

## JOINT PENSION BOARD MEETING

January 12, 2009

9:00 p.m.

SLB 292

PRESENT: Pat Loria, Ab Birch, Michelle Loveland, Stephen Hicock, , Stephen Foerster, Jane O'Brien, Martin Bélanger, Louise Koza, Ann Jones, Andrea Magahey, Cara Dakin, Deirdre Chymyck.

By Conference Call: Bruce Curwood

Regrets: Lonnie Wickman, Stu Finlayson

Guests: Krysz Chelchowski, David Paribello (Robarts)

1. Agenda changed to move item 4 to the end of the meeting

### **2. Approval of December 17, 2008 Minutes**

Motion to approve with changes: S. Hicock, Seconded by M. Loveland

### **3. Review of Proposed Northwater Investment Guidelines Interim Segregated Portfolio**

M. Bélanger presented Exhibit I outlining the proposed Investment Guidelines for the Northwater Interim Segregated Portfolio. The guidelines include the definition of eligible assets, no corporate securities permitted, and the tracking error increased to 50bps. B. Curwood suggested the Government Class be further broken to illustrate the percentages of Federal and Provincial levels of government. L. Koza confirmed the rating is still relevant and S. Foerster suggested that a duration restriction be added to the guidelines. Consistent with Northwater proposed investment guidelines, these restrictions include 365 days for Federal and Provincial money market instruments and floating-rate notes, 180 days for other money market instruments, and 91 days for short-term debt obligations. A. Magahey suggested removing "and/or fees" from these fees will be documented in the new contract with Northwater.

M. Bélanger will revise the documents.

Motion to Approve the Guidelines, subject to suggested changes: S. Foerster, Seconded: L. Koza, All in favour

### **5. Northwater Update**

M. Bélanger presented the Northwater Update. Northwater expects to write down the Fair Value of the ABCP by an additional 32% - 35% from the current expected write down levels of 12%- 15%. The value of the ABCP is expected to be approximately \$0.52 on the dollar; this amount needs to be finalized with the auditors. J. O'Brien advised that our

auditors (KPMG) will need to be assertive with Northwater and prepared to present to the audit committee.

## **6. Other Business**

1. M. Bélanger informed the board that the Global Bond Fund outperformed the benchmark in December 2008, even though the portfolio credit spreads widened compared to the benchmark; A. Birch said he didn't understand how the portfolio manager could outperform in such circumstances. M. Bélanger replied that there are many factors that can influence performance and that the credit spread is only one of them; B. Curwood suggested that good security selection would be a possible reason for the performance results.
2. Research note from Russell informing investors that the CEO of Alliance Bernstein has left. It was reported by the research group that the departure was not mutually agreed upon; it was possibly related to poor performance, weaker profits and a significantly lower stock price. The replacement CEO is Peter Kraus. B. Curwood does not believe that the changes will have a negative impact.
3. Annual Reviews:  
January 23, 2009: Fidelity: HRCC meeting 9:00 – 11:00 a.m.  
February 17, 2009: Highstreet: Highstreet Offices (London, ON) 9:00 – 12:00  
March 31, 2009: Connor, Clark, Lunn: Vancouver
4. Annual Meeting to members  
The board discussed the timing and content of the Annual Presentation to Members following the year end processes. M. Bélanger asked for suggestions for guest speakers (new manager, Graydon Watters of the Financial Education Institute of Canada, Economics professor). J. O'Brien asked if a guest speaker was required as attendance to member presentations has been positive without guest speakers, and time is limited, especially for the lunch time presentations. P. Loria expressed the opinion that the presentation should not be a repeat of the December meetings and that members may be looking for answers and direction on what they should do, how they should invest. J. O'Brien stated that members need to be told why the board does not give advice. Chelchowski suggested a guest panel. It was decided that there will be 2 lunch meetings and one evening meeting, with a guest speaker at the evening session. The room needs to be capable of holding 300 – 400 people.
5. L. Koza informed the board that Benefits Canada is holding a Defined Contribution conference at Mont Tremblant February 4 – 6 and that there is one ticket available for a board member to attend.

David Paribello left the room.

## **4. Settlement with Academic Staff Pension Plan Annuitant**

A. Magahey gave a brief overview of the report provided to the Joint Pension Board prepared in contemplation of litigation involving a former UWO employee and former member of the academic pension plan. This individual had contacted pension staff

almost a year ago and provided pension statements for the period 1971 – 1974 in support of a claim to a monthly annuity of \$81.20 payable from London Life. Ms Magahey reported that extensive searches of records had been unable to resolve the inquiry.

A. Magahey advised that in the event of legal action the individual would likely be successful based on the pension statements the individual provided and recommended that the board approve the purchase of an annuity in the amount of \$81.20 on a discretionary basis in exchange for the individual signing a release. A discussion about the advantages and content of the release and the cost of the annuity followed.

S. Foerster asked if there was any indication that there are other cases similar to this situation. J. O'Brien stated that she was not aware of any other cases. L. Koza informed the board that all record keeping for this time period was by Eckler Partners.

S. Foerster made the motion: That conditional upon obtaining a release, the Academic Pension Board approve the purchase of an annuity providing a former member of the University of Western Ontario Staff Annuity Retirement Plan with a monthly annuity in the amount of \$81.20 with payment starting effective January 1, 2009.

Seconded: L. Koza  
All in favour

Motion to Adjourn: J. O'Brien  
Seconded: S. Hicock