JOINT PENSION BOARD MEETING

April 12, 2010

9:00 a.m.

SSB 4220

PRESENT: Michelle Loveland, Stephen Hicock, Stephen Foerster, Jim Loupos, Cindy Servos, Krys Chelchowski, Craig Dunbar, Martin Bélanger, Louise Koza, Lynn Logan, Ann Jones, Andrea Magahey, Cara Dakin, Bruce Curwood, Ab Birch

Conference Call: Lisa Mills, Daniel Williams

Guest: David Paribello

Regrets: Jane O'Brien, Colin Kilgour

1. Changes to Agenda:
Addition: PanAgora Review
Motion to Approve the Agenda: L. Logan
Seconded: K. Chelchowski

2. Approval of February 8, 2010 Minutes:
Motion: C. Servos
Seconded: S. Hicock

Minutes approved with minor changes.

3. Non-Bank ABCP Update
M. Bélanger reviewed with the board the current status of the ABCP Notes and the Liquidating Trust. D. Williams of Kilgour Advisor Group (KAG) and L. Mills partner with Hicks Morley, external pension counsel, joined the meeting by telephone.

Currently, on the basis of the KAG report, the status of the market is as follows: i) the secondary market for MAV2 Pooled Notes is now sufficiently liquid to enable partial or complete sale of the Notes held by the Liquidating Trust; ii) Investment dealers are now quoting two-way prices (bid and ask prices); iii) we don't have a true fully-liquid market yet, the notes still trade at a discount to intrinsic value and one-way trades are taking place (U.S. hedge funds buying from distressed investors); iv) there's no guarantee that the current level of liquidity will persist in the future; v) a fully-liquid market should be characterized by greater transparency, narrow spread between bid and ask, an active two-way market with buying and selling by investors, and by Notes trading on a yield basis or against benchmarks; and vi) the most recent prices would value the Liquidating Trust at about $63. M. Bélanger also mentioned that there's limited disclosure for the Class 13 Notes which make up 3% of the Note portfolio. Selling the notes will be left to the discretion of the Kilgour Advisory Group (KAG). If there's no transaction they will be valued using the observed bid price.

Regarding the liquidation process, M. Bélanger mentioned that KAG will provide liquidation value based on market bids starting with March, that UWO will provide weekly estimate of the

Liquidating Trust value to members and that the process timeline for redemptions will be similar to that of our other funds.

A discussion regarding the market for the Notes ensued with the assistance of Daniel Williams from KAG. KAG's confirmed that the market for most of the Notes in the Liquidating Trust was sufficiently liquid such that it was now possible to sell even small orders of Notes and to set a market price for the Notes. A. Magahey explained that now that the Board had the benefit of an expert opinion, the market was sufficiently liquid to enable the restrictions to be lifted and there were no third party redemption restrictions in place on the fund it would not be prudent to continue to leave the redemption restrictions in place. L. Mills agreed that it was appropriate from a legal perspective to lift the redemption restrictions in reliance on KAG report that confirmed that liquidity was sufficient to enable the Notes to be sold.

A discussion followed about how it would be necessary to educate members about their options, plans for communicating this information include a web based workshop and other print materials

A. Magahey reviewed how the administration of the lifting of the redemption restrictions would be implemented. No member or former member will be required to sell except to the extent required if age 71 or to satisfy RRIF minimum payments. Any redemptions requests for the Liquidating Trust Fund will be made by affected members using a special form. The form will contain an acknowledgment of the information that has been made available to members and the recommendation to obtain their own financial advice.

The Board will continue to monitor the developments in market with the assistance of KAG. The Board noted that communications to members should reflect the removal of the redemption restrictions in May is not an endorsement by the Board, the market price for the notes is fair and should address the recommendation for members to obtain financial advice.

Two motions are required to proceed.

1) Effective March 2010 the value of the Liquidating Trust will be based on observed market prices as determined by Kilgour Advisory Group
Motion to Approve: L. Koza
Seconded: S. Foerster
All in favour

2) Removal of the redemption restrictions for the Liquidating Trust effective May 31, 2010
Motion to Approve: L. Koza
Seconded: J. Loupos
All in favour

It was recommended that the Board review the mandate of the Liquidating Trust at a future meeting. The Board retains the right to amend the mandate of the Liquidating Trust if it is of the view that it is appropriate and in the best interest of the unit holders.

L. Mills and D. Williams completed their Conference Call

4. Joint Pension Board Priority "Challenge the Process" Update
A. Magahey reviewed the updated priority "Challenge the Process" noting the changes based on previous board discussions. The issue discussed was should ex-spouses continue to be allowed to remain in the plan. Under the current provisions of the Pensions Benefits Act the transfer of ex-spousal accounts cannot occur until the member spouse has reached normal retirement age or pension payments to or on behalf of the member spouse have started. Under the proposed amendments to the Family Law Act and the PBA ex-spousal account transfers will be allowed at the time of separation for pension plans registered under the PBA. It has been suggested that pressure be put on the regulators to allow pension plan administrators to act retroactively with regards to ex-spousal accounts. Currently ex-spousal accounts are administered free of any charges and it was suggested that a motion be made to change this relationship.

Motion: That the administration of ex-spousal accounts be changed so that where possible ex-spousal accounts are transferred out of the pension plans or annuities purchased at the earliest possible date allowed under the applicable legislation, and furthermore, commentary be provided to the pension legislators to promote the need for the new transfer provisions in Bill 133 to be made retroactive.

Motion to Approve: L. Koza
Seconded: L. Logan
All in favour with one abstaining vote.

5. Mackenzie/Aberdeen Manager Review
M. Bélanger reviewed the meeting with Mackenzie and Aberdeen professionals in Toronto on March 2, 2010. The Mackenzie Universal Sustainable Opportunities Fund has outperformed the MSCI World by 8.2% for the one-year period ending January 31, 2010. UWO has $2.5 million in assets with Mackenzie (as of March 31, 2010). Mackenzie has a minimum level for institutional clients of $5 million. Fees will revert to retail level if that amount is not reached by February 26, 2011. An extension will be requested if we foresee that we won't be able to meet the target. There have been no changes in Mackenzie or Aberdeen corporate structure since our last review. There have been some minor changes in personnel on our strategy, although the lead managers are still in place. There have been no changes in investment process or SRI screening. There are no compliance issues or conflicts of interest. The strategy is not facing any capacity issues at this point.

C. Dakin suggested that adding more historical data to the monthly updates on the website might help members by giving a bigger picture of the fund.

Mercer has ranked Mackenzie/Aberdeen as "Indicative B" which is equivalent to a "Retain" rating by Russell.

Exhibit III of the documents circulated for the meeting provides details of the review.

6. Pension Staff Updates
- Holly Hrytzay has returned from Maternity Leave.
- Annual Statements have been mailed to all pension plan members. Less than 10 members have called with questions/comments about the statements.
- Wednesday September 8, 2010 is scheduled for the annual Joint Pension Board Retreat.

7. Harmonized Tax Update

The board was updated on how the new HST will affect pension plans. Currently the UWO Retirement Plans receive a 100% rebate on the 5% GST it pays. With the change, the UWO Retirement Plans will receive a 33% rebate on the 13% HST, for an effective tax rate of 8.71%. The UWO Retirement Plans will also be forced to pay HST on services provided by The University to the Retirement Plans. Currently, about $1 million in salary and benefits out of $1.8 million of expenditures is not included in the trust. The process is now underway to differentiate between the University's costs and the Pension Plan's costs. Overall the impact of the higher tax rate and lower rebate will be about 3 basis points and the impact of the deemed supplies will be less than 1 bp in additional costs to the plans.

8. Other Business

PanAgora Research Update

B. Curwood provided an update on PanAgora Asset Management and small cap investing. From the second quarter of 1989 to the fourth quarter of 2009 the median active U.S. small cap manager has outperformed the Russell 2000 Index by 299 bps and first quartile managers by 649 bps, over 5 year horizons. The five-year value added is still positive as of December 31, 2009. Over shorter horizons, the value added provided by active managers is more volatile. Under the current environment cyclical and highly leveraged companies are being rewarded more than higher quality companies with better than expected fundamentals. Most quantitative managers have underperformed the Russell 2000 Index over the past 3 years, including PanAgora. PanAgora is still ranked "Retain" by Russell's analysts.

Motion to Adjourn: L. Logan
Seconded: L. Koza
Meeting adjourned at 10:55

Fund Manager Review Meeting

Connor, Clark & Lunn

In Attendance: M. Loveland, K. Chelchowski, J. Loupos, B. Curwood, S. Foerster, M. Bélanger

CCL: Phil Cotterill

CCL remains a private partnership with 23 partners sharing ownership. In February 2010 a new partner replaced a retiring partner. There have been no changes to CC&L investment team over the past 24 months. The bi-annual Section 5970 audit by Price Waterhouse has just been completed.

CC&L Investment Management has $19.8 billion in assets under management, including $5.1 billion in its Q-Core strategies. The capacity for the Q-Core strategies is about $8 billion.

P. Cotterill reviewed CC&L's investment philosophy and investment process. There have been no changes since our last review.

P. Cotterill also provided a market review and an update on the portfolio for 2009. The UWO portfolio has outperformed the S&P/TSX by 2.1% over the one-year period ending March

31, 2010. The portfolio underperformed by 0.7% during calendar 2009, mostly caused by industry selection. The main contributors to performance in 2009 were CC&L's under-weights in Agnico-Eagle Mines and Kinross Gold, while the main detractors include under-weights in Potash Corp. and Enbridge.

The portfolio currently holds about 160 names, which is higher than the 120 names that the portfolio usually holds. The main reason for this situation is the greater attractiveness of smaller stocks.

The largest portfolio over-weights as of March 31, 2010 were TD Bank, Atco Ltd. and Canadian Natural Resources Ltd. As of March 31, 2010 the portfolio had a 4.7% underweight in the Energy sector and a 1.5% overweight in the Utilities sector.

The portfolio characteristics as of December 31, 2009 reflect a positive exposure to momentum, value and quality factors and a neutral exposure to profitability, financial strength and stability factors, as is expected by CC&L's strategy.

P. Cotterill reviewed CC&L's risk management process. The firm has a culture of compliance and has developed proprietary risk management models. The main risk factors monitored by CC&L include profitability, financial strength, stability, beta, sector volatility and size.

P. Cotterill ended by reviewing the improvements made to their Q-Core strategy in 2009 and those planned for 2010. The changes focus on forecast improvements, portfolio construction and trading strategies.

CC&L doesn't use any environmental, social and governance factors in its strategy. The firm or its personnel are not facing any material litigation. The firm's last regulatory review was done in 2007 and the issues raised were immaterial. The firm's conflicts of interest have been properly disclosed and employees of CC&L have to comply with an adequate code of ethics.