

THE UNIVERSITY OF WINNIPEG
TRUSTEED PENSION PLAN
BOARD OF TRUSTEES

Minutes of the Meeting of
Monday, March 7, 2016

ATTENDANCE:

Present: Henry Hudek (Chair), Mary Anne Walls (Secretary), Mike Emslie (Treasurer), Ed Byard, Barry Barske, Ray Erb, Bill Evans, Lorne Hilton, Colin Morrison, Laurel Repski (Vice-Chair), Hans Werner, Murray Wiegand

Regrets: Marc Lafond, Robert Sveinson, Ron Youngson

Also In Attendance: Terri Einarson Breber (Recording Secretary)

i. Approval of Agenda

It was MOVED: (M. Wiegand, R. Erb)

That the agenda be approved as submitted.

...CARRIED.

ii. Approval of Minutes of the meeting of December 7, 2015

It was MOVED: (L. Repski, M. Wiegand)

That the minutes of December 7, 2015 be approved as submitted.

...CARRIED.

1. Reports from Committees

i. Report from DB Committee

M. Emslie reported on the activities of the DB committee.

The DB Committee met with Sprucegrove on December 9, 2015 to discuss their investment approach. The DB Committee met with Jeffrey King from AON on March 1, 2016. A Canadian Investment World Update prepared by AON was reviewed. It was noted that while still within the investment policy, we are under target for Canadian investments and recommended that we rebalance. Hedging the dollar was discussed, and further consultations with CIBC Mellon will take place. The DB Committee will revisit this issue at its next meeting.

The DB Committee looked at the annual asset review, noting that all managers did well with the exception of Sprucegrove. Henry was able to provide a chart to illustrate Sprucegrove's performance relative to other managers which shows them as low volatility but low return. The DB Committee discussed the possibility of having AON perform an assessment, at an approximate cost of \$2,000. The Board discussed whether to perform the assessment, or to fold

the assessment into the cost of doing a manager search, and confirmed that they were comfortable with the DB Committee proceeding with the assessment.

The DB Committee also reviewed a letter from the plan actuary, regarding assumption changes in this year's valuation. The University is discussing pension expenses for budget purposes, which is a different although similar calculation with the actuary. M. Emslie and M. Walls will develop a letter regarding RRSP options and benefits.

M. Emslie advised that minor revisions had been made to the Statement of Investment Policies and Procedures.

It was MOVED: (M. Emslie/L. Hilton)

That the revised Statement of Investment Policies and Procedures, be approved.

...CARRIED.

The report of the DB committee was accepted for information.

ii. Report from Operations Committee

H. Werner advised that the Operations Committee met on February 22, 2016. A plan for Trustee Education is being developed. He noted that the documents for the new custodian, CIBC Mellon, are ready to be signed

It was MOVED: (H. Werner/R. Erb)

That the Custodian Agreement with CIBC Mellon be executed.

...CARRIED.

H. Werner noted that several trustee terms, both external and stakeholder, are due to expire and that the Committee is following normal process for reappointment/replacement. He also noted that KPMG's Audit Plan had been reviewed and approved by the Committee.

H. Werner advised that CAPSA requirements had also been revisited, and this item will be placed on the agenda for the next meeting. He also indicated that the Committee has now finalized the draft Records Retention Policy and has referred it to the University for review to ensure that it aligns with the University's Records Retention Policy.

iii. Report from DC Committee

In the absence of the Committee Chair, M. Walls reported that the DC Committee met on March 2, 2016, where an investment review was provided by Sun Life Financial. Regarding the fund line-up, it was noted that all classes are represented and that there are no gaps, but there are some similarities in style. A suggestion was made that any underused funds be collapsed. Sun Life made recommendations for fund changes, which will be discussed and decided on at the May meeting of the DC Committee.

The Committee also conducted a plan review with Sun Life. With respect to future reports, it was requested that DC and RRSP data be separated out. Sun Life is working on a new report called Designed for Savings. M. Walls also noted that Sun Life indicated that they have enabled a new e-beneficiary web feature, which allows plan members to change their beneficiary electronically. The DC Committee is not comfortable with this feature being used, as there are

no appropriate checks and balances on the Sun Life system tracking such changes which could have potential liability implications relating to relationship breakdown and death benefits. Additionally, MB legislation still requires a signed form for beneficiary changes. As such, Sun Life was advised that this feature should not be enabled for the University's plan until the Board is satisfied that any potential liability issues have been resolved.

The modelling of the Sun Life Retirement Planner was discussed with Sun Life, as the interest rate assumptions appear to be too high. The Committee is also still working on the DC plan member survey and a review of pension risks associated with the DC plan.

2. Outstanding Calendar Items

- i. Approval of Annual Operating Budget – it was noted that this item had been dealt with at the December meeting of the Board of Trustees.
- ii. Annual Operating Budget Statement – it was noted that the final budget statement for 2015 is not yet available.
- iii. DB rate of return - It was noted that DB Annual Member Statements as at December 31, 2015 cannot be issued without a letter from the Plan actuary confirming the rate of return to be credited to member accounts. M. Walls undertook to look into this.
- iv. The review and conformation of process for selection/appointment of Trustees had been discussed earlier in the meeting. H. Hudek requested that any recommendations be forwarded to stakeholders.
- v. It was discussed as to whether the Terms of Reference required an annual review. It was noted that this item would be discussed at the next meeting of the Operations Committee and a recommendation will be brought forward.

3. Other Business

A question was asked as to the status of meetings concerning ethical investing. Henry indicated that he had been asked to participate on a committee, however, that to date he had not been notified of any meetings taking place.

M. Walls and C. Morrison advised that the Trustee Education Committee met earlier in the day, and is recommending that trustee education become a regular agenda item for Board of Trustee meetings. Education content will vary, and presentations will be placed on the website. It was noted that, as the Trustee Education Committee is a subcommittee of the Operations Committee, this recommendation is subject to discussion and approval by the Operations Committee.

4. Adjournment

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

It was MOVED: (H. Werner)

That the meeting be adjourned.

...CARRIED.

Chair

Secretary