

THE UNIVERSITY OF WINNIPEG
TRUSTEED PENSION PLAN
BOARD OF TRUSTEES

**Minutes of the Meeting of
Monday, December 4, 2017**

ATTENDANCE:

Present: Henry Hudek (Chair), Mike Emslie (Treasurer), Barry Barske, Bill Evans, Lorne Hilton, Colin Morrison, Hans Werner, Laurel Repski (Vice-Chair), Ed Byard.

Regrets: Mark Betcher (Secretary), Murray Wiegand, Trevor Yuriy, Ray Erb, Ron Youngson.

Also In Attendance: Andrew Bendor-Samuel and James Townsend (incoming Trustees), Mary Anne Walls (Admin Support).

H. Hudek introduced J. Townsend as the new UWFA Trustee replacing Robert Sveinson (J. Townsend's term commences January 1, 2018).

i. Approval of Agenda

It was MOVED: (L. Hilton/B. Evans)

That the agenda be approved as submitted.

...CARRIED.

ii. Approval of Minutes of the meeting of September 11, 2017

It was MOVED: (B. Barske/L. Hilton)

That the minutes of September 11, 2017 be approved as submitted.

...CARRIED.

1. Reports from Committees

i. Report from DB Committee (met November 23, 2017)

The Committee met with AON to discuss Q3 performance. The Fund has done really well; it was a good year, although not as good as 2016. As a result of the strong performance, a move along the glide path is indicated and a de-risking will occur at the end of the year.

The Committee also reviewed the Statement of Investment Policy. The SIP was updated with current membership data, with no material changes being proposed. The revised SIP is being recommended for approval.

It was MOVED: (M. Emslie/C. Morrison)

That the revised SIP be accepted for approval as presented.

...CARRIED (subject to a date correction to show the SIP was approved at the December 2017, Board meeting).

M. Emslie noted that there are two glide path provisions in the SIP: a glide path from growth to fixed income, and a glide path from Universe bonds to Long bonds since Long bonds should have a similar duration to plan liabilities. However, there is now disconnect in the duration since as a closed plan, liabilities have a shorter duration than Long bonds and that gap will continue to grow over time. AON is recommending a move to a custom bond mix which will match the duration of Plan liabilities; the Committee will be discussing in future meetings. This is not an urgent issue as the duration of the mixed bond portfolio (partially long partially universe) will approximate the plan duration after the current move down the glide path. The difference will be more material in future years if we continue to move assets to Long Bonds.

The DB Committee also discussed an alternative approach to developing the investment mix, tying it more closely to cash flow expectations. Will be discussing with A. Kulyk and AON over the next few months.

ii. Report from the DC Committee (met November 16, 2017)

In the absence of R. Youngson, H. Werner provided the DC Committee report.

H. Werner indicated that communication on the new divested fund was sent to plan members. There was an issue with the name of the fund (communicated as RBC fund, actual name is PH&N fund) which may have caused confusion, and a new communication will be sent to plan members.

The Committee is working on a DC risk assessment. The Sun Life action plan and service standards report were discussed, as was member education. The Committee also discussed action items from the DC member survey; the action plan is pending. Will also be looking at a decumulation presentation.

iii. Report from Operations Committee (met November 20, 2017)

The September 30, financial statements were provided to the Board for information.

The draft budget for 2018 was presented for approval. It was noted that there was some carryover of the analytics work/costs resulting from the manager search which resulted in a discrepancy between the budgeted and actual amounts for 2016 and 2017. A question arose as to administration fee tracking vs. other plans. M. Emslie indicated that this was looked at a couple of years ago and we were in a comfortable range. Will look at again.

It was MOVED: (E. Byard/L. Repski)

That the proposed 2018 budget be accepted for approval as presented.

...CARRIED

The Committee has set the dates for 2018 Board meetings as follows:

Monday, March 12, at 2:00 p.m.

Monday, June 4, at 2:00 p.m.

Monday, September 10, at 2:00 p.m.

Monday, December 10, at 2:00 p.m.

It was noted that room 3C12 has been booked for all of the meetings except March 12. The March 12 meeting will take place in the President's Boardroom.

E. Byard reported that three responses were received to the Auditor RFP. The evaluation of responses lead to one being eliminated as the firm did not demonstrate it had relevant experience and they were more costly. The two remaining responses (including incumbent KPMG) were scored very closely by the Committee. The Committee is recommending that we remain with KPMG as they have more pension clients and recent familiarity with our plan.

It was MOVED: (E. Byard/M. Emslie)

That KPMG be reappointed as the Plan Auditor for a five year term from 2017 to 2021.

...CARRIED

The Committee reviewed the calendar of deliverables . With respect to the external Board governance review, the Committee met with J. Langhan. J. Langhan provided a high level overview of the Board governance process. No major gaps were identified. He noted that the Board process is well documented with a clear structure. Web information is easily accessible for Trustees and plan members. Some items that were noted for improvement included the responses to the self-assessment CAPSA questionnaire some of which he felt were too broad. Also noted was access to documents referred to in Board materials and also how Board materials are handled. It was also noted that governance is very broad and it was suggested that our reviews be more narrowly focused.

2. Other Business

Trustee Education:

- H. Hudek presented investment basics, with covered topics including: an explanation of the glide path and rationale behind the glide path, types of securities, principles of investing, Efficient Market Theory, etc.
- H. Werner was thanked for his service to the Board and was presented with a token of the Board's appreciation.

3. Adjournment

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

H. Hudek called the meeting to be adjourned.

Chair

Secretary