

The Greenlight Retirement Program™

Minutes of the 17th Governance Committee Meeting

Held on Wednesday March 3, 2010

8:00 a.m. The Benefits Company, Windsor, ON

Committee:	Rob Tamblyn	– The Benefits Company Inc.
	Matthew Loscher	– The Benefits Company Inc.
	Ellard Delaney	– Delaney Financial Services
	Andy Loscher	– The Benefits Company Inc.
Facilitator:	Joe Nunes	– Actuarial Solutions Inc.
TBC Staff:	Leanne Hillman	– The Benefits Company Inc.
	Denise Parent	– The Benefits Company Inc.
Guests:	Kevin Delaney	– Delaney Financial Services
	Tracey Heslop	– Anchor Lamina

Meeting Minutes

1. Call to Order

- ✓ The meeting was called to order at 8:02 a.m.
- ✓ Matt McNeill was absent due to an illness in the family.
- ✓ Moe Maillioux was absent due to illness.
- ✓ Matt Loscher is the meeting Chair and Leanne Hillman is the meeting Secretary.

Introduction of Guests

- ✓ Tracey Heslop and Kevin Delaney were welcomed.

Approval of Agenda

[Motion] Andy proposed that the agenda be amended to include the review of a revised investment menu for Standard Life under 'New Business'. Seconded by Matt. Carried.

2. Secretary's Report

Distribution of Prior Minutes

- ✓ The minutes of the meeting held on December 2, 2009 were previously approved via email and have already been distributed to plan sponsors, administrators and prospects electronically.

3. Industry Updates & Discussion

- ✓ The Benefits Company receives many reports and notices from all Greenlight Recordkeepers along with many other industry sources. It is therefore the responsibility of The Benefits Company to review and prioritize the flow of this information back to the Committee. Only relevant items will be noted within these meetings. 4 items were presented at this meeting and will be posted for review electronically with the minutes:
 1. Benefits Canada – Article titled ‘Full Disclosure’.
 2. Great-West Life – Legislative Updates.
 3. The Economist – Article titled ‘The retiree’s autopilot’.
 4. Industrial Alliance – Fall 2009 Semi-Annual Investment Fund Evaluation.

4. Administrative Review

Participating Plan Sponsors

- ✓ The Benefits Company confirmed that as at December 31, 2009 the accumulated assets in the Greenlight Retirement Program™ for each Recordkeeper:

Recordkeeper	Assets (\$millions)	
	December 31, 2009	September 30, 2009
Industrial Alliance	0.9	0
Desjardins Financial	0.0	0
Great-West Life	57.4	56.3
Manulife	15.9	15.5
Standard Life	24.4	25.6
Sun Life	40.0	39.4
Total	138.6	136.8

Plan Sponsors Pending Approval

- ✓ The Benefits Company confirmed that as at December 31, 2009 members ‘pending approval’ with each Recordkeeper were:

Recordkeeper	Assets (\$millions)	
	December 31, 2009	September 30, 2009
Industrial Alliance	0	0
Desjardins Financial	0	0
Great-West Life	0	0
Manulife	14.4	13.9
Standard Life	5.8	0.3
Sun Life	0	0
Total	20.2	14.2

Member Meeting Tracking

- ✓ The Benefits Company presented an updated report on Member Meeting Tracking. Rob and Leanne will continue to review this tracking on a regular basis outside of Committee meetings.
- ✓ A draft copy of the first advisor records audit, titled 'Advisor 01 Member Care Audit', was presented to the Committee by Actuarial Solutions. There were extensive discussions around the contents and the audit process. Actuarial Solutions is to present a finalized version to the Committee in the June 2010 meeting.

[Action Item #133] - The Committee requested Actuarial Solutions develop a 'Member Care Audit Policies and Procedures Checklist' which is to be circulated and approved by the Committee as an intermeeting communication.

[Action Item #134] - The Committee requested The Benefits Company circulate the approved 'Member Care Audit Policies and Procedures Checklist' to the Greenlight Certified advisors.

Certified Advisor Tracking

- ✓ The Benefits Company presented a Certified Advisor Log. There were 28 advisors listed. The log noted that the Committee had previously approved 19 advisors and rejected 1. Of the remaining 9, 5 were invited to attend a Certification meeting prior to being approved and 1 advisor was rejected. The remaining advisors are to be left pending and inactive.
- ✓ It should also be noted that of the 19 approved advisors, 5 are required to attend a recertification meeting in 2010 to maintain their certification. Additionally a discussion was had around the rejection of Len Davies in the December 2009 meeting. It was decided that there was a misunderstanding as to Len's future intent as an advisor and that his application would be reconsidered.

[Motion] Matt Loscher proposed that Len Davies be granted approval as a Certified Advisor and that an approval letter be sent to him as of January 1, 2010. Seconded by Rob. Carried.

[Motion] Rob proposed that Rachele Williams-Ofner not be granted Certified Advisor status and that a rejection letter be sent to her as of March 1, 2010. Seconded by Andy. Carried.

[Action Item #135] - The Committee requested The Benefits Company send the appropriate 'approved' or 'rejected' letter to advisors as listed on the log. Additionally The Benefits Company will coordinate with all approved advisors to receive a signed copy of the most current Member Care Handbook, v3.0.

[Action Item #136] - The Committee requested The Benefits Company schedule and conduct a certified advisor training summit prior to the end of 2010.

Prior Action Items

- ✓ The Governance Committee reviewed the inter-meeting activities requested in the prior meeting(s) as follows:

[Prior Action Item #108] Andy & Rob (Joe) are to get feedback from program members on the idea of having one Multi-Employer Pension Plan (MEPP).

- ✓ Verbal update. Rob confirmed that a legal opinion had been sought as to the viability of a MEPP under these circumstances. It was determined that this style of MEPP was indeed viable and legal approval had been given to proceed.
- ✓ This plan is intended for plans with less than 10 million dollars in assets. It will be rolled out as a product to new and existing clients at such a time as The Benefits Company deems it appropriate.

[Prior Action Item #126] - The Committee requested The Benefits Company send a letter to Plan Sponsors and the associated advisor where a member meeting has not been held in the last (3) years. This letter is to inform them that failure to comply with the member care requirements will result in their termination from The Greenlight Retirement Program™.

- ✓ Verbal update. Completed as required.

[Prior Action Item #127] - The Committee requested The Benefits Company send the appropriate 'approved' or 'rejected' letter to advisors as listed on the tracking. Additionally The Benefits Company will coordinate with all approved advisors to receive a signed copy of the most current Member Care Handbook.

- ✓ Verbal update. Refer to details under 'Certified Advisor Tracking' for specific revisions to this action item.

[Prior Action Item #128] - The Committee requested The Benefits Company review and revise the wording in the Member Care Handbook as it pertains to 'section 4: Member Care – Information and Advice' to more appropriately define the advisors ability to provide such information during member meetings.

- ✓ The Benefits Company provided a copy of the updated wording, which was previously approval via intermeeting communication by the Committee. It was noted that this version, v3.0, would be circulated to all approved advisors in action item #135.

[Prior Action Item #129] - The Committee requested The Benefits Company correspond with all Recordkeepers to provide any GIC rate enhancements available to Plan Sponsors with \$5 million in assets. Additionally The Benefits Company is to provide the same report from Action Item #121 in 2 formats: one with enhancements and one without.

- ✓ The Benefits Company provided a spreadsheet that listed the 5 year GIC rates and enhancements of several Recordkeepers for the last 10 years on a quarterly basis. The Committee noted that Manulife consistently offered one of the highest returns.

[Motion] Rob proposed that the report be updated quarterly and added as a standard agenda item for all future meetings under 'Investment Review'. Seconded by Andy. Carried.

[Prior Action Item #130] - The Committee requested The Benefits Company establish an investment menu for Desjardins for plans with over one million dollars in assets. The menu is to be circulated as intermeeting communication for review by the Committee and Recordkeeper. A formalized menu will be presented at the next Governance meeting.

- ✓ The Benefits Company provided the requested investment menu. This menu was previously approval via intermeeting communication by the Committee and was also sent to Desjardins for review by a CFA. A response was received and included as an insert with the menu. In summary it notes the menu “offers a choice of funds with complementary styles is all asset classes” and “The funds selected have met the committee’s (Desjardins’ Fund Management Committee) criteria as of December 31, 2009”. Additionally it was noted by Desjardins that the addition of index funds and money market funds may be a consideration.
- ✓ The Committee discussed the recommendations to add index and money market funds and concluded those fund styles are not a fit for the Greenlight program while a Certified Advisor is conducting 1 on 1 member meetings.

[Motion] Rob proposed that the Desjardins Foresight fund menu continue to be included in the investment reviews but that the detailed fund comparisons not be included. The Foresight fund menu is mandated by Desjardins and as such is monitored in an unique manor directly by Desjardins. Seconded by Andy. Carried.

[Prior Action Item #131] - The Committee asked The Benefits Company to request a detailed analysis of the McLean Budden Balanced Value fund from Desjardins, Industrial Alliance, Great-West Life, Manulife and Sun Life. Additionally Sun Life is to advise if this fund is on ‘watch’ with their analysts and provide a recommended alternate fund option.

- ✓ The Benefits Company presented an incomplete analysis as a response from some Recordkeepers had not yet been received. It was also noted that the performance and rating of the fund had improved for this review period.

[Motion] Matt proposed that this action item be postpone for review to the next governance committee meeting and that the pending Recordkeepers be notified of their expected participation. Seconded by Rob. Carried.

[Prior Action Item #132] - The Committee requested the Benefits Company extend an invitation to Great-West Life to its March 3rd, 2010 meeting. Great-West Life is to provide a general presentation on the investment performance of the funds on its platform and provide any appropriate information regarding the Greenlight fund menu for Great-West Life.

- ✓ Verbal update. Completed as required.

Contribution Arrears & Form 7

- ✓ The Benefits Company confirmed that all Form 7’s due on or before December 31, 2009 had been filed.

- ✓ The Benefits Company confirmed that most clients were current as at December 31, 2009 in their contributions.

5. *Presentation by Great-West Life*

- ✓ Shari McNeill (Senior Account Executive), Sara Hopkins (Senior Account Representative), Carol Edwards (Regional Director), and Robbin Dichter (Director National Investment Services, CFA) of Great-West Life Group Retirement Services (GWLGRS) made a presentation to the Committee.
- ✓ The first part of the presentation focused on the 'Profile' series asset allocation funds. It noted an inception date of October 1998 with London Life as the primary fund manager. It maintains an orientation towards retail funds and has an equity structure of: 25% Conservative; 40% Moderate; 60% Balanced; 80% Advanced; 100% Aggressive.
- ✓ Additionally each fund of the asset allocation funds was reviewed in comparison to its set benchmark and accepted peers. It was noted that the 'Profile' series out performed its benchmark and a number of its peers while still maintaining one of the lowest standard deviations.
- ✓ A list of the underlying funds was presented noting that the 'Profile' series has a set menu of funds with varying allocations for the entire series.
- ✓ Some discussion was had around the asset allocation funds within the GWLGRS fund line up. It was noted that there are 2 other series of asset allocations funds: Portfolio and Continuum. The 'Portfolio' series has Great-West Life as the primary fund manager while the 'Continuum' series has no primary fund manager. 'Continuum' maintains more of an institutional focus towards the underlying fund menu and as such has more expensive management fee.
- ✓ A general overview of the Canadian, American and International markets for 2009 was presented noting various benchmark and market sector performances.
- ✓ Discussion was had around how similar the 5 and 10 year rates of return have become. The question was asked as to the reason and if the historical concept of long term higher returns would ever be realize again.
- ✓ Robbin answered by noting that the impact of extreme market volatility in 2008 and 2009 has made returns seem to "merge" to a common point of 5%. He further acknowledged that while different funds may have under or out performed any one of the GWLGRS funds, the GWLGRS funds strive to offer the best risk adjusted returns available.
- ✓ Detailed fund analysis was presented for each of the remaining non asset allocation funds within the Greenlight Great-West Life fund menu. It was noted that the menu contains excellent diversification among both investment options and styles.
- ✓ Discussion was had around each investment and no additional issues or concerns were raised by either the Committee or GWLGRS.

6. Investment Review

Investment Policy Review

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

[Motion] Andy proposed that the presented investment menu for Desjardins, discussed in prior action item # 130. be added to the Statement of Investment Policy and Procedures without change for plans with more than one million dollars in assets. This will then be the standardized menu for Greenlight Plan Sponsors with more than one million dollars in assets and Desjardins as their Recordkeeper. Seconded by Rob. Carried.

Investment Performance Review – Desjardins (Foresight)

- ✓ The Benefits Company presented investment performance results for each fund in The Greenlight Retirement Program™ investment menu as reported by Desjardins and the Morningstar software Principia.

Investment Performance Review – Desjardins

- ✓ Reviewed as Action Item #130.

Investment Performance Review – Great-West Life

- ✓ Reviewed primarily during the Great-West Life presentation.
- ✓ The Benefits Company presented investment performance results for each fund in The Greenlight Retirement Program™ investment menu as reported by Great-West Life and the Morningstar software Principia.

Investment Performance Review – Industrial Alliance

- ✓ The Benefits Company presented investment performance results for each fund in The Greenlight Retirement Program™ investment menu as reported by Great-West Life and the Morningstar software Principia.

Investment Performance Review – Manulife

- ✓ The Benefits Company presented investment performance results for each fund in The Greenlight Retirement Program™ investment menu as reported by Manulife and the Morningstar software Principia.
- ✓ There was discussion around the performance of the Asset Allocation funds, primarily the comparison of the 5 and 10 year returns.

Investment Performance Review – Standard Life

- ✓ The Benefits Company presented investment performance results for each fund in The Greenlight Retirement Program™ investment menu as reported by Morningstar on behalf of Standard Life and the Morningstar software Principia.

Investment Performance Review – Sun Life

- ✓ The Benefits Company presented investment performance results for each fund in The Greenlight Retirement Program™ investment menu as reported by Morningstar on behalf of Sun Life and the Morningstar software Principia.

[Motion] Rob proposed that a report be developed to compare the performance of every Greenlight Recordkeeper's Asset Allocation funds by risk category. This report is to note the specific equity content of each fund and is to be updated quarterly. Furthermore it should be added as a standard agenda item for all future meetings under 'Investment Review'. Seconded by Matt. Carried.

[Action Item #137] - The Committee requested The Benefits Company develop a report to compare the performance of every Greenlight Recordkeeper's Asset Allocation funds by risk category. This report is to note the specific equity content of each fund and is to be updated quarterly. Furthermore it should be added as a standard agenda item for all future meetings under 'Investment Review'.

[Action Item #138] - The Committee requested The Benefits Company retain a quote from Courneya Group for an investment review of the Asset Allocation Funds of every Greenlight Recordkeeper.

7. *New Business*

- ✓ A revised investment menu for Standard Life was presented by Andy.
- ✓ Discussion lead to the decision to have the menu revised further and circulated as intermeeting communication for approval by the Committee.

[Action Item #139] - The Committee requested The Benefits Company revise the Standard Life investment menu to more closely mirror the other menus within the program. Additionally the revised menu to be circulated as intermeeting communication for approval by the Committee

8. *Future Meetings & Presentation Invitations*

- ✓ Meetings will continue to start at 8:00AM and will be scheduled to last until 2:00 pm.
- ✓ Meeting Dates
 - ✓ #18 Wednesday, June 2, 2010 – 8:00 AM to 2:00 PM
 - ✓ #19 Wednesday, September 15, 2010 – 8:00 AM to 2:00 PM
 - ✓ #20 Wednesday, December 8, 2010 – 8:00 AM to 2:00 PM

[Action Item #140] - The Committee requested the Benefits Company extend an invitation to both Sun Life and Investco (Trimark) to the June 2nd, 2010 meeting. Sun Life is to provide a general presentation on the investment performance of the funds on its platform and provide any appropriate information regarding the Greenlight fund menu for Sun Life. Investco will be presenting a general overview of their company and investment philosophy.

9. *Adjournment*

[Motion] Rob made a motion to adjourn the meeting. Seconded by Ellard. Carried.