Statement of Cash Flows

## Statement of Financial Position

MARCH 31, 2022, WITH COMPARATIVE INFORMATION FOR 2021

	2022	2021
<b>Assets</b>		
Current assets:		
Cash	\$ 1,612,224	\$ 1,819,029
Accounts receivable	235,140	78,246
Prepaid expenses	523,255	442,487
Investments	81,696,973	75,352,273
	84,067,592	77,692,035
Property and equipment	59,554	100,534
Deposits	37,821	27,634
	\$ 84,164,967	\$ 77,820,203
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 490,501	\$ 695,576
Deferred revenue	2,651,919	2,458,972
Subtenant deposit	73,100	-
	3,215,520	3,154,548
Accrued grant obligation	461,673	268,482
Deferred lease inducements	4,693	14,079
	3,681,886	3,437,109
Net assets:		
Restricted endowment fund	50,000,000	50,000,000
Unrestricted fund	30,483,081	24,383,094
	80,483,081	74,383,094
Commitments and guarantees		
	\$ 84,164,967	\$ 77,820,203

Approved on behalf of the Board:



Director



Director

# Statement of Operations

YEAR ENDED MARCH 31, 2022, WITH COMPARATIVE INFORMATION FOR 2021

	2022	2021
<b>Revenue:</b>		
Investment income, net of investment fees of \$448,692 (2021 - \$435,952)	\$ 1,758,833	\$ 1,655,825
Direct government funding	1,495,965	1,298,862
Private sector funding	336,659	164,132
Sponsored programs	77,577	38,064
	3,669,034	3,156,883
<b>Operating expenses (note 9):</b>		
Projects	2,216,815	2,023,123
Kakehashi Program	405,496	221,022
APEC- Canada Growing Business Partners	261,923	325,588
McArthur Fellowship	104,336	9,833
Administration	871,348	1,002,814
Communication and public outreach	426,767	510,910
Facility and amortization	352,376	388,350
Grants	552,630	543,118
Secretariats	195,011	204,465
Board	135,097	140,443
	5,521,799	5,369,666
Deficiency of revenue over expenses before the undernoted	(1,852,765)	(2,212,783)
Realized gain on investments	4,564,097	2,160,825
Unrealized gain of investments	3,388,655	8,143,701
Excess of revenue over expenses	\$ 6,099,987	\$ 8,091,743

# Statement of Cash Flows

YEAR ENDED MARCH 31, 2022, WITH COMPARATIVE INFORMATION FOR 2021

	2022	2021
<b>Cash provided by (used in):</b>		
<b>Operating activities:</b>		
Excess of revenue over expenses	\$ 6,099,987	\$ 8,091,743
<b>Items not involving cash:</b>		
Amortization	49,402	54,433
Amortization of deferred lease inducements	(9,386)	(9,386)
Unrealized gain of investments	(3,388,655)	(8,143,701)
	2,751,348	(6,911)
<b>Changes in non-cash working capital:</b>		
Accounts receivable	(156,894)	107,984
Prepaid expenses	(80,768)	(316,789)
Deposits	(10,187)	-
Accounts payable and accrued liabilities	(205,075)	131,081
Deferred revenue	192,947	1,088,803
Subtenant deposit	73,100	-
Accrued grant obligation	193,191	268,482
	2,757,662	1,272,650
<b>Investing activities:</b>		
Purchase of equipment	(8,422)	(37,050)
Purchase of investments, net of draw-downs or dispositions	(2,956,045)	(662,264)
	(2,964,467)	(699,314)
Increase (decrease) in cash	(206,805)	573,336
Cash, beginning of year	1,819,029	1,245,693
Cash, end of year	\$ 1,612,224	\$ 1,819,029

# SUPPORTERS

Operational and grant funding support for the Asia Pacific Foundation of Canada is provided through an endowment fund established by the Government of Canada. We are also grateful to the individuals, corporations, foundations, and government agencies that have supported us this year in our mission to be Canada's catalyst for engagement with Asia and Asia's bridge to Canada.

Below is a list of contributors who have helped make our FY21-22 research and activities possible - thank you.

## \$100,000 +

Federal Economic Development Agency, Southern Ontario (multi-year)

Global Affairs Canada (multi-year, multiple projects)

Global Affairs Canada through the Export Deployment Mechanism for Trade and Development (multi-year, multiple projects)

Government of British Columbia (multi-year, multiple projects)

Ministry of Foreign Affairs of Japan

Public Health Agency of Canada (multi-year)

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Air Canada (multi-year)

Canada's Digital Technology Supercluster

Export Development Canada (multi-year, multiple projects)

Invest in Canada (multiple projects)

## \$10,000 - \$49,999

APEC Business Advisory Council (ABAC) International Secretariat

Business Council of Canada (multi-year)

Caisse de dépôt et placement du Québec (multi-year)

CanadaHelps Asian Solidarity Fund

Canadian Commercial Corporation

Canadian Forest Products Ltd. (Canfor)

CPP Investments (multi-year)

Deloitte Canada

Department of National Defence – MINDS Program

Fiera Corporation

International Academy Research and Training Centre

Mosaic Forest Management

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Sun Life Financial (multi-year)

Teck Resources Limited

## \$100 – \$9,999

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Alberta Hong Kong Office

## Under \$100

Anonymous (via the Vancouver Foundation)

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Distinguished Fellows

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Head of Global Research, Real-time Interactive Worldwide Intelligence (RIWI)

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Canadian Public and Foreign Service, Rtd

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**Central Canada Office**  
(During Fiscal 2021-22)

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Project Specialist

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**Jeff Allen**

**Natasha Fox**

**Jamie Leung**

**Hugo Roy**

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**Yukako Uchinaga**  
Chair, Japan Women's Innovative Network; President & CEO, Globalization Research Institute (Japan)

**Diane Wang**  
Founder & CEO, DHgate.com (China)

**Jennifer Westacott AO**  
CEO, Business Council of Australia (Australia)

# FINANCIAL ANNEXES

Financial Statements of

## **ASIA PACIFIC FOUNDATION OF CANADA**

And Independent Auditors' Report thereon

Year ended March 31, 2022

Independent Auditors'  
Report

Financial Statements

Statement of Investment  
Policies and Procedures



KPMG LLP  
PO Box 10426 777 Dunsmuir Street  
Vancouver BC V7Y 1K3  
Canada  
Telephone (604) 691-3000  
Fax (604) 691-3031

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Asia Pacific Foundation of Canada

### *Opinion*

We have audited the financial statements of Asia Pacific Foundation of Canada (the "Foundation"), which comprise:

- the statement of financial position as at March 31, 2022
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our auditors' report.

We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Asia Pacific Foundation of Canada  
Page 2

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

Chartered Professional Accountants

Vancouver, Canada  
July 5, 2022

## ASIA PACIFIC FOUNDATION OF CANADA

Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
<b>Assets</b>		
Current assets:		
Cash	\$ 1,612,224	\$ 1,819,029
Accounts receivable	235,140	78,246
Prepaid expenses	523,255	442,487
Investments (note 3(a))	81,696,973	75,352,273
	<u>84,067,592</u>	<u>77,692,035</u>
Property and equipment (note 4)	59,554	100,534
Deposits	37,821	27,634
	<u>\$ 84,164,967</u>	<u>\$ 77,820,203</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 490,501	\$ 695,576
Deferred revenue (note 5)	2,651,919	2,458,972
Subtenant deposit	73,100	-
	<u>3,215,520</u>	<u>3,154,548</u>
Accrued grant obligation (note 7(c)(i))	461,673	268,482
Deferred lease inducements	4,693	14,079
	<u>3,681,886</u>	<u>3,437,109</u>
Net assets:		
Restricted endowment fund (notes 1 and 7(c))	50,000,000	50,000,000
Unrestricted fund	30,483,081	24,383,094
	<u>80,483,081</u>	<u>74,383,094</u>
Commitments and guarantees (note 7)		
	<u>\$ 84,164,967</u>	<u>\$ 77,820,203</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:

Director

Director

## ASIA PACIFIC FOUNDATION OF CANADA

### Statement of Operations

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
<b>Revenue:</b>		
Investment income, net of investment fees of \$448,692 (2021 - \$435,952) (note 3(b))	\$ 1,758,833	\$ 1,655,825
Direct government funding	1,495,965	1,298,862
Private sector funding	336,659	164,132
Sponsored programs	77,577	38,064
	<u>3,669,034</u>	<u>3,156,883</u>
<b>Operating expenses (note 9):</b>		
Projects	2,216,815	2,023,123
Takehashi Program	405,496	221,022
APEC - Canada Growing Business Partners	261,923	325,588
McArthur Fellowship	104,336	9,833
Administration	871,348	1,002,814
Communication and public outreach	426,767	510,910
Facility and amortization	352,376	388,350
Grants	552,630	543,118
Secretariats	195,011	204,465
Board	135,097	140,443
	<u>5,521,799</u>	<u>5,369,666</u>
Deficiency of revenue over expenses before the undernoted	(1,852,765)	(2,212,783)
Realized gain on investments	4,564,097	2,160,825
Unrealized gain of investments	3,388,655	8,143,701
	<u>\$ 6,099,987</u>	<u>\$ 8,091,743</u>

See accompanying notes to financial statements.

## ASIA PACIFIC FOUNDATION OF CANADA

### Statement of Changes in Net Assets

Year ended March 31, 2022, with comparative information for 2021

	Restricted endowment fund	Unrestricted fund	Total
Balance, March 31, 2020	\$ 50,000,000	\$ 16,291,351	\$ 66,291,351
Excess of revenue over expenses	-	8,091,743	8,091,743
Balance, March 31, 2021	50,000,000	24,383,094	74,383,094
Excess of revenue over expenses	-	6,099,987	6,099,987
Balance, March 31, 2022	<u>\$ 50,000,000</u>	<u>\$ 30,483,081</u>	<u>\$ 80,483,081</u>

See accompanying notes to financial statements.

## ASIA PACIFIC FOUNDATION OF CANADA

Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 6,099,987	\$ 8,091,743
Items not involving cash:		
Amortization	49,402	54,433
Amortization of deferred lease inducements	(9,386)	(9,386)
Unrealized gain of investments	(3,388,655)	(8,143,701)
	2,751,348	(6,911)
Changes in non-cash working capital:		
Accounts receivable	(156,894)	107,984
Prepaid expenses	(80,768)	(316,789)
Deposits	(10,187)	-
Accounts payable and accrued liabilities	(205,075)	131,081
Deferred revenue	192,947	1,088,803
Subtenant deposit	73,100	-
Accrued grant obligation	193,191	268,482
	2,757,662	1,272,650
Investing activities:		
Purchase of equipment	(8,422)	(37,050)
Purchase of investments, net of draw-downs or dispositions	(2,956,045)	(662,264)
	(2,964,467)	(699,314)
Increase (decrease) in cash	(206,805)	573,336
Cash, beginning of year	1,819,029	1,245,693
Cash, end of year	\$ 1,612,224	\$ 1,819,029

See accompanying notes to financial statements.

## ASIA PACIFIC FOUNDATION OF CANADA

Notes to Consolidated Financial Statements

Year ended March 31, 2022

### 1. Nature of operations:

The Asia Pacific Foundation of Canada (the "Foundation") is a not-for-profit organization focused on Canada's relations with Asia and established by an Act of Parliament in 1984. The mission is to be Canada's catalyst for engagement with Asia and Asia's bridge to Canada. The Foundation is dedicated to strengthening ties between Canada and Asia with a focus on eight thematic areas: trade and investment, surveys and polling, regional security, digital technologies, domestic networks, sustainable development; building Asia Competency among Canadians, including young Canadians; and, improving Canadians' general understanding of Asia and its growing global influence. Annual funding is provided by the income earned on a \$50 million endowment fund established by the federal government in November 2005, and from other sources. The principal endowment fund of \$50 million is to be maintained permanently.

The Foundation is registered with Canada Revenue Agency as a charitable organization and is exempt from income taxes.

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian Federal and Provincial governments, enacting emergency measures to combat the spread of the virus. The ongoing COVID-19 pandemic continues to create uncertainty regarding major in person events which impacts reported revenues and expenses. The Foundation continues to closely monitor the impact on its financial statements and continuing operations.

### 2. Significant accounting policies:

These consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, under Part III of the CPA Canada Handbook - *Accounting* and reflect the following significant accounting policies:

#### (a) Revenue recognition:

- (i) The Foundation follows the deferral method of accounting for government and private sector funding and sponsorship contributions. Unrestricted contributions are recognized as revenue in the period in which they are received. Restricted contributions are recognized when spent on the purpose as specified.

The funds are recognized when received or receivable if the amount can be reasonably estimated and collection is reasonably assured and in the same year in which the related expenses are recognized.

Endowment contributions are recognized as direct increases in net assets.

- (ii) Investment income is recorded on an accrual basis and recognized as revenue when earned, other than the investment income earned on the McArthur Fellowship fund (notes 3 and 5) which is restricted and deferred as part of the fund until spent.

# ASIA PACIFIC FOUNDATION OF CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

## 2. Significant accounting policies (continued):

### (b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has elected to carry its investments at fair value with changes in fair value recognized in the Statement of Operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### (c) Property and equipment:

Property and equipment are originally recorded at cost. Repairs and maintenance costs are charged to expense. Amortization is provided on a straight-line basis based on the assets' estimated useful lives using the following rates:

Computer equipment	3 years
Furniture and office equipment	4 - 6 years
Leasehold improvements	Lesser of useful life and remaining lease term

When a capital asset no longer contributes to the Foundation's activity to provide services, its carrying amount is written down to its fair value or replacement cost.

### (d) Deferred lease inducements:

Deferred lease inducements consist of lease incentive funds received from landlords. These inducements are amortized over the term of the lease, as a reduction of rent expense.

# ASIA PACIFIC FOUNDATION OF CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

## 2. Significant accounting policies (continued):

### (e) Grants:

As part of the requirement of the restricted endowment fund, the Foundation makes commitments to provide funding to various research projects in disseminating information in the Asia Pacific region. These commitments are recorded as liabilities upon commencement of the term of the grants. Any shortages in actual grants made from the 25% annual grant funding obligation (note 7(c)) is accrued in the year the obligation pertains to.

### (f) Allocation of expenses:

The Foundation incurs a number of general expenses that are common to the administration of the Foundation and each of its programs. The Foundation allocates its general expenses by identifying the appropriate basis of allocating each component expense and applies that basis consistently each year (note 9).

General expenses relate to human resources, information technology, finance and administration. Human resources and information technology are allocated based on time spent in relation to the programs. Finance and administration expenses are allocated based on actual usage and costs.

### (g) Employee future benefits:

The Foundation provides a defined contribution plan in the form of a match group RRSP contribution up to 5% of gross salary. Contributions toward the plan are expensed as incurred. During the fiscal 2022, the Foundation incurred \$95,243 (2021 - \$95,367) in contribution expense.

### (h) Contributed services and materials:

The Foundation may receive contributed services, including services from governance members, sponsors and volunteers each year. Because of the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

Contributed materials are recorded at fair value at the date of contribution where such fair value is determinable, and the contributed materials would otherwise have been purchased.

### (i) Foreign currency translation:

Monetary items denominated in a foreign currency are adjusted at the statement of financial position date to reflect the exchange rate in effect at that date. Non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at average rates for the month in which they are incurred. Exchange gains and losses are included in the determination of excess of revenue over expenses for the period.

## ASIA PACIFIC FOUNDATION OF CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

### 2. Significant accounting policies (continued):

(j) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Items requiring the use of management estimates include the fair value of investments and provisions for contingencies. Actual results may differ from these estimates.

### 3. Investments and investment income, net:

(a) Investments, at fair value:

Investments are comprised of portfolios as at March 31 as follows:

	2022	2021
Endowment fund portfolio (i)	\$ 80,391,893	\$ 74,182,198
McArthur Fellowship portfolio (ii)	1,305,080	1,170,075
	<u>\$ 81,696,973</u>	<u>\$ 75,352,273</u>

(i) The endowment fund portfolio holds investments at fair value as follows:

	2022	2021
Phillips, Hager & North Funds Mortgage Pension Trust	\$ 3,467,384	\$ 3,511,198
Short Term Bond & Mortgage Fund	1,406,012	1,448,463
Canadian Money Market Fund	78,071	1,632,272
RBC QUBE Low Volatility Global Equity Fund	10,301,624	9,564,530
	<u>15,253,091</u>	<u>16,156,463</u>
Fiera Capital Corporation Funds:		
Short term investments	2,234,354	5,491
Canadian equity fund	21,665,155	20,256,585
Global equity fund	18,460,526	16,767,902
	<u>42,360,035</u>	<u>37,029,978</u>
Romspen Investment Corporation Mortgage investment funds	7,780,434	7,219,754
Axiom Infrastructure fund	7,664,000	7,145,167
Vancouver Foundation Asia Pacific Foundation of Canada Fund	12,068	11,903
CBRE GIP Global Alpha Fund:		
CBRE GIP Global Alpha Fund - Accumulation Units	3,734,380	3,310,794
CBRE GIP Global Alpha Fund - Distribution Units	3,579,532	3,281,491
	<u>7,313,912</u>	<u>6,592,285</u>
VPC	8,353	26,648
	<u>\$ 80,391,893</u>	<u>\$ 74,182,198</u>

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## ASIA PACIFIC FOUNDATION OF CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

### 3. Investments and investment income, net (continued):

(a) Investments (continued):

(ii) The McArthur Fellowship portfolio is invested with the funds belonging to the McArthur Fellowship program (note 5). It holds investments at fair value as follows:

	2022	2021
Fiera Capital Corporation - Balanced EFT fund	\$ 1,305,080	\$ 1,170,075

(b) Investment income, net:

Investment income is comprised of the following:

	2022	2021
Income and capital distributions	\$ 1,578,396	\$ 1,291,705
Dividend	482,388	635,116
Interest	146,741	164,956
	<u>2,207,525</u>	<u>2,091,777</u>
Less: investment management and custodian fees	(448,692)	(435,952)
	<u>\$ 1,758,833</u>	<u>\$ 1,655,825</u>

The income earned net of fees incurred related to the McArthur Fellowship investment portfolio are deferred and accounted for through the McArthur Fellowship program funds (note 5).

### 4. Property and equipment:

2022	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 133,200	\$ 112,846	\$ 20,354
Furniture and office equipment	267,883	240,350	27,533
Leasehold improvements	114,601	102,934	11,667
	<u>\$ 515,684</u>	<u>\$ 456,130</u>	<u>\$ 59,554</u>

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## ASIA PACIFIC FOUNDATION OF CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

### 4. Property and equipment (continued):

2021	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 133,199	\$ 95,691	\$ 37,508
Furniture and office equipment	259,462	219,413	40,049
Leasehold improvements	114,601	91,624	22,977
	\$ 507,262	\$ 406,728	\$ 100,534

### 5. Deferred revenue:

	McArthur Fellowship	Kakehashi Program	Other Programs	Total
Balance, beginning of year	\$ 1,212,752	\$ 666,348	\$ 579,872	\$ 2,458,972
Funds received	56,222	570,115	1,152,262	1,778,599
Funds receivable	123,267	-	48,702	171,969
Investment income earned	49,851	-	-	49,851
Change in fair value of investment	85,138	-	-	85,138
Revenue recognized	(104,336)	(414,206)	(1,374,068)	(1,892,610)
Balance, end of year	\$ 1,422,894	\$ 822,257	\$ 406,768	\$ 2,651,919

As at March 31, 2022, the McArthur Fellowship deferred funds are held in investments of \$1,305,080 (2021 - \$1,170,075) (note 3(a)(ii)), and in accounts receivable for the remaining balance of \$117,814 (2021 - cash of \$42,677).

As at March 31, 2022, the Kakehashi Program had funds unspent and deferred in the amount of \$822,257 (2021 - \$666,348). The Ministry of Foreign Affairs of Japan (the "Ministry") has confirmed extension of the program into the next fiscal year and has already disbursed additional funds for that purpose. The Foundation is awaiting confirmation from the Ministry regarding roll-over of unspent funds into fiscal 2023.

During 2022, the Foundation has charged administrative fees of \$8,710 (2021 - \$5,647) to the Kakehashi Program as allowed under the program agreement. These amounts have been included as revenues in the statement of operations.

### 6. Contributed materials:

During the years ended March 31, 2021 and March 31, 2022, the Foundation did not receive any contributed materials from sponsors that would be included in revenues in the statement of operations.

## ASIA PACIFIC FOUNDATION OF CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

### 7. Commitments and guarantees:

- (a) As at March 31, 2022, the Foundation has three operating leases related to its office premises, which include two leases in Vancouver that expire in January 2027 and November 2031 and a Toronto lease that expires in May 2027. The future minimum lease payments in the next five years are as follows:

2023	\$ 301,156
2024	303,319
2025	304,936
2026	307,099
2027	282,589
Thereafter	553,339
	\$ 2,052,438

The Vancouver lease that expires in January 2027 has a monthly minimum lease payment of \$13,188 and has been subleased to a tenant at the same rate of \$13,188 per month. The sublease agreement also expires in January 2027.

- (b) The Foundation currently guarantees credit cards used by its employees for travel expenses with a total limit of up to \$141,500 (2021 - \$150,000).
- (c) The Foundation, under its endowment fund agreement, is:
- (i) Committed in any fiscal year to use minimum 25% of the rolling endowment fund income reported in the second prior year statement of operations to fund its grants program. Fund income includes investment interest and dividend and other similar income, less management fees charged. Realized gains or losses on dispositions or redemptions of investments and capital gains distributions are excluded from the calculation of fund income to be used in determining the grants.
- For the year ended March 31, 2022, the grant funding obligation was \$547,999 (2021 - \$605,046). This amount, in addition to the prior year grant funded underage of \$268,482 (2021 - net of \$69,662 prior year overage), resulted in a net obligation of \$816,481 (2021 - \$535,384). Total grants awarded for the year were \$354,808 (2021 - \$266,902), and there was an amount of \$461,673 accrued for the remaining obligation as at year-end (2021 - \$268,482).
- (ii) Committed to preserve the principal endowment fund of \$50 million over the long-term.

## ASIA PACIFIC FOUNDATION OF CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

### 8. Financial risks:

(a) Credit risk:

Credit risk represents the financial loss that the Foundation would suffer if the Foundation's counterparties to a financial instrument, in owing an amount to the Foundation, fail to meet or discharge their obligation to the Foundation. As at March 31, 2022, the Foundation is exposed to credit risk in connection with its cash, accounts receivable, investments and deposits.

The Foundation manages its credit risk by investing in instruments with reputable banks and investment managers in accordance with its Investment Policy. Exposure to credit risk in accounts receivable is reduced as the monies outstanding are due from multiple credit-worthy debtors.

(b) Liquidity risk:

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they become due. The Foundation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities when they become due. Management forecasts cash flows periodically to ensure the Foundation has sufficient cash available on demand to meet expected operational expenses and committed grant obligations for one year.

(c) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks include currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while optimizing returns. This risk is managed through a diversified portfolio in accordance with the Foundation's Investment Policy approved by its Board, and monitoring of the market capitalization and trading liquidity of each holding.

(i) Interest rate risk:

Interest rate risk is the risk that the fair value and/or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Foundation's investments in bond, mortgage and money market funds are subject to interest rate risks.

(ii) Currency risk:

Currency risk is the risk that the fair value and/or cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation has transactions in foreign currencies as part of its mandate. Fluctuations in the foreign exchange rate give rise to a risk that revenues over expenditures and cash flows may be negatively impacted.

The Foundation does not enter into foreign exchange contracts to manage the effect of currency risk.

## ASIA PACIFIC FOUNDATION OF CANADA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

### 8. Financial risks (continued):

(c) Market risk (continued):

(iii) Other price risk:

The Foundation's exposure to other price risk is primarily attributable to fluctuations in quoted market prices of listed investments. The exposure to price changes is managed by monitoring the changes in market conditions that may have an impact on the market prices or factors affecting the value of these investments.

There have been no significant changes to the Foundation's exposure to the above financial risks from the prior year.

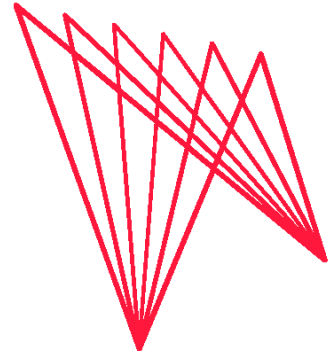
### 9. Allocation of expenses:

Human resources, information technology and finance and administration expenses have been allocated to programs as follows:

	2022	2021
Projects	\$ 1,916,139	\$ 1,655,116
Takehashi Program	103,005	88,928
Communication and public outreach	337,765	394,676
Grants program	4,632	6,896
Secretariats	100,548	101,295
Board	95,192	90,995
APEC - Canada Growing Business Partnership	157,762	225,488
McArthur Fellowship	384	600
	<u>\$ 2,715,427</u>	<u>\$ 2,563,994</u>

### 10. Comparative information:

Certain comparative information has been reclassified to conform to this year's financial statement presentation. These reclassifications do not impact the excess of revenue over expenses reported in the prior year.



**ASIA PACIFIC  
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**STATEMENT OF INVESTMENT POLICIES AND PROCEDURES**

**For**

**ASIA PACIFIC FOUNDATION OF CANADA**

**Approved: July 25, 2019**

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## Section I – Introduction

- 1.1 This document constitutes the Statement of Investment Policies and Procedures (the “Policy”) applicable to the assets held in respect of the Fund (the “Fund”) of the Asia Pacific Foundation of Canada (the “Foundation”).
- 1.2 The purpose of this Policy is to formulate those investment principles, guidelines and monitoring procedures that are appropriate to the needs and objectives of the Fund.
- 1.3 Any Manager or other agent or advisor providing services in connection with the investment of the Fund assets shall accept and adhere to this Policy.
- 1.4 This Policy may be changed or modified at any time by action of the Committee.

## Section II – Overview of the Fund

- 2.1 The Fund was established primarily through a grant from the Government of Canada. Its purpose is to provide a stable source of funding for the effective operation of the Asia Pacific Foundation of Canada.

### Section III – Governance and Administration

- 3.1 The Fund was furnished through a conditional grant of \$50 million on December 22, 2005 provided by the Government of Canada. The Foundation shall use this conditional grant solely for the purposes of the Fund. No material changes in the objectives of the Fund, the use of the Fund or the Fund's Policy will be undertaken without prior written approval of the Minister of Foreign Affairs.
- 3.2 The Board of Directors of the Asia Pacific Foundation (the "Board") has the ultimate responsibility to ensure that the Fund is invested and managed in accordance with the prudent person principle.
- 3.3 The Board is the administrator of the Fund and responsible for all aspects of the operations of the Fund.
- 3.4 To assist in meeting its obligations, the Board has established a governance structure and delegated to the Investment Committee (the "Committee") responsibility for investment of the Fund. The Committee shall be composed of at least three Directors who are not officers or employees of the Foundation. Members of the Committee shall be financially literate and, collectively, have broad knowledge or experience in investment matters. Members of the Committee are to be appointed by the Board.
- 3.5 Oversight activities of the Fund are administered by the Committee. These include development of policies, appointment and termination of investment managers and other external service providers, and monitoring of investment results.
- 3.6 In fulfilling its responsibilities, the Committee may delegate to or otherwise utilize employees of the Foundation where appropriate. The Committee shall retain responsibility and utilize suitable personnel for such activities and monitor the activities undertaken by the selected personnel. The Committee may delegate some activities where appropriate but shall retain responsibility for such activities. Any reference in the Policy to the Committee shall be interpreted as referencing the appropriate delegate.
- 3.7 The Committee may rely on independent experts for certain aspects of the Fund's operations where expert knowledge is required or where a perceived or actual conflict of interest exists.

- 3.8 Neither the Committee nor any employee of the Foundation shall select securities on behalf of the Fund except for the selection of Pooled Funds, GICs, or short-term deposits with banks or trust companies for the Fund.
- 3.9 The Committee shall retain one or more independent professional investment managers (the "Manager(s)") to invest the Fund assets.
- 3.10 Assets of the Fund shall be allocated by the Committee among Managers in such proportions that will implement the Fund asset allocation guidelines in accordance with this Policy.
- 3.11 Where the Committee desires to invest in a Pooled Fund, the Committee must satisfy itself that the Investment Policy of such Pooled Fund and any amendments thereto are consistent with this Policy.
- 3.12 Any Custodian of Fund assets shall be a trust company registered in Canada or an insurance company authorized to underwrite life insurance in Canada. All investments and assets of the Fund shall be held by a Custodian and invested in a name that clearly indicates that the investment is held in trust for the Fund and, where the investment is capable of being registered, registered in that name.

## Section IV – Roles and Responsibilities

### The Board

#### 4.1 The Board shall:

- Approve the Policy.
- Approve the appointment of Committee members.
- Approve any public financial statements which include reporting on the value of the Fund.
- Ensure that proper external investment arrangements are established for the Fund.
- Approve the asset mix policy.
- Ensure that Policy is reviewed at least annually.

### The Committee

#### 4.2 The Committee shall:

- Recommend a written Statement of Investment Policy to the Board.
- Approve the appointment of independent external advisors to provide investment advice (the “Investment Consultant(s)”).
- Approve the manager structure and review it at least annually.
- Approve the appointment and termination of the Managers.
- Approve the appointment and termination of the Custodian.
- Monitor the activities and performance of the Fund.

- Make other decisions that may be required to fulfill the terms of this Policy.

### The Managers

#### 4.3 The Managers shall:

- Invest the assets allocated to them in accordance with the Policy.
- Comply with the terms of an Investment Manager Agreement (“Agreement”).
- Report to the Committee in writing on a quarterly basis in respect of their performance for the quarter, the investment holdings and transactions, the intended strategy for the following quarter, deviation from the intended strategy for the preceding quarter and compliance with the Policy.
- Provide to the Committee upon appointment, and whenever change occur thereafter, their policies and procedures relating to professional standards, conflicts of interest, internal controls and trading policies.
- Advise the Committee on an ongoing basis of any relevant changes in their organization, personnel or investment process.
- Be available for meetings or discussions with the Committee on a reasonable basis.
- Report to the Committee in writing on an annual basis, and whenever there are changes, their Environmental, Social, and Governance policies and practices.

## Section V – Asset Classes Eligible for Investment

5.1 From time to time, and subject to this Policy, the Fund may invest in any or all of the following asset categories and subcategories of investments either directly or through Pooled Funds or exchange traded funds that hold these investments. To the extent the Fund invests in a Pooled Fund, the investment constraints outlined below and any other provisions of the Statement that may be affected, shall not apply, but the Managers shall be governed by the investment policy for the Pooled Fund. At the time of hire, the Managers shall inform the Committee when and how the guidelines of the Pooled Fund differs from the diversification and other constraints in this Policy, and shall also inform the Committee of their policies on environmental, social and governance factors as these relate to their security selection decisions.

**(a) “Equity”:**

- common stocks, convertible debentures, share purchase warrants, exchangeable shares, share purchase rights, installment receipts or preferred shares of corporations
- interests in limited partnerships
- exchange traded funds, real estate investment trusts and income trusts
- depositary receipts

**(b) “Fixed Income”:**

- bonds, debentures, notes, or other debt instruments of domestic, foreign and supranational issuers
- asset-backed securities
- mortgage-backed securities
- commercial and residential mortgages

- pooled funds primarily invested in mortgage loans secured against Canadian and US real estate
- hybrid debt instruments issued by Canadian chartered banks
- term deposits or similar instruments of licensed trust companies and banks

**(c) “Infrastructure”:**

- pooled funds primarily invested in US and Canadian infrastructure assets

**(d) “real estate”**

- pooled funds primarily invested in global real estate assets

**(e) “Cash and Cash Equivalents”:**

- deposits with banks or trust companies with a term to maturity of one year or less
- money market securities with a term to maturity of one year or less
- floating rate notes
- repurchase agreements with a term to maturity of one year or less

**(f) Hedge Funds:**

- Hedge funds via pooled funds only, including, but not limited to absolute return strategies, market neutral credit and equities, event driven and global credit

**(g) Derivatives:**

- Futures and options that are regularly traded upon recognized public exchanges or other organized public trading facilities where market prices are readily available.

- Forward contracts and swap agreements with financial institutions that satisfy the credit standards of the Policy with respect to Cash Equivalents and Fixed Income.

**Other Investments:**

- 5.2 The Fund may not invest in categories of assets or instruments not specifically provided for in this section including commodities, precious metals, mineral rights, bullion or collectibles.

**Section VI – Investment Objectives and Risk Considerations**

- 6.1 The overall investment philosophy of the Fund is to maximize the long-term real rate of return subject to an acceptable degree of risk.
- 6.2 The investment objectives of the Fund are:
- (a) The primary objective of the Fund is to preserve the principal amount of the Fund over the long term.
  - (b) A secondary objective is to preserve the real value of the Fund over the long term.
  - (c) The long-term expected rate of return for the Fund is 4% above inflation (as recorded by the Consumer Price Index) over four-year rolling periods.
- 6.3 The overall quantitative performance of the Fund shall be considered satisfactory if the total annualized returns earned by the Fund exceed by 1.0% the returns that could have been earned by passively investing the Normal Allocation, identified in the following table, over rolling four year periods.

Asset Class	Benchmark Index	Normal Allocation
Canadian Equities	S&P/TSX Composite Index	25%
Global Equities	MSCI World Index	35%
Canadian Fixed Income and Mortgages	Blended Index comprised of 80% FTSE Canada Universe Bond Index + 20% FTSE Canada Short Term Index	22%
Infrastructure	CPI + 4%	8%
Real Estate	CPI + 4%	10%



- 6.4 For each actively managed component of the Fund, the following table details the value add expectations relative to the corresponding benchmark. It is expected that the Managers will achieve these performance targets for their respective mandates, measured over rolling four year periods.

Asset Class	Benchmark Index	Added Value Expectation
Canadian Equities	S&P/TSX Composite Index	Index + 1.0%
Global Equities	MSCI World Index	Index +1.0%
Canadian Fixed Income and Mortgages	Blended Index comprised of 80% FTSE Canada Universe Bond Index + 20% FTSE Canada Short Term Index	Index + 0.4%
Infrastructure	CPI + 4%	0.0%
Real Estate	MSCI Global Property Fund Index	0.0%

- 6.5 For the purpose of measuring rates of return of the Fund, all returns shall be measured before investment management fees, but after transaction costs, and over rolling four-year periods. All index returns shall be total returns. All foreign index returns shall be Canadian dollar returns.
- 6.6 The risk inherent in the investment strategy over a market cycle (a five to ten year period) is three-fold. There is a risk that long-term market returns will not be in line with expectations. To the degree that active management is employed, there is a risk that the added value will not be realized, or will be negative. There is also the risk of annual volatility in returns which means that in any one year the actual return may be very different from the expected long-term return and that such return may also be negative.

## Section VII – Asset Allocation Guidelines

- 7.1 In identifying the Normal Allocation that would best meet the objectives identified in this Policy, consideration was given to:

- (a) the factors outlined in Overview of the Fund;
- (b) the long-term nature of the Fund's assets;
- (c) the long-term return expectations and the risks associated with key asset classes, as well as the relationships of their returns with each other, inflation and interest rates; and
- (d) Practical considerations.

- 7.2 Over complete market cycles the allocation is expected to stay within the following ranges and to approximate the Normal Allocation:

Component Asset Classes	Normal Allocation	Percentage of Fund at Market Values	
		Minimum	Maximum
Canadian Equities	25%	15%	30%
Global Equities	35%	30%	45%
Total Equities	60%	50%	70%
Fixed Income and Mortgages	22%	15%	30%
Cash & Cash Equivalents	0%	0%	10%
Infrastructure	8%	4%	12%
Real Estate	10%	0%	12%

Cash and Cash Equivalents may also be held from time to time on a short-term, temporary basis or as defensive reserves within the portfolios for each asset class at the discretion of each Manager within the constraints prescribed by that Manager's mandate, and for the

purposes of this section such Cash and Cash Equivalents shall be included in that respective asset class.

During periods of asset mix transition, the allocations may deviate from the permitted ranges.

- 7.3 If the asset mix deviates outside the above ranges at the end of any quarter, the Committee shall take corrective action on rebalancing the asset mix to bring the asset mix back within the range as soon as practicable. The Committee may also take action to bring the asset mix closer to the Normal Allocation at any time.

## Section VIII – Restrictions and Constraints for Fund's Investments

- 8.1 (a) The Committee shall ensure that the diversification requirements in each Manager's mandate or Pooled Fund investment policy, in combination with the amount of assets allocated to each Manager or Pooled Fund, are consistent with the limits outlined in this Section.
- (b) Unless otherwise indicated, all percentages used in this Section shall be calculated using market values at the time; and
- (c) With the exception of a pooled fund and securities issued or guaranteed by the Government of Canada or by a province of Canada having at least an "A" rating no more than 10% of the Fund shall be invested in any one entity or group.
- 8.2 In respect of the equity portfolio of the Fund:
- (a) All holdings shall be listed on a public exchange or convertible or exchangeable into such securities.
- (b) Neither the Manager nor the Fund may take part in the management of any business in which the Fund invests.
- (c) Holdings shall be diversified by company, region, industry, currency and country; however, consideration may be given to the relative sizes of economic activity and stock market capitalization.
- (d) In respect of any Canadian income trust and Canadian real estate investment trust, unless the unit of such trust is held within a Pooled Fund and the agreements governing the Pooled Fund state that the investors in that Pooled Fund cannot be held personally liable for the obligations of the trust or the trustee, such trust:
- (i) must be a reporting issuer under the applicable securities legislation in Canada;

- (ii) must be governed by the laws of a province that limits the liabilities of unit holders by statute; and
- (iii) The agreements governing any such trust must state that beneficiaries cannot be held personally liable for the obligations of the trust or the trustee.
- (e) Any interest in a partnership must be as a limited partner and not as a general partner.
- (f) Not more than 10% of the Canadian Equity portfolio shall be invested in securities not included in the S&P TSX Composite Index.
- (g) Not more than 10% of the global equity portfolio shall be invested in companies having market capitalization, including closely held shares, below \$1 billion (USD).
- (h) Not more than 10% of the global equity portfolio shall be invested in countries not included in the MSCI World index.

8.3 In respect of the fixed income portfolio of the Fund:

- (a) All securities must be readily marketable.
- (b) Securities rated below “BBB (low)” or equivalent at the time of purchase are not permitted.
- (c) The aggregate duration of the portfolio shall be maintained within three years of the FTSE Canada Universe Bond Index.
- (d) Not more than 5% shall be invested in any one corporation or security with the exception of those issued or guaranteed by the Government of Canada or by a province of Canada having at least an “A” rating.
- (e) Asset-backed securities shall be rated by at least two rating agencies.

- (f) Mortgages shall be secured against Canadian and US real estate, and the loan to market value ratio for individual mortgages shall not exceed 75%.
- (g) Not more than 30% shall be held in issues rated below “A” or equivalent.
- (h) Not more than 15% shall be held in securities denominated for payment in foreign currency.

8.4 In respect of Derivatives:

- (a) Any use of Derivatives must be in accordance with a policy that has been specifically considered and approved by the Committee whether done directly in the Funds or in a Pooled Fund.
- (b) Derivatives may be used only to:
  - (i) adjust the duration and/or credit exposure of the Fixed Income portfolio within the ranges set out in this Policy;
  - (ii) replicate the investment performance of interest rates or a recognized capital market index;
  - (iii) create an exposure to securities that are otherwise permitted under this Policy;
  - (iv) manage the currency exposure of foreign property; or
  - (v) Reduce risk as part of a hedging strategy.
- (c) Derivatives may not be used to create exposures that would not otherwise be permitted under this Policy or which would be outside the limits under this Policy had the exposure been obtained in the cash markets.

- (d) Any Manager investing in Derivatives must determine the market value of that Manager's exposures on a daily basis.

8.5 In respect of Cash and Cash Equivalents of the Fund:

- (a) All Cash Equivalents, including those held within the portfolios for each asset class at the discretion of the Manager, shall have a minimum credit rating of "R-1 (low)" or equivalent and be readily marketable or redeemable.
- (b) Deposits with banks or trust companies must be rated "A" or better or be with institutions that have a long-term rating of "A" or better.

8.6 For purposes of this Section:

- (a) All debt ratings refer to the ratings of Dominion Bond Rating Service unless otherwise indicated, however, equivalent ratings by another major credit rating agency can be used.
- (b) If a security's credit rating falls below the required level after purchase, the Manager shall advise the Committee of their proposed course of action in writing as soon as practical.
- (c) Unrated securities will be assumed to fail the credit ratings referred to in this Section.

8.7 Other than in the case of Derivatives specifically permitted by this Policy, the Fund shall not purchase securities on margin or engage in short sales. Installment receipts may not be purchased unless Cash or Cash Equivalents equal to the unpaid purchase price are also held.

## Section IX – Loans and Borrowing

9.1 No part of the Fund assets shall be loaned to any party, other than by:

- (a) purchasing securities which otherwise meet the requirements of this Policy for Fixed Income or Cash Equivalent;
- (b) lending securities either by the Custodian or through a Pooled Fund that lends securities provided that a minimum collateral coverage of at least 102% of the current market value of the loaned securities is maintained at all times:
  - (i) in high quality liquid securities defined in an agreement with the lending agent and provided also that the lending agent provides a Bank guarantee of all such loans, or
  - (ii) in cash, provided that such cash is invested in investments that comply with the requirements for Cash and Cash Equivalents in this Policy, or
- (c) Entering into repurchase agreements provided that the market value of the collateral held equals or exceeds the repurchase price plus accrued interest each day and the collateral otherwise qualifies for investment under this policy.

9.2 Money shall not be borrowed on behalf of the Fund and the Fund' assets shall not be pledged or otherwise encumbered in respect thereof, except for temporary overdrafts that occur in the course of normal day-to-day portfolio management.

## Section X – Valuation of Investments

- 11.1 Investment in marketable securities shall be valued by the Custodian no less frequently than monthly at their market value at that time.
- 11.2 The Fund's investments in Pooled Funds holding publicly traded securities shall be valued according to the unit values published by the Managers. The Custodian shall be responsible for requesting and recording the unit values on a monthly basis.
- 11.3 If a market valuation of an investment is not readily available, an estimate of fair value shall be supplied by the Manager to the Custodian no less frequently than quarterly. Such fair value may be determined by reference to the most recent independent expert appraisal or by other means such as discounted cash flow or comparison with similar assets which are publicly traded. In all cases the methodology should be applied consistently over time.

## Section XI – Conflicts of Interest

- 11.4 If a member of the Committee, or any agent of or advisor to the Committee, or any person employed in the investment or administration of the Fund has or acquires any material interest, direct or indirect, in any matter in which the Fund is concerned or may benefit materially from knowledge of, participation in, or by virtue of an investment decision or holding of the Fund, the person involved shall, as soon as practicable, disclose this conflict of interest to the Chair of the Committee. The Chair shall then immediately advise all members of the Board, and the Board shall decide upon a course of action according manager's internal guidelines and policies. Any such person will thereafter abstain from any decision making with respect to the area of conflict, unless otherwise determined by unanimous decision of the remaining members of the Committee.
- 11.5 A Manager shall provide the Committee with its internal guidelines on purchasing securities of members of the Manager's organization, affiliates, or entities in which the Manager or its affiliates have a substantial interest or in which any employee of the Manager or that employee's spouse or children have a substantial investment.
- 11.6 Every disclosure of interest under this Section shall be recorded in the minutes of the relevant Committee meeting.
- 11.7 The failure of a person to comply with the procedures, described in this Section, shall not of itself invalidate any decision, contract or other matter.
- 11.8 The Committee shall satisfy itself that an appropriate policy regarding conflicts of interest exists and is followed by any Manager. As a minimum, the Code of Ethics and Standards of Professional Conduct adopted by the CFA Institute shall be expected to apply to such Manager.

## Section XII – Voting Rights

- 12.1 The responsibility of exercising and directing voting rights acquired through the Fund's investments shall normally be delegated to the Manager, who shall be required at all times act prudently and in the best interests of the beneficiaries. The Manager shall provide a copy of their voting rights policy to the Committee on request.
- 12.2 The Manager shall be required to maintain a record of how the Fund's voting rights have been exercised and provide a copy of such record to the Committee on request.

## Section XIII – Monitoring

- 13.1 The Committee shall review on a regular basis, as needed, and at least once a year:
- (a) the assets and net cash flow of the Fund;
  - (b) the current asset mix of the Fund;
  - (c) the investment performance and management of the Fund and each Manager relative to the objectives of the Policy, their Investment Policy or their individual Mandate, as applicable;
  - (d) portfolio holdings;
  - (e) the fees and expenses incurred in managing the Fund; and
  - (f) Compliance with this Policy.

Following such review, the Committee shall take such action as it deems prudent and appropriate.

- 13.2 The Committee or a representative appointed by the Committee shall meet at least once a year with each Manager to discuss investment performance, investment strategies, expected future performance and any changes in that Manager's organization, investment processes and professional staff.
- 13.3 The primary focus of performance assessment will normally be on a moving four-year basis, but performance over shorter time periods and the Manager's performance for other comparable accounts prior to appointment for the Fund may also be considered. The Manager will not necessarily be faulted for underperforming the agreed standard over short time periods. However, the Committee may conclude that significant short-term underperformance renders it unlikely that the performance standard can reasonably be achieved at an appropriate risk level over the remainder of a market cycle.

- 13.4 Managers' performance will be measured against applicable benchmarks and peer groups, as well as non-performance criteria, indices and comparator groups.
- 13.5 The Managers will also be judged on non-performance related criteria such as
- (a) failure to comply with the guidelines of the Policy;
  - (b) changes in key investment personnel, ownership and organization;
  - (c) deterioration in the quality and level of service;
  - (d) investment management fees, and
  - (e) Financial condition of the firm (including any significant changes in assets under management).
- 13.6 The Committee shall evaluate whether any information discovered through the foregoing monitoring activities require specific communication to the Board.

#### Section XIV – Policy Review

- 14.1 This Policy will be reviewed and affirmed at least annually, but otherwise whenever a major change is apparent or necessary. Such review may be prompted by:
- (a) a change in the expected projected expenditures of the Fund;
  - (b) a revision to the expected long-term trade-off between risk and reward on key asset classes;
  - (c) a shift in the financial objectives and risk tolerance of the Foundation,
  - (d) shortcomings of the Policy that emerge in its practical operation; or
  - (e) Modifications that are recommended to the Committee by a Manager.

## Section XV – Environmental, Social, and Governance

- 15.1 Companies that ignore environmental, social, and governance (ESG) factors expose themselves to risks that can adversely impact long term financial performance. When evaluating companies for potential investment, investment managers should include an assessment of the potential risks and opportunities arising from ESG factors.
- 15.2 Existing managers are encouraged to integrate ESG considerations into their investment process and are required to provide annual updates on their ESG practices. In evaluating and selecting new investment managers or retaining existing managers, consideration will be given to whether and how ESG factors are integrated into the manager's investment process. Individual security selection decisions will remain the responsibility of investment managers retained by the Foundation.

[Supplementary Annexes](#) for this Annual Report are located on the Asia Pacific Foundation of Canada's website.





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