

The Greenlight Retirement Program™

Minutes of Meeting Conducted on Wednesday June 6, 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.
	Jack Sullens	- Children's Aid Society
	Denise Parent	- The Benefits Company Inc.

Meeting Minutes

1. Call to Order

- ❖ The meeting was called to order at 8:30 a.m.
- ❖ For 2007 Rob Tamblyn is the meeting Chair and Leanne Hillman is the meeting Secretary.

Introduction of Guests

- ❖ Jack Sullens, Denise Parent and Kevin Delaney were welcomed.
- ❖ Each guest has previously accepted in writing the terms of the confidentiality agreement.

Approval of Agenda

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

2. Secretary's Report

Distribution of Prior Minutes

- ❖ The minutes of the meeting held on March 7, 2007 were distributed. The minutes were previously approved via email and have already been distributed to clients electronically.

3. Recordkeeper's Report

The following reports were received:

- GRS – notice regarding “smart messages”
- Manulife – notice regarding “frequent trading” policy
- Manulife – notice regarding “member progress report”
- Manulife – notice regarding asset allocation fund “rebalancing”

5. Administrative Review

Participating Plan Sponsors

- ❖ The Benefits Company confirmed that as at March 31, 2006 there were 45 plans with aggregate assets of \$60 million that had completed a formal board resolution to join the program with London Life as a recordkeeper. One company with assets of \$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 45 companies with aggregate assets of \$58 million that had completed a formal board resolution to join the program with London Life as recordkeeper.

Plan Sponsors Pending Approval

- ❖ The Benefits Company presented a list of eleven plan sponsors wishing to join the program with aggregate assets of \$83 million.

[Action Item #36] In future meetings, The Benefits Company will provide a breakdown of asset holdings by fund for members pending approval.

Prior Action Items

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

[Prior Action Item #30] Leanne presented a draft memorandum to clients confirming T10 reporting requirements. Minor edits were suggested and the memorandum is to be sent to all Plan Sponsors.

[Prior Action Item #31] Matt presented a revised Manulife menu with the addition of 1-year and 3-year GICs. It was confirmed that a minimum of four additional funds (passive management) would be required in order to have the menu meet the Manulife criteria to be “certified diversified”.

[Motion] Matt proposed that the addition of 1-year and 3-year GICs be removed which means no revised menu will be published. Seconded by Rob. Carried.

[Action Item #37] The Benefits Company will obtain an official copy of the certified diversified “warranty” for review by the Committee.

[Prior Action Item #32] Rob reported that a plan sponsor that had fallen into arrears is now winding up their pension plan. For purposes of confidentiality, correspondence in this matter is not included.

[Prior Action Item #33 and #34] Matthew presented a comprehensive list of balanced funds available by six major recordkeepers as well as the corresponding historical returns and Morningstar ratings.

[Action Item #38] The Benefits Company will investigate pricing and risk/return history for the Fidelity Canadian Asset Allocation Balanced Fund and report to the Committee at its next meeting.

[Prior Action Item #35] A proposed menu for Standard Life was reviewed. The menu was not approved by the Committee as it was decided that further review and analysis of both the investment menu and assets pending approval are required.

[Action Item #39] The Benefits Company will investigate with McLean Budden justification of the Morningstar 2-star rating on its balanced fund and Canadian equity fund.

[Action Item #40] For the Standard Life menu, The Benefits Company will report a breakdown of plan sponsor assets by fund.

Contribution Arrears & Form 7

- ❖ The Benefits Company confirmed that all Form 7s due on or before March 31, 2007 had been filed.
- ❖ The Benefits Company confirmed that all clients were current in their contributions to their respective plan.

6. Investment Review

Investment Policy Review

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

Presentation – London Capital Management/GRS

Chris Walker from London Capital Management made a presentation. Key highlights are:

- ❖ London Capital Management started in 1961 (in house investment department of London Life)
- ❖ Currently \$12.5 billion under management
- ❖ Philosophy is “growth at a reasonable price”
- ❖ Style leads to “below median” returns with “below median” risk
- ❖ What hurt past performance? U.S. Equity performance
- ❖ What helped past performance? Asset mix decisions, bond performance, Canadian equity performance
- ❖ What is changing? Increased focus on quantitative screens as “first step” in security selection
- ❖ A sound explanation regarding London Capital’s expectation of maintaining “three star” status was provided. First, funds that take greater bets will occupy the 1-star and 5-star rankings depending on whether those bets are currently paying off. Second, Trimark currently has a 5-star balanced fund. However, because every insurer replicates this fund and reports it separately, there are multiple (perhaps 8) 5-star funds being counted. Since Morningstar limits the number of 5-star funds, this pushes the LL Diversified fund further down the list.
- ❖ The LL Diversified fund has moved from a 50% equity target to a 55% equity target. In comparison, the Fidelity fund has a 61% equity target and the Trimark fund has a 65% equity target.

Shari McNeill from GRS (London Life) made a 10-minute presentation. Key highlights are:

- ❖ The “Profile” asset allocation funds have both volatility and returns that lag the benchmark
- ❖ Passive investment options were discussed. Shari observed that passive funds are popular when the market “takes off” and active managers lag – in contrast, when the market declines passive funds usually lead the decline and demand reverses to active management. Nortel was used as an example of the merits of using active management.

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 Diversified Fund (3 stars) and the J.F. U.S. Equity funds were reviewed in detail. With regard to J.F. it was noted that the

most recent year had good performance. The Committee decided to continue to monitor the performance of these funds in future periods.

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. See Action Item #39 above.

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 12:30 pm to reflect continued efficiencies in the meeting operation.
 - #7 Wednesday September 5, 2007 – 8:30 AM to 12:30 PM
 - #8 Wednesday December 5, 2007 – 8:30 AM to 12:30 PM

[Motion] At 12:00 p.m. Moe made a motion to adjourn the meeting. Seconded by Andy. Carried.