Review of Canadian Equity Fund

<u>For Approval:</u>

That Highstreet Asset Management ("Highstreet") be terminated as manager of the Canadian Equity Fund and of the Diversified Equity Fund and that the assets managed by Highstreet be allocated equally to the other three Canadian equity managers: CC&L Investment Management ("CC&L"), Beutel, Goodman & Company and Greystone Managed Investments.

<u>Background:</u>

The rationale for moving from 4 to 3 managers for the Canadian Equity Fund and recommending CC&L over Highstreet is as follows[1]:

- Active management is the Joint Pension Board's preferred approach for the management of Canadian equities, as per its Statement of Investment Beliefs
- Lack of diversification benefits of having 4 managers
    - High correlation of returns between the existing managers
    - Large overlap of holdings between the existing managers
- Reduce administrative work and operational risk by monitoring fewer managers
- Lower fees by increasing assets per manager
- CC&L is a superior manager based on Russell's research
- CC&L Fundamental Equity Group produces insightful and valuable research that is used in the management of the UWO Retirement Plans

[1] For more information on the research backing up the following conclusions, please refer to Exhibit III of the July 23, 2009 Joint Pension Board Meeting "Canadian Equity Fund Restructuring" available on the JPB website.