

# The Greenlight Retirement Program™

## *Minutes of the 8<sup>th</sup> Meeting Conducted on Wednesday December 5, 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
Absent:	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.
	Denise Parent	– The Benefits Company Inc.
	Jack Sullens	– Children’s Aid Society
	Brian Cutler	– Community Living Windsor
	Mike Sheffar	– Sheffar Potter Muchan Inc.
	Tim Potter	– Sheffar Potter Muchan Inc.
	Keith Muchan	– Sheffar Potter Muchan Inc.

## Meeting Minutes

---

### *1. Call to Order*

- ❖ The meeting was called to order at 8:35 a.m.
- ❖ For 2007 Rob Tamblyn is the meeting Chair and Leanne Hillman is the meeting Secretary.

### Introduction of Guests

- ❖ Denise Parent, Kevin Delaney, Jack Sullens, Brian Cutler, Mike Sheffar, Tim Potter and Keith Muchan were welcomed.
- ❖ Each guest accepted in writing the terms of the confidentiality agreement.

## Approval of Agenda

- ❖ [Motion] Andy 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 September 5, 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:

- Manulife – personalized internet messaging
- ❖ Manulife personal internet messaging advises members of investment choices which are inconsistent with completed risk profile.

## 4. Administrative Review

### Participating Plan Sponsors

- ❖ The Benefits Company confirmed that as at September 30, 2007 the accumulated assets in the Greenlight Retirement Program™ for each recordkeeper were:

Recordkeeper	Assets (\$millions)	
	September 30, 2007	June 30, 2007
GRS (London)	66.8	66.7
Manulife	2.0	2.1
Standard Life	44.8	40.2
Sun Life	32.4	31.8
<b>Total</b>	<b>146.0</b>	<b>140.8</b>

## Plan Sponsors Pending Approval

- ❖ The Benefits Company confirmed that as at September 30, 2007 members ‘pending approval’ with each recordkeeper were:

Recordkeeper	Assets (\$millions)	
	September 30, 2007	June 30, 2007
GRS (London)	4.3	29.3
Manulife	15.8	13.6
Standard Life	0.4	0.3
Sun Life	5.3	5.2
<b>Total</b>	<b>25.8</b>	<b>49.0</b>

## Prior Action Items

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

**[Prior Action Item #41]** A listing of past plan participant meetings was provided to the Committee.

**[Action Item #52]** The Committee requested that a similar report be provided at each future meeting and that the report be expanded to include additional information such as meeting location, broker/advisor, next meeting scheduled, and voluntary/mandatory status.

**[Action Item #53]** The Benefits Company will contact clients that have not held a meeting in the past twelve months to request a meeting with members. Client responses will be documented.

**[Prior Action Item #42]** Recordkeepers were asked to provide advisors with a notice when a plan participant makes changes to their portfolio of investments. The purpose of this notice was to give advisors an opportunity to discuss the changes with plan participants on a timely basis.

- No carrier was able to produce the reporting that was requested without considerable effort and the results if available were not reasonably organized for practical use.

**[Action Item #54]** The Benefits Company will contact each carrier and advise them of the perceived need for keeping advisors informed regarding investment activities on member accounts. Carriers will also be encouraged to at a minimum automate a message to participants that make changes indicating that “if the member has not

already done so they should consider reviewing their investment decision with their advisor”. In an ideal situation, a customized caution would be delivered if “the investment change is inconsistent with the investment profile on record and consideration should be given to reviewing your investment profile and investment decisions”.

**[Prior Action Item #43]** Rob Tamblyn provided an update regarding the investigation into Standard Life’s policy regarding the transfer of terminated employees out of the employer sponsored registered pension plan (defined contribution).

- Rob reported that Standard Life’s policy of maintaining terminated employees under the employer plan until an application for transfer is received is a technically correct practice under the Pension Benefits Act (Ontario) and that he expected other carriers would eventually adopt this practice. In essence, the default option under a pension plan (defined benefit or defined contribution) is a deferred pension under the plan and only a proactive decision by the member can provide for the transfer of funds to an alternate vehicle.

**[Action Item #55]** The Benefits Company will write to each Plan Sponsor asking for a review of the participant list to identify members that have terminated.

**[Prior Action Item #44]** The Governance Committee specifically requested that the performance and risk/return profile of the Fidelity Asset Allocation Balanced Fund be reviewed.

- The information provided confirms that the fund continues as a ‘higher risk – higher return’ fund with a Morningstar rating of “4 stars” (out of 5).

**[Action Item #56]** The Governance Committee will continue to review the performance of the Fidelity Asset Allocation Balanced Fund as part of its ongoing investment review under the Sun Life menu.

**[Prior Action Item #45]** The Governance Committee asked that a complete review of the Statement of Investment Policy and Procedures be undertaken at the December Meeting.

- The results of the review are documented in a subsequent section of these minutes.

**[Prior Action Item #46]** The Governance Committee asked The Benefits Company to correspond with Jarislowsky Fraser regarding recent performance.

- This correspondence was not sent prior to the December meeting.

**[Action Item #57]** The Governance Committee asked The Benefits Company to follow-up with Jarislowsky Fraser regarding recent performance prior to the next Governance Committee meeting.

[Prior Action Item #47] The Governance Committee asked The Benefits Company to prepare a Dividend/Large Cap fund comparison for each carrier to be reviewed in the December meeting.

[Action Item #58] The Governance Committee asked The Benefits Company to follow-up with Great-West Life (Group Retirement Services) to provide a more detailed explanation and supporting data of the underlying graph for the London Capital Dividend Fund comparing the fund and benchmark performance.

[Prior Action Item #48] The Governance Committee asked The Benefits Company to prepare a review of U.S. Funds on the GRS platform for review at the December meeting. The poor performance of the current fund on the menu, JF U.S. Equity was discussed. It was noted that the fund had only attracted \$500,000 in investment which is less than 1% of the total assets on under the menu for GRS.

[Motion] Rob proposed that the JF U.S. Equity fund on the GRS menu be replaced with the McLean Budden American Equity fund. Seconded by Matt. Carried.

[Action Item #59] The Governance Committee asked The Benefits Company to contact GRS and implement the above noted change in the menu as soon as practical.

[Prior Action Item #49] The Governance Committee asked The Benefits Company to update the Statement of Investment Policy and Procedures and to notify all sponsors on the Standard Life platform.

- This action was deferred pending the review and republication of the entire Statement of Investment Policies and Procedures. This decision is documented in a subsequent section of the minutes.

[Prior Action Item #50] The Governance Committee asked The Benefits Company to provide Sun Life with a copy of the proposed investment menu for comment at the earliest possible date.

- Completed.

[Prior Action Item #51] The Governance Committee asked The Benefits Company to invite Sun Life to the December meeting.

- Completed.

#### Contribution Arrears & Form 7

❖ The Benefits Company confirmed that all Form 7s due on or before September 30, 2007 had been filed.

- ❖ The Benefits Company confirmed that all clients were current in their contributions to their respective plan.

## 5. *Investment Review*

### Investment Policy Review

- ❖ The Statement of Investment Policy and Procedures was entirely reviewed.
- ❖ It was noted that section three should be amended to provide “Select, and where appropriate recommend the termination of, the Investment Manager(s) and investment funds...”

[Motion] Moe proposed that the Statement of Investment Policy and Procedures be amended as noted above and that an updated version be distributed to all Plan Sponsors. Seconded by Andy. Carried.

[Action Item #60] The Governance Committee asked The Benefits Company to execute the revision and distribution of the Statement of Investment Policy and Procedures as required above.

### 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 J.F. U.S. Equity fund was reviewed in detail. See above motion for decision to eliminate the fund from menu.

### Investment Performance Review – Manulife

- ❖ The Benefits Company presented investment performance results for each Manulife fund on The Greenlight Retirement Program™ menu as reported by Morningstar.
- ❖ The performance of the Trimark fund was discussed. The Committee decided to ask Sun Life for comments during their presentation (noted in a subsequent section of the minutes).
- ❖ The performance of the MFC Canadian Equity fund was reviewed. The fund is a large cap fund with a value tilt. As a result, the fund performance lags the overall performance of the peer group which includes growth funds.

[Action Item #61] The Governance Committee asked The Benefits Company to investigate the availability of the McLean Budden American Equity Fund on the Manulife platform.

[Action Item #62] The Governance Committee asked The Benefits Company to invite Manulife to the next meeting.

## Investment Performance Review – Standard Life

- ❖ The Benefits Company presented investment performance results for each Standard Life fund on the proposed Greenlight Retirement Program™ menu as reported by Morningstar.

## Presentation by Sun Life

- ❖ Pat Leo, CFP made a presentation for Sun Life. Steven Lim, Alison Crowdis, and Brenda Stuyt were also in attendance from Sun Life.
- ❖ A copy of the presentation is available from The Benefits Company. Highlights of the presentation are:
- ❖ Sun Life commented that the proposed Greenlight menu of funds on the Sun Life platform was “a robust line-up” and confirmed that the Governance Committee had succeeded in selecting funds covering all asset categories as well as multiple manager styles.
- ❖ Sun Life suggested that consideration could be given to adding a manager whose style is ‘value’ oriented but did acknowledge that Jarislowsky Fraser (Growth at a Reasonable Price) could be considered in the ‘value’ style.
- ❖ Trimark has had recent turnover in key staff. There is some concern that performance may be affected and continued monitoring will be appropriate.
- ❖ Len Racioppo has substantially replaced Stephen Jarislowsky as the key decision maker. This view mitigates concern over succession planning.
- ❖ McLean Budden is currently seeing long-service professionals retire from the firm. This is not seen as a significant concern as the departures have been anticipated well in advance and the professionals are not moving to alternate firms but in fact retiring after a lengthy and rewarding career.
- ❖ Sun Life suggested that if the Governance Committee wanted to increase the diversification by style within Canadian Equities, then JF could be replaced by Beutel Goodman.
- ❖ Sun Life suggested that if the Governance Committee wanted to increase options under fixed-income, then a passive fund could be offered to complement PH&N.
- ❖ Sun Life suggested that if the Governance Committee wanted to increase options under foreign funds that a U.S. Equity Index fund could be considered

## Investment Performance Review – Sun Life

- ❖ Included in presentation above

## *6. New Business*

- ❖ No new business was discussed.

## *7. Future Meetings & Adjournment*

- ❖ The following dates were set for 2008. 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

- #9 Wednesday March 12, 2008 – 8:30 AM to 2:00 PM
- #10 Wednesday June 4, 2008 – 8:30 AM to 2:00 PM
- #11 Wednesday September 10, 2008 – 8:30 AM to 2:00 PM
- #12 Wednesday December 3, 2008 – 8:30 AM to 2:00 PM

[Motion] At 2:00 p.m. Moe made a motion to adjourn the meeting. Seconded by Matt. Carried.