

THE UNIVERSITY OF WINNIPEG
TRUSTEES PENSION PLAN
BOARD OF TRUSTEES

**Minutes of the Meeting of
Monday, December 7, 2015**

ATTENDANCE:

Present: Henry Hudek (Chair), Laurel Repski (Vice-Chair), Mary Anne Walls (Secretary), Mike Emslie (Treasurer), Barry Barske, Ray Erb, Bill Evans, Lorne Hilton, Marc Lafond, Colin Morrison, Murray Wiegand, Edward Byard, Robert Sveinson, Ron Youngson

Regrets: Hans Werner

Also In Attendance: n/a

i. Approval of Agenda

It was MOVED: (M. Wiegand/R. Youngson)

That the agenda be approved as submitted.

...CARRIED.

ii. Approval of Minutes of the meeting of September 14, 2015

It was MOVED: (M. Wiegand/B. Barske)

That the minutes of September 14, 2015 be approved as presented.

...CARRIED.

1. Reports from Committees

i. Report from DB Committee (meeting November 24, 2015)

M. Emslie reported on the activities of the DB committee as follows:

Q3 Review - The Committee reviewed the 3rd quarter financial results with Aon Hewitt. Q3 equity performance has lagged behind the benchmark. Aon not concerned with FGP performance as FGP is consistent with their philosophy. Also, FGP looks after the bond portfolio which has performed well. Sprucegrove continues to under-perform, however, Aon is still recommending them as a buy. Mike clarified that Sprucegrove's returns have been decent, it's just that their performance continues to lag the benchmark.

The Committee then went through the Statement of Investment Policy and discussed the glide path with Aon who is recommending some small changes in terms of speeding up the glide path into Long Bonds. Mike indicates that the Committee is reviewing, but not recommending any changes to the glide path at this time.

Sprucegrove - The Committee also discussed Sprucegrove. They continue to get a passing grade from Aon due to their philosophy; however, their performance has lagged the benchmark for the last ten years. Mike noted that they have recently lost two key people. The Committee will continue to watch as it is not ready to pull the plug and is willing to give Sprucegrove a little more time following year end. Mike noted that the Committee has had two meetings in the last 6 months with Sprucegrove and will be meeting with them Wednesday.

Confirmation of Living - Mike indicated that the Committee has reviewed the draft Confirmation of Living document and likes it.

ii. Report from Operations Committee (meeting of November 23, 2015)

Committee members reported on the following activities (in the absence of the Chair):

Draft 2016 Budget – Mike presented the 2016 draft budget noting that an allowance has been made for a manager search in the event the decision is made to replace Sprucegrove. It was noted that the University contributes \$250,000 to cover plan costs.

It was MOVED: (M. Emslie/R. Erb)

That the 2016 draft budget be approved by the Board.

CARRIED.

Financial Statements – Mike reviewed the Financial Statements to September 30, 2015. He noted that it had been a good year, but not as good as 2014. He also noted that as long as markets were ok to end of the year, there should be a cola increase for pensioners.

Board Meeting Dates for 2016 – The 2016 Board meeting dates have been set as follows: March 7, June 6 (AGM), September 12, December 5. All meetings are to take place from 2:00 to 3:30.

Trustee Education – The Committee has reviewed submissions from individual Trustees and is finalizing an education plan.

Custodian Search – The Custodian RFP process has been completed. Three companies were short-listed and interviewed which resulted in CIBC Mellon being recommended to succeed the current Custodian, RBC IS.

It was MOVED: (M. Walls/M. Emslie)

That CIBC Mellon is appointed as the successor Custodian for the Defined Benefit component of the University Pension Plan. CARRIED.

Records Retention – The Committee is working on a Records Retention document for pension plan and Board records. It was noted that due to a large number of paper records, the Board should consider digitizing records.

iii. Report from DC Committee (meeting of November 12, 2015)

R. Youngson reported on the activities of the DC committee.

Decumulation – The Committee discussed the decumulation phase and the possibility of posting current annuity rates. The information is available through CanneX Canada, but there would be a charge.

Sun Life Tools – The Committee has reviewed the Sun Life retirement tool and feels that the tool utilizes an unrealistic rate of return for projections. The Committee is escalating the issue with Sun Life. It was also noted that tool usage is not very high and the Committee is looking into incentivizing members.

Terms of Reference – the DC Committee Terms of Reference have been finalized will be forwarded to the Operations Committee.

Fund Review – Sun Life suggested some changes to the fund lineup. Some items are still being clarified.

Target Date funds – the Target Date funds (pre-built options) are available in 5-year increments. It was noted that the 2015 fund will be rolled into the Retirement fund at the end of 2015. Sun Life is currently looking into adding a 2055 fund, but will likely not add a 2060 fund as there would not be a material difference between the 2055 and 2060 funds.

Investment choice – the Committee discussed doing away with member investment choice and having only a single fund managed by the Committee. It was noted that most plan members are invested in the current and past default fund choices. No recommendation is forthcoming at this time. There are risks either way that need to be considered. It was noted that there would be different ways of implementing this, such a grandfathering, etc.

DC member questionnaire – the Committee is finalizing a member survey. Will include a question about whether plan members are utilizing financial advisors.

Risk document – still working on the DC risk document for the Operations Committee.

Sun Life action plan and service review – no update received from Sun Life so there was no review at this meeting.

Fee agreement – Fee agreement was signed.

Sun Life client representative change – our Sun Life client service representative has changed. Ron and Mary Anne met with the new rep and were satisfied that the Committee's needs will be met. It is expected that the new rep will be in Winnipeg on a regular basis.

2. Other Business

A question was raised as to whether enough was being for DB members in terms of education. It was noted that on an annual basis all plan members should be reminded about the group RRSP and the fact that they need to consider other investments since the University pension on its own may not be enough for retirement.

3. Adjournment

As there was no further business to come before the meeting.

That the meeting be adjourned.

Chair

Secretary