

THE UNIVERSITY OF WINNIPEG
TRUSTEED PENSION PLAN
BOARD OF TRUSTEES

Minutes of the Meeting of
Monday March 13, 2023

ATTENDANCE:

Present: Ron Youngson (Chair), Colin Morrison (Vice Chair), Navinder Basra (Treasurer), James Townsend, Andrew Bendor-Samuel, Murray Wiegand, Lorne Hilton, Sheila Wilson-Kowal, Joan Duesterdiek, Mary Anne Walls, Brian Schlag, Greg Gillis, Marni Yasumatsu

Regrets Rosalie Harms

Recording Secretary: Claire Hince

1. Approval of Agenda

MOVED: (M. Yasumatsu/M. Walls)

That the Agenda be adopted as presented with the addition of the item under Other Business.

...CARRIED.

2. Approval of Minutes from December 12,2022

The following corrections were noted from the Minutes:

- p.2 update Betel to Beutel
- p.2 Beutel paragraph around the strike out without increasing liquidity risk from the third sentence
- the motion in #3 to add the word Recommend, since the DB Committee is recommending to the Board
- #4 the sentence that begins with ONYX continues to assist members should read, assist with answering questions as well as with asset transfers.
- the motion in #4 to add the word Members at the end of the Motion
- Brian was not present, should be removed from the Present list

MOVED: (S.Wilson-Kowal /M. Walls)

That the minutes from the December 12,2022 be approved as presented, with the above corrections.

...CARRIED.

3. Report from DB Committee (M. Wiegand)

Upon the Board's approval, the emerging market assets were removed from Somerset and transferred to Blackrock in late December 2022.

The DB Committee has had discussions in regards to the concerns about the long-term structure of the plan. According to the 2021 annual report, the outflows are about \$10 million per year. The inflow is about \$3 million, that's including special payments from the University.

The Plan being closed to new members, there is also a high exposure to growth assets about 55% right now, which leaves the plan vulnerable in the event of a market downturn.

There's also concern about asset distribution within the growth portfolio, especially with the emerging markets, which have subsequently been dealt with.

A subcommittee was formed, a letter with the concerns was sent to Aon in early January requesting guidance. The DB Committee has had 2 meetings to discuss. Aon has advised the Committee that the growth portfolio was not an overly aggressive one and that 5% in emerging markets was quite reasonable.

Upon discussions, the one thing that emerged consistently was the necessity to preserve the COLA. The problem is with an increase in liability matching assets will reduce volatility, but also predicts lower returns which would impede the granting of COLAs. (de-risking the plan)

Upon Aon's recommendation, a cash flow projection was requested and received from Eckler.

A request was made to Aon for an equity strategy in glide path testing, the last one was done over 10 years ago.

Aon presented cash flow projections, the peak payouts from the plan are predicted to be in the late 20s. Around 2040, they expect it to be about 7 million a year and the final payouts from the DB plan as currently structured are not expected until the 2070s.

Aon has made it clear that there's plenty of money in the plan to keep paying out benefits, but the DB Committee will continue discussions.

The last time COLA was offered was 2 years ago, COLA will not be offered this year.

On the going concern basis, one of our principal objectives, our Canadian equity and real estate managers, especially the real estate have done very well.

The results in the fourth quarter, our plan was up 4 1/2 percent. But for the year 2022, it was down 7.7, and when you factor in inflation, the loss which was quite high in 2022, the loss was just over 13%.

Market analysis pointed out that unemployment remains low, inflation is decreasing and there's no major consequences yet of increasing interest rates. However, over the 4- and 10-year periods the fund has made money slightly trailing the benchmark.

A review of the process was done, of setting up investment strategies, the various forms of risks. The key factor for a successful plan is the distribution of funds between return seeking assets, which are equities and liability hedging assets, which are fixed income.

CAP/CAPSA guidelines were reviewed with some minor updates.

The Terms of Reference was reviewed with one minor change.

4. Report from DC Committee (A. Bendor- Samuel)

A couple of issues with Desjardins

- 1) A communication was sent to members with the subject line: Action required, it took some time to get the list of members who received the e-mail and to send an updated communication apologizing of the confusion
- 2) Set-up with Spousal RRSP issues (spouse not able to see it, no confirmation, no way of receiving a confirmation that the funds are being invested correctly)
Claire and I met with Joanna and David from Desjardins to review the process and to discuss best practices on the set-up. Hopefully it will be smoother.
- 3) Decumulation has been on hold and will be starting discussions moving forward

Currently working with Desjardins to set-up a review of the Annual Report, it will be the first one since the move in Nov 2021.

CAPSA guidelines, possibly 5 or 6 guidelines has been reviewed

Education session with ONYX – had a meeting with them to provide Chris and David with a list of departments to be able to reach out to each department to try to connect with each group during department meetings.

Terms of Reference was reviewed, will add RRSP and TFSA, spousal RRSP savings plans

ACTION: Review the language of Terms of Reference to make the updates

Attended DC Summit, hosted by Desjardins during reading week, an education session will be offered at the September meeting.

A letter was received from a member that will be sent to Chris from Onyx to support.

MOVED (A. Bendor-Samuel/M. Wiegand)

That the Board does not need to be involved in the response

...CARRIED.

b) SIPP
Has already been addressed and approved.

c) Other business
No other business

5. Report from Operations Committee (M. Yasumatsu)

Met on March 6,2023, the first order of business was to elect a new Chair in Mark's absence, Marni was elected.

Reviewed the audit plan, nothing to report

Trustee appointments was reviewed
UWFA- Rosalie Harms will be resigning
UWRA – Murray Wiegand will continue for another 2 years

Update Brian Schlag instead of Marc Lafond's term to 2024

External trustees: Ron Youngson and Sheila Wilson-Kowal – Ron and Sheila are prepared to continue

The excluded representative was Mark Betcher, will run an election once his replacement is hired to give the opportunity to put their name forward.

Reviewed the calendar of deliverables, no changes

Add a column on the Board of Services contracts

ACTION: Send out a Trustee knowledge survey to the current trustees

6. Trustee Education

Andrew Bendor-Samuel attended the CPBI forum in November 2022.

Received a lot of Manitoba content, a section on the legalities for separation that affect both the DC and DB plans. Manitoba is unique on the calculations, it's a good thing that Desjardins handles the separation process.

Expecting an update for the new CAPSA guidelines, more specially #3, with the possibility of a new CAPS, a guideline for the decumulation for the DC plans.

A session was held that discussed specific separation cases and how each one differed.

7. Other Business

No other business

8 Date of Next Meeting

The date of the next Board of Trustees meeting is June 12,2023

9. Adjournment

As there was no other business to come before the Board, the meeting was adjourned.

Chair

Secretary