

THE UNIVERSITY OF WINNIPEG

TRUSTEED PENSION PLAN

BOARD OF TRUSTEES

Minutes of the Meeting of
Monday, March 14, 2022

ATTENDANCE:

Present: Colin Morrison (Vice Chair), Mark Betcher (Secretary), Julia Peemoeller (Treasurer), James Townsend, Andrew Bendor-Samuel, Marni Yasumatsu, Ed Byard, Murray Wiegand, Lorne Hilton, Sheila Wilson-Kowal, Rosalie Harms, Marc Lafond,

Regrets: Ron Youngson (Chair), Joan Duesterdiek, Greg Gillis

1. Approval of Agenda

MOVED: (M. Wiegand/A. Bendor-Sameul)

One additional item to be added to the end of the agenda (Other Business) is J. Peemoeller and M. Yasumatsu will be sharing a presentation on their Foundation of Trust Management Standards training.

That the Agenda be adopted as presented with an addition of Trustee Education under Other Business.
...CARRIED.

2. Approval of Minutes of the meeting

The minutes from the December 13, 2021 meeting are tabled until the June 13, 2022 meeting.

3. Report from DB Committee (S. Wilson-Kowal)

DB Committee met on Feb 29/22.

Annual review with AON:

- a. There was extensive discussion on the equity and fixed income market – outlook for interest rate hikes.
- b. For Q4, the Fund was ahead of its benchmark on strength from the CSSB Real Estate Fund. For the year, Fund's return was 10.4% - slightly behind its benchmark by 0.2%.
- c. One flag from AON is Somerset Emerging Markets Fund which continues to trail/underperform. There is an overweight in the Hong Kong and China markets. AON has recommended reviewing the mandate with Somerset (due to underperformance & other red flags). The Committee has decided to set up a meeting with Somerset as a starting point.
- d. There is no rebalancing of funds needed this quarter as there was a rebalance done at the end of September to realign.

Custom Liability Matching Portfolio – based on the 10 year Canada rate as of December 31st, no change will be made at this time to the target duration (had not gone over 1.75%).

The Committee met with CSSB to discuss the Real Estate Fund on January 27th. CSSB is moving to investing with more global real estate managers like Brookfield. They will be making this change over 5-10 years with the goal to have a 40% allocation to global real estate. Currently the CSSB fund has a 6.8% exposure to global real estate as of Feb 28. Not immediately looking at replacing them but:

- e. AON is going to include a few slides in the next review on what other options are available in the Canadian Real Estate landscape.

Committee is moving ahead with an analysis of options for the Global Equity mandate. Currently the Global Equity exposure is via the Blackrock MSCI World Index Fund. AON provided an analysis and we will consider passive versus active, staying with a Global Equity mandate versus a U.S. mandate and a non-North American mandate, investment style etc.

Actuarial Services Review and potential RFP – couple of committee members are coming up with a list of the available service providers and G. Gillis has prepared a draft RFP.

Annual review of CAPSA guideline – reviewed, but will be looking at it again next meeting to discuss a couple of follow-up questions.

The 4-year geometric average is 5.74%, which is less than required 6.0% which means there will not be COLA increase for the DB pensioners in 2022. 2018 data will be removed at the end of this year so there is hope that 2022 will be a good year, assuming the global markets come back a bit. The Canadian markets have done relatively well.

E. Byard asked the question, will the administration of the DB plan change substantially when we are down to a small number of contributing members and what will be the trigger if anything needs to be done?

It was noted that H. Hudek did say that once we got down to a certain number of participants in the Plan it would be good to look at the possibility to annuitize Plan members and only deal with the COLA portion of the fund.

E. Byard – when do we need to have a more serious conversation about this? When we get down to a comparatively small number of pensioners versus contributors and determining what the costs will be.

4. Report from DC Committee (A. Bendor- Samuel)

DC Committee met on Mar 1/22.

The DC Plan is still new with Desjardins and has only been with them a little over one quarter – not even a full quarter. We are still working through the quarterly reports and what we would like Desjardins to provide – what we would like to see. Desjardins did send a two-page document with some demographic information as a starting point.

A. Bendor-Samuel and M. Betcher met with Onyx last week to discuss the same requirements for some reporting so we can report back to the committee on performance and what they are giving to Plan members.

We also have a year-end review with Desjardins, similar to what we would have done with Sun Life, (March 28) along with a presentation on decumulation and the products they offer and how they may benefit our members. This will be similar to what D. Tamburro presented to the Board at the December meeting, however coming directly from Desjardins.

We are also working on setting up the Spousal RRSP as well as RRSP and TFSA accounts for Plan members spouses or partners. Desjardins is more than willing to accommodate and timelines have been established. Plan is for this to take effect in April 2022. This is not a Board decision however it does go under the assets with Desjardins so coming for information purposes. This will be a benefit administered by Human Resources. The reduced fees under the Plan will be available to all participants in the additional RRSP and TFSA products, subject to the provisions of the agreements.

CAPSA – been having some issues and been trying to find a way to share this so all DC Committee members can access them and provide their input, comments, etc. A shared drive has been established for this.

Terms of Reference – no changes required to be submitted to Ops.

Action Items – many of these items related to Sun Life and as the Plan is no longer with Sun Life, most of these items are no longer applicable.

M. Betcher advised there are some changes to the administration of the settling of pension assets for DC members on termination of employment. Human Resources used to require every employee who terminated employment and left the pension plan to complete a Declaration of Marital Status attesting to the beneficiary they provided, when they joined the Plan, was the beneficiary they still had leaving the Plan (unless the made changes during employment that was provided to Human Resources). Human Resources no longer has access to beneficiary information so asking for the Declaration is no longer relevant.

For relationship breakdowns on the DC Plan, with Sun Life, Human Resources were very “hands on”. With the change to Desjardins, and discussions with our consultants, Human Resources had been too involved with relationship breakdowns. Desjardins is our record keeper and should be the party responsible for handling these types of situations. The University will now only provide a letter to the employee asking for some key information Date of Cohabitation, Date of Relationship Breakdown and then we relay the information to Desjardins. If they have any questions they should be directing them to Desjardins.

M. Wiegand – do the Plan members have access to regularly review their beneficiary? Yes, through the semi-annual statements or through their online account beneficiary information for the DC Plan and any other retirement products are easily viewed and changes can be made if needed.

5. Report from Operation Committee (M. Betcher)

Ops Committee met on Mar 11/22.

Review of Custodial Services – J. Peemoeller commented there are no issues Finance is experiencing with CIBC Mellon. Most of the interaction with CIBC Mellon falls within Human Resources and Finance.

M. Betcher commented there are no issues from the perspective of Human Resources or the admin side either.

Review of the Audit Plan (J. Peemoeller) – there no major changes to the audit plan from previous years and it will be the similar to last year. Some of the items to note:

- a. The audit is risk focused and based on the assets
- b. Fee will be just under \$20,000 – only significant changes would impact this amount
- c. KPMG will look for fraud risks and any misstatements
- d. Will do a lot of testing through their system
- e. Will look at pension and termination payments
- f. Will review investment balances
- g. They will review CIBC statements for the DB Plan and Sun Life and Desjardins statements for the DC Plan.
- h. There is an online portal to upload files and much of the testing will be done remotely
- i. They will look to Eckler for the actuarial values
- j. Technology is utilized heavily in the audit process
- k. Audit will take place in April and the final results in the June Financial Statements to the Board

There was no review of the Q4 Financial Statements as they will form part of the audit package at the June meeting.

Expiring Trustee Appointments -Andrew Bendor-Samuel (2022) – UWFA
-James Townsend (2022) – UWFA Collegiate
-Ed Byard (2022) - UWRA
-Ron Youngson (2022) – External

-Mary Anne Walls will be replacing Ed Byard for a 2-year appointment to expire June 30, 2024

Trustee Education Sessions for June Board Meeting – M. Betcher is planning to attend the Benefits Canada DC Summit in May and will be able to report back to the Board – this may not be possible until a meeting later in the year.

Review of Calendar of Deliverables – the calendar was reviewed to determine if there were any items that required attention or completion.

Review of Board Services Contracts

- DB Administration Services and Plan Actuarial Services - The DB Committee is in the process of identifying Actuarial Service providers and will reach out to them.
- Audit Services - The U of W also uses KPMG for their audit and recently conducted a review and determined they continue to provide a valued service for the U of W. For the pension they have also performed satisfactorily and are already familiar with our plan so no requirement to change at the moment.
- Fillmore Riley - is fee for service only and used as required to assist with ensuring Board governance and assisting with other legal questions, as required

CAPSA Guidelines Review (Guideline #4) – the Committee was asked to review the guideline to determine if there is any area we may need to better our governance with or that could use further clarity.

6. Other Business (Trustee Education)

M. Yasumatsu and J. Peemoeller presented on the key highlights from attending the Foundations of Trust Management Standards course. This course is the foundation of what any new Trustees needs to know in order to be an effective Plan trustee.

7. Date of Next Meeting

The date of the next Board of Trustees meeting is June 13, 2022.

8. Adjournment

As there was no other business to come before the Board, the meeting was adjourned.

Chair

Secretary