JOINT PENSION BOARD MEETING

April 15, 2009

1:00 p.m.

SSB 4220

PRESENT: Pat Loria, Ab Birch, Michelle Loveland, Stephen Hicock, Stephen Foerster, Lonnie Wickman, Stu Finlayson, Martin Bélanger, Louise Koza, Ann Jones, Andrea Magahey, Deirdre Chymyck, Cara Dakin, Holly Scanlon

Guests: David Paribello (Robarts), Krys Chelchowski

By Conference Call: Bruce Curwood
Regrets: Jane O'Brien,

1. Changes to Agenda:
Move AllianceBernstein, Item 6 to follow Item 3 on the agenda

2. Approval of March 11 Minutes:
Motion: S. Hicock
Seconded: M. Loveland

D. Paribello left the room for the discussion regarding the Restructuring Plan Non-Bank ABCP

3. Restructuring Plan Non-Bank ABCP
M. Bélanger and A. Magahey presented the proposed Restructuring Plan for Non-Bank ABCP proposal to the board, including a recap of events since August 2007. In November 2008 the board approved a recommendation to retain Northwater Capital Management to manage the restructured notes (RNs) and to equitize the notes in a segregated account in anticipation of the closing of the CCAA restructuring plan. It is important to note that liquidity was assumed as part of the agreement, however currently there is limited prospect of liquidity (April 2009).

The purpose of the proposal presented is to detail the implementation of the new passive US equity manager, State Street Global Advisors (SSgA) and to recommend a revised approach to handle the Restructured Notes now that the CCAA plan had closed and JPB had more information about the market environment for the RNs.

The proposal presents a 5-Step Plan to approach the RNs, subject to a review of the associated implementation issues:

1. Move US equity assets ("B" Funds) to SSgA, with the transaction occurring during the period of April 16 to 21. The remaining funds will move following a resolution on the approach for the ABCP/RNs.

2. Carve out the non-bank ABCP from the 5 UWO funds and transfer to the Liquidating Trust.
3. Merge the "B" Funds with the original affected funds.
4. Remove Redemption restrictions on the affected funds.
5. Solicit bids for restructured notes.

Under this proposal only the Liquidating Trust would hold the RNs after the restructuring plan has been implemented. Plan members who are currently exposed to RNs in the 5 affected UWO funds would now hold the same RNs directly through Liquidating Trust units.

The board discussed the problems facing individuals considering retirement or reaching age 71 with funds in the Liquidating Trust. S. Foerster asked if it was possible to carve out the cash portion of the Liquidating Trust and distribute it to members. L. Koza noted that the assets of the Liquidating Trust and ABCP are in US dollars and are therefore subject to fluctuations in the currency rates.

M. Bélanger reviewed the pros and cons of the proposal. Some of the pros identified were that the redemption restrictions could be lifted on all 5 funds; there would be no cash drag on the equity funds since the RNs would hold the 5 affected UWO funds; holding the RNs in a segregated account would make it easier to establish valuation; it would allow members flexibility and separate the ABCP decision from the other investment decisions; the balance of their US equity funds could be placed with the fund manager of choice other than the illiquid restructured notes; members could rebalance their portfolios to the equity exposure of choice; it would not require a liquid market for RN; and would enable the "B" funds to be merged and Northwater would not continue to manage US equity funds (Pros). The cons identified include: this would be complex to administer as close to 6000 members will be impacted; it would require external assistance to ensure the accuracy of the transaction and to assess potential liability; a significant communication effort required as almost all members will be impacted; members RN assets would be transferred to the Liquidating Trust without providing instructions to sell; members in the restricted funds would lose some of their stock market exposure; the liquidation of the Liquidating Trust holdings will be much more challenging since more members will be involved.

L. Koza asked what would be gained by lifting the restrictions – members will be able to move out of equities and free to make changes they want to make, and it would free up the time of internal pension administrators. L. Koza asked what the risk of continuing with the current strategy of leaving the A Funds with Northwater. M. Bélanger stated that members cannot allocate 100% of their funds.

H. Scanlon informed the board that there is a lot of misunderstanding regarding the restrictions. There is negative feedback from people retiring who cannot move their money in the Liquidating Trust. C. Dakin noted that members are losing faith in the process. A. Birch stated that the pros of the proposal must be communicated – that redemption restrictions on all 5 funds could be lifted but redemption restrictions would remain in place for the Liquidating Trust.

L. Koza informed the board that a concern for the University is the reactivation of the grievance by UWOFA once the liquidation/loss is clarified. A. Birch asked if the University is not covered by the Master Release; A. Magahey stated it is difficult to answer conclusively at this time as it will depend on future decisions.

M. Bélanger recommended proposal 1a as proposal 1b does not remove the redemption restrictions from the Diversified Equity Fund.

A. Magahey reviewed some of the anticipated implementation issues of the proposal. These included obtaining an expert opinion on liquidity and valuation of the RNs, the need for plan amendments in order to transfer on the RNs to the Liquidating Trust, a review of the terms of the Liquidating Trust, a detailed Communication Plan for explaining and presenting the plan to members, and the need to provide notice of plan amendments to interested parties (Employee groups, FSCO, and plan members).

L. Koza suggested for the April annual meetings the detail of the information presented should focus on what we currently know and that details on this approach should wait until there is a clearer picture and a decision in regards to whether to implement the proposal.

L. Koza asked Board members how comfortable they were with the information to set a direction for administering the RNs. S. Foerster suggested the need to better articulate the proposed recommendation, in particular re-phrase the recommendation and the role of Northwater.

The board agreed to meet again to review the revised amendment and vote on a recommendation in a special meeting in early May.

6. AllianceBernstein Canadian Equity Review

Russell downgraded the AllianceBernstein Canadian Equity product to “Review”. M. Bélanger recommended the board review and explore the possibility of a replacement manager as soon as possible. AllianceBernstein is coming to London on April 21 at 8:30 a.m. to explain and to introduce Jeff Singer’s replacement. M. Bélanger will bring a proposal to the next meeting of the Joint Pension Board. B Curwood will provide a short list of potential replacement managers; he believes a better manager can be found.

5. Connor, Clark, & Lunn Manager Review

CCL is ranked “Hire” by Russell. Since the last review Bill Tilford has left the firm and has been replaced as the portfolio manager by Dion Roseman and Chris Archbold. M. Bélanger has been given access to their research which he stated is excellent. CC & L was the best performing Canadian Equity Manager of the Western plans in the past year.

There are no audit issues.

4. Lifecycle Funds

M. Bélanger presented an update on Lifecycle funds. The updated included a synopsis of 9 potential fund providers, including Invesco Trimark. The board had a number of questions including: how important is it to use existing UWO funds, the number of funds required, what accounting and administrative resources are needed, how to formulate a Communications strategy to clarify the issue for members to reach their objectives and what are the problems that we’re trying to solve.

A. Birch asked if it is reasonable to ask managers for proposals, and to meet with them.

M. Bélanger will further investigate the proposal.

7. Year End Reporting
A. Jones presented the number of statements produced and confirmed that all statements were sent to plan members by the end of March

Motion to Adjourn: L. Koza
Seconded: S. Finlayson
Meeting adjourned at 3:10