

# The Greenlight Retirement Program™

## *Minutes of Meeting Conducted on Wednesday March 7, 2007 – 8:30 a.m. TBC Offices*

Committee:	Rob Tamblyn	– The Benefits Company Inc.
	Andy Loscher	– The Benefits Company Inc.
	Matthew Loscher	– The Benefits Company Inc.
	Moe Mailloux	– Moe Mailloux Financial Services
	Ellard Delaney	– The Benefits Company Inc.
Facilitator:	Joe Nunes	– Actuarial Solutions Inc.
Secretary:	Leanne Hillman	- The Benefits Company Inc.
Guests:	Kevin Delaney	- The Benefits Company Inc.
	Tracey Heslop	– Anchor Lamina
	Karen Durocher	- B&B Tool & Mould Limited
	Linda Glassford	- Agris Co-operative
	Bill Wigle	- Centreline (Windsor) Ltd.

## Meeting Minutes

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### *1. Call to Order*

- ❖ The meeting was called to order at 8:30 a.m.
- ❖ [Motion] Andy proposed that for 2007 Rob Tamblyn be the meeting Chair and Leanne Hillman be the meeting Secretary. Seconded by Ellard. Carried.

### Introduction of Guests

- ❖ Karen Durocher, Bill Wigle, Tracey Heslop, Linda Glassford and Kevin Delaney were welcomed.
- ❖ Each guest has previously accepted in writing the terms of the confidentiality agreement.

### Approval of Agenda

- ❖ [Motion] Matt proposed that the agenda be approved without change. Seconded by Rob. Carried.

## *2. Secretary's Report*

### Distribution of Prior Minutes

- ❖ The minutes of the meeting held on November 15, 2006 were distributed. The minutes were previously approved via email and have already been distributed to clients electronically.

## *3. Member Care Program*

- ❖ Joe Nunes provided an overview of the development of the Member Care Handbook which was in response to a perceived need to clarify the “one-on-one” process currently in place. Key features of the Handbook are: clear training and continuing education requirements for Greenlight Certified Advisors, an outline of the GreenStages 5-step retirement planning process, clarification of limitations on advice and conflicts of interest, and record retention policies.
- ❖ [Motion] Moe proposed that the Member Care Handbook Version 1 be approved without change. Seconded by Matt. Carried.

## *4. Recordkeeper's Report*

- ❖ No special reporting was considered.

## *5. Administrative Review*

### Morningstar Procedures

- ❖ Email from Morningstar regarding the process used in reporting fund performance was reviewed. Morningstar will report both the Manulife JF Equity fund and the JF Equity fund as separate funds based upon the performance (including expenses) associated with operating that fund. The Committee determined that there should be no change in the way the quarterly investment summaries are currently prepared but noted the information that had been provided assisted the Committee in understanding the reporting under review for each fund.

### Pension Adjustment Reversal (T10) Reporting

- ❖ Leanne reported that there was currently no mechanism in place to monitor the compliance of clients with the required reporting of PARs.

[Action Item #30] Leanne will investigate what support each carrier provides to clients in the preparation of T10 reporting and prepare a memo to clients reminding them of their reporting responsibilities.

### Participating Plan Sponsors

- ❖ The Benefits Company confirmed that as at December 31, 2006 there were 45 companies with aggregate assets of \$58 million that had completed a formal board resolution to join the program with London Life as a recordkeeper. One company with assets of \$2.2 Million had completed a formal board resolution to join the program with Manulife as a recordkeeper.

- ❖ At the prior meeting it was reported that 49 companies with aggregate assets of \$63 million that had completed a formal board resolution to join the program. The decrease in participants is a result of the removal of RRSP assets from the reporting.

#### Plan Sponsors Pending Approval

- ❖ The Benefits Company presented a list of six plan sponsors, with assets totaling \$3.4 million, wishing to join the program.

#### Prior Action Items

- ❖ The Governance Committee reviewed the inter-meeting activities requested in the prior meeting as follows:

[Prior Action Item #25] Manulife confirmed that in order to receive the “certified diversified” designation, a minimum of 1, 3 and 5 year GICs must be offered.

[Motion] Andy proposed that 1-year and 3-year GICs be added to the Manulife investment menu. Seconded by Matt. Carried.

[Action Item #31] The Benefits Company will amend the Manulife menu in the Statement of Investment Policy and Procedures and will confirm with Manulife that the menu qualifies for the “certified diversified” qualification. Upon certification, the revised menu will be distributed to affected participating employers and plan members

[Prior Action Item #26] In the prior meeting, Manulife was asked to confirm to which calendar year its “Q4” heading applied. Manulife did not provide a response and the Committee determined that the information was not sufficiently meaningful to instigate a follow-up request.

[Prior Action Item #27] Jarislowsky Fraser confirmed that the likely rationale for any difference in ‘star ratings’ between the Manulife JF fund and the JF fund would be timing issues. This response was consistent with the information provided by Morningstar.

[Prior Action Item #28] Standard Life was invited to the meeting and their presentation is following the lunch break.

[Prior Action Item #29] The Manulife investment menu was updated but was not distributed to affected plan sponsor’s pending a decision regarding GICs (see Prior Action Item #25 and Action Item #31 above).

## Contribution Arrears & Form 7

- ❖ The Benefits Company confirmed that all Form 7s due on or before December 31, 2006 had been filed.
- ❖ The Benefits Company advised the Committee that a plan sponsor had contribution in arrears and that the client had been notified by London Life and the Financial Services Commission of Ontario had been notified.

[Action Item #32] Rob committed on behalf of The Benefits Company to contact the plan sponsor within 30 days to encourage compliance with the Pension Benefits Act.

## 6. Investment Review

### Investment Policy Review

- ❖ The Statement of Investment Policy and Procedures was not reviewed.

### Investment Performance Review – London Life

- ❖ The Benefits Company presented investment performance results for each fund in The Greenlight Retirement Program™ investment menu as reported by Morningstar and London Life.
- ❖ The performance of the London Life Bond Fund (3 stars) and the London Life Diversified Fund (2 stars) were reviewed in detail.

[Action Item #33] At the next meeting, The Benefits Company will prepare an analysis of all available ‘balanced funds’ on the London Life platform.

### Investment Performance Review – Manulife

- ❖ The Benefits Company presented investment performance results for each Manulife fund on The Greenlight Retirement Program™ menu under as reported by Morningstar.
- ❖ The performances of the McLean Budden Balanced Growth Fund and the McLean Budden Equity Growth Fund were discussed.

[Action Item #34] At the next meeting, The Benefits Company will prepare an analysis of all available ‘balanced funds’ on the Manulife Life platform. A ‘global’ balanced fund review will be included for balanced funds on the Sunlife and Standard Life platforms as well.

### Presentation by Standard Life

- ❖ Brian Cyr, CFA lead the presentation for Standard Life. Standard Life started the presentation with the observation that the intention of their product was to provide “embedded guidance” to plan participants. Since in most cases, plan participants are not investment experts (and in many cases do not have access to an investment advisor) the product has been designed to support effective decision making. Standard Life was reminded that in the case of Greenlight members, each member in fact has access to an investment advisor and it is the goal of the program to meet with each member at least once every three years.

- ❖ Standard Life reviewed the recent and upcoming changes to its product which includes the addition of Addenda Capital as a bond manager as well as the development of 'target date' investment funds.
- ❖ Standard Life confirmed that they do not offer a 'certified diversified' warranty similar to that of Manulife and at the same time offered the opinion that there was little value in the warranty as it would be difficult to quantify its meaning.
- ❖ The Committee questioned Standard Life's views on the management at McLean Budden and Jarislowsky Fraser. Standard Life offered the opinion that the pending changes at McLean Budden (retirement of President in 2008) demonstrates a well organized succession plan. McLean Budden has recently added key analysts who are expected to strengthen recent weakness in performance. Standard Life is not concerned about the age of Stephen Jarislowsky as the investment decision-making within the organization is widespread. At the same time, there are continuing concerns over the foreign equity team at Jarislowsky Fraser with the organization not having rebounded from several departures three years ago.
- ❖ Standard Life confirmed its view that an appropriate menu would range from 15 to 20 funds and would not include specialty funds such as technology or resources. It was noted that most Canadian equity funds have a substantial exposure to resources.
- ❖ A detailed discussion regarding the appropriate mix of the '9 boxes' was held. Standard Life continues in its belief that the most aggressive fund should still contain 25% fixed income to moderate volatility.
- ❖ Standard Life presented a recommendation for consolidating the investment menu of two plan sponsors intending to join the Greenlight program.

**[Action Item #35]** The Benefits Company will undertake an analysis of the investment menus for plan sponsors considering joining the Greenlight program and will provide the analysis to the Committee within 30 days. The objective is to reach a decision on an investment menu at the next Committee meeting to be held on June 6, 2007.

## 7. *New Business*

- ❖ No new business was raised.

## 8. *Future Meetings & Adjournment*

- ❖ The following dates are set for the remainder of 2007. Meetings will continue to start at 8:30am and will be scheduled to last until 2pm to allow for the increasing workload of the Committee
  - #6 Wednesday June 6, 2007 – 8:30 AM to 2:00 PM
  - #7 Wednesday September 5, 2007 – 8:30 AM to 2:00 PM
  - #8 Wednesday December 5, 2007 – 8:30 AM to 2:00 PM

**[Motion]** At 2:30 p.m. Rob made a motion to adjourn the meeting. Seconded by Andy. Carried.