



greenlight.  
RETIREMENT PROGRAM

## 69<sup>th</sup> Governance Meeting Minutes

March 7-8, 2023  
Virtual Meetings

### Committee:

Kevin Delaney	- Delaney Financial Services
Tim Jones	- Rock Harbour Wealth Management Inc.
Moe Mailloux Jr.	- Moe Mailloux Financial Services
Moe Mailloux Sr.	- Moe Mailloux Financial Services
Matthew McNeill	- Matthew M. McNeill Inc.
Mike Steffler	- Rock Harbour Wealth Management Inc.
Ricardo Barrieros	- HUB International Insurance Brokers
Rob Tamblyn	- HUB International Ontario Limited – <b>CHAIRPERSON</b>

### Facilitator:

Joe Nunes	- Actuarial Solutions Inc.
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### Guests:

Joe Simard	- Simard & Associates Wealth Strategies
Lindsey Hughes	- HUB International Ontario Limited
Lisa Dinchik	- Delaney Financial Services - <b>SECRETARY</b>
Michael Scott	- Proteus, a HUB International Company

The Q1 2023 Greenlight Retirement Program® governance meeting was held virtually over two days.  
Day 1 = March 7, 2023 – closed session with committee members only  
Day 2 = March 8, 2023 – open session where Greenlight Plan Sponsor/Administrators and Advisors were invited

## 1. Call to Order

- ✓ Day 1 - The meeting was called to order at 9:33 a.m.
- ✓ Day 2 - The continuation commenced at 9:02 a.m.
- ✓ Quorum was met on both days.

### Introduction of Guests

On Day 2, the guests were welcomed to the meeting. Welcome!

### Approval of Agenda

**[Motion]** – Tim Jones made a motion to approve the agenda without change. Seconded by Moe Mailloux Sr. Motion carried.

## 2. Secretary's Report

### Distribution of Prior Minutes

The minutes of the December 6 – December 7, 2022 meetings were previously approved via email and have already been electronically distributed to plan sponsors, administrators and prospects.

### Intermeeting Communication

There were no intermeeting communications in the last quarter.

## 3. Industry Updates & Discussion

- [Benefits Canada: New U.S Pension Law Strengthening Retirement Savings for Workers](#)
- [Benefits Canada: 2022 CAP Report - What's on CAP Sponsors' Wish Lists for the Coming Year?](#)
- [Benefits Canada: ACPM – Calling on Feds Cap Sponsors to Increase Focus on Decumulation](#)
- [Sun Life: The Impact of High Inflation and Volatile Returns on Your Group](#)
- [Sun Life: Addition of TD Greystone Target Date Plus Funds to the Core Investment Platform](#)
- [Sun Life: Revised Benchmark Returns of Sun Life Milestone Target Date Segregated Funds](#)
- [Sun Life: Invesco Income Growth Fund Portfolio Management Changes](#)
- [Actuarial Solutions: New FSRA Guidance on Pension Plan Amendments and Avoiding Deregistration](#)

## 4. Administrative Review

### Participating Plan Sponsors

The Committee was presented a summarized document, by Record Keeper, noting the accumulated asset and demographic overview of Participating Plan Sponsors as of December 31, 2022. It was noted that the Desjardins Financial asset information includes the assets in both their Foresight and regular menus.

Record Keeper	December 31, 2022			September 30, 2022		
	PPS*	PPM*	PPA*	PPS*	PPM*	PPA*
Desjardins Financial	6	298	15.70	6	293	15.01
Canada Life	28	4,527	148.48	28	4,492	140.51
Industrial Alliance	6	254	6.92	6	256	6.34
Manulife	16	1,422	159.94	16	1,421	156.04
Sun Life	6	890	104.22	6	886	100.12
<b>Totals</b>	<b>62</b>	<b>7,391</b>	<b>435.26</b>	<b>62</b>	<b>7,348</b>	<b>418.02</b>

\*PPS – Participating Plan Sponsors; PPM – Participating Plan Members; PPA – Participating Plan Assets (displayed in \$millions).

### New Plan Sponsors Added

There were no new plan sponsors reported during Q4 2022.

### Member Meeting Tracking

Member meeting tracking will continue to be reviewed on a regular basis outside of the Committee meetings by HUB International Ontario Limited. Advisors are asked to advise Leanne Hillman when member meetings have been offered/held/declined for tracking purposes.

The Committee is continuing to monitor and discuss the logistics of holding one-on-one member meetings during the pandemic. Advisors are holding most member meetings virtually, although there are circumstances that have warranted in-person consultations. When in-person meetings are necessary, they are either done outside or inside with great caution. The Committee acknowledges that there needs to be a balance of safety for the clients/advisors and of being accessible when needed. If a situation arises where the advisor is uncomfortable with a client's meeting request, they should reach out to HUB International Ontario Limited.

### Certified Advisor Tracking

HUB International Ontario Limited presented a Greenlight Certified Advisor Log, which lists the 24 active advisors. Greenlight Member Meeting and the Greenlight Advisor Self-Assessment forms were sent via email in March of 2023. The advisors are asked to complete/sign/return these to HUB International Ontario Limited by the due date of April 1, 2023.

### Action Items

There were no new Action Items to document this quarter.

### Prior Action Items

**[Action Item 368 – In Process]** – The Committee requested that HUB International Ontario Limited inquire with the recordkeepers on their assessment of the draft updates to the CAP Guidelines and any advice they are providing to plan sponsors and/or consultants/brokers. Responses from the recordkeepers advise that at this time they do not have an official response since the CAP Guidelines document updates are still in DRAFT status. They will provide further details once the official changes have been released.

**[Action Item 371] – In Process** – The Committee requested HUB International to confirm with recordkeepers that a notice can be added to July statement reminding plan members approaching retirement to review any GIC investments in order to ensure they understand any market value adjustment that may be incurred.

Responses from the record keepers;

Canada Life	Memo will be on mid year statements as well a PDF sent to the plan admin to distribute
Manulife	Memo will be on mid year statements/member site for plans over 10 million. Plans under 10 million will strictly be on the member site's banner
Sun Life	Committee will be handling
Desjardins	Member email blast
Industrial Alliance	Memo will be on mid annual online statement as well as the year end mailed out statement

## 5. Investment Review

### Comparison of 5 Year GIC Rates and Enhancements

- ✓ HUB International presented a quarterly breakdown of a 10-year history of each Record Keeper’s 5-year rate, noting the available enhancement on \$5 million accounts.
- ✓ It was noted that without enhancements that Desjardins had the best rate this past quarter.
- ✓ There is a 0.85 % spread amongst the rates the Record Keepers are offering.
- ✓ As of December 31, 2022, the average rate for 5-year GICs was 3.25%.

### Fund Mapping Log

- ✓ Manulife reported that in order to maintain the certified diversified designation, the fund lineup would need to include the 3132 MIM Can. Money Market and 4191 MIM Canadian Bond Index Funds. Manulife also made additional fund suggestions for consideration.

**[Motion]** Rob Tamblyn made the motion that the fund lineup include the 3132 MIM Can. Money Market and 4191 MIM Canadian Bond Index Funds. Seconded by Kevin Delaney. Carried.

### Active Member Asset Report

- ✓ HUB International Ontario Limited presented an asset report, dated December 31, 2023, of participating plan sponsors by Record Keeper broken down by asset category.

### Investment Performance Review

HUB International presented investment performance results for each fund in the Greenlight investment menu for all carriers. Record Keepers were reviewed as follows:

1. Canada Life
2. Desjardins Financial
3. Industrial Alliance
4. Manulife
5. Sun Life

### Review of the rates of return and asset distribution.

## 6. Proteus

Michael Scott, CFA, Senior Consultant, of Proteus, a HUB International Company, provided an overview of the fund line ups of Desjardins and I.A's performance and capital Markets 2022 Performance. The presentation slide decks were provided to the Committee and are archived at HUB International Ontario Limited. Proteus also provided the summary below.

### 1. Overview

- ✓ HUB Proteus investment performance reports for the Desjardins and IA fund lineups were circulated in the materials in advance of the meeting.
- ✓ Michael Scott spoke to the key themes impacting capital markets performance in 2022.
- ✓ The Committee reviewed the performance of the funds against their benchmarks and peer groups.
- ✓ Michael noted that Beutel Goodman announced Pat Palozzi, Co-Portfolio Manager of the Canadian Equity Fund will be retiring next year. Michael commented that it's never a positive development to lose an experienced team member, but that Beutel Goodman communicated a clear succession planning strategy including new additions to the team and carefully transitioning Pat's research coverage responsibilities to others.
- ✓ Michael noted that as of January 31, BlackRock's transition to the ESG themed index funds was about 1/3 complete.

## 7. Desjardins

David Hince, Regional Sales Director, Group Retirement Savings, Baljeet Flora, Senior Client Relationship Manager, Group Retirement Savings, and Joelle Moisan, Senior Advisor, Group Retirement Savings Wealth Management, provided an investment and fund review. The presentation slide deck was provided to the Committee and a copy is archived at HUB International Ontario Limited. Desjardins also provided the summary below.

### 1. Overview

- ✓ During the 4<sup>th</sup> quarter of 2022, returns for most markets were in positive territory as opposed to the one-year results of 2022 which were all negatives. For Fixed Income, the Canadian broad universe of bonds returned -11,7% in 2022. The Canadian Equity Index posted -5,8%, a better return than Fixed Income. The reason why it outperformed and was the best performing index worldwide last year, is because of the composition of the Canadian Equity Index. Close to 20% of our Canadian economy is energy driven, and energy was the best performing sector last year.
- ✓ Governance  
Funds on the watchlist as of December 31<sup>st</sup>, 2022:
  - Jarislowsky Frazer Canadian Equity > Disappointing long-term performance.
  - 262/310 – Baillie Gifford International & Global Equity > Pronounced underperformance since December 2021.
  - Lazard International Equity > Disappointing performance in 2021 and during the first two quarters of 2022.
- ✓ Multi-Management Funds  
Progression Funds:
  - All five Progression Funds recorded positive absolute returns during the fourth quarter of 2022. They also all outperformed their respective benchmarks on the one-year period.
  - Their added value ranged between 1.20% and 2.01%.  
Melodia Funds:
  - All Melodia Funds recorded positive absolute returns during the fourth quarter of 2022 and they outperformed their respective benchmarks during the quarter.

- Over the last twelve months, all Melodia Funds generated negative returns and all funds underperformed their respective benchmarks. Their added value ranged between -1.61% and -1.17%.
- ✓ À la Carte Funds  
14 out of 24 funds have outperformed their respective benchmark on a one-year period.  
Most of the underperformance vs. benchmark is explained by the investment style. Growth managers had a more difficult year compared to value managers, due to the economic context of 2022. When we compare value to growth managers as at December 31<sup>st</sup>, 2022, we have a delta of 40% in terms of performance.
- ✓ Additions to the platform in 2022:
  - **Desjardins SocieTerra Positive Change (Baillie Gifford) Fund** in September 2022, to diversify our offer in responsible investment.
  - **SocieTerra Portfolios** (Secure/Moderate/Balanced/Growth/Aggressive) in March 2022, to diversify our responsible investment offer by offering target risk funds
  - **Desjardins Global Equity fund**, sub managed by Lazard in March 2022, to diversify our offer in global equities
  - **Islamic Investment Principles Fund** in September 2022, to answer a growing need from members and sponsors for investment options that promote diversity and inclusion, by making available a diversified investment solution aligned with Muslim religious beliefs

## 8. Industrial Alliance

Paul Vanderkoff, RPA, Senior Account Executive, Group Savings and Retirement, Thomas Yuk, MBA, PFP, Senior Investment Strategist of Industrial Alliance, provided an investment and fund review. The presentation slide deck was provided to the Committee and a copy is archived at HUB International Ontario Limited. Industrial Alliance also provided the summary below.

### 1. Overview

- ✓ Asset Allocation Fund
  - The fourth quarter of 2022 was excellent in absolute and relative performance for the asset allocation funds.
  - Asset Allocation benefited from both tactical positioning and underlying manager performance.
  - The fund added more fixed income, increased Canadian equities, reduced US and added more emerging market equities
  - All 5 risk profiles have added value in most of the time periods except for the 5 years in the balanced, growth and aggressive growth profile.
- ✓ ESG and new fund offering.
  - 8 sustainable funds are on offer, with a sustainable, balanced fund that contains the 7 ESG funds.
  - Launched a climate change strategy fund (Wellington). The fund focuses on investing in companies that focus on climate mitigation or adaptation.
  - Reopened TD Canadian equity low volatility and Fidelity Canadian Systematic Equity (previously closed to new investor)
- ✓ IA Transit Plans (Formerly CoPilot):
  1. Commissions Payable on all in-force continuing plan accounts (CoPilot) (including RRSP, DCRPP, LIRA, LIF, RRIF) – as of December 31, 2022:
    - The commissions payable for all in-force CoPilot continuing plan accounts as of December 31, 2022, **will remain unchanged.**
  2. Commissions Payable on all continuing plan accounts added after January 1, 2023, (Transit Terminated & Transit Retirement):

- Commissions payable will be limited to asset-based amounts only and capped at 0.25%.
3. Effective January 1, 2023, CoPilot Continuing Plans will now be referred to as Transit plans which will be divided into two categories;
    - I. Transit Retirement – for those plan members who have chosen to retire and transitioned their accrued savings amounts into a RRIF, LIF or LIRA. **No changes to the investment management fees will apply.**
    - II. Transit Termination – for those plan members whose employment has been terminated and have transitioned their accrued savings amounts into a continuing RRSP, LIRA, TFSA. A new tiered investment management fee schedule will apply.
  
  4. Effective March 1, 2023, Transit Plan members who hold RRSP accounts will be subject to a minimum account balance fee:
    - I. Plan members with less than \$15,000\_(between all former member accounts: RRSP, LIF, RRIF & LIRA) at the end of each month will be charged an **administrative fee of \$15.00.**
    - II. Plan members that **do not have an RRSP** will not be charged the monthly administrative fee.

## 9. Future Meetings & Presentation Invitations

Until further notice, the Greenlight meetings will continue to be held virtually. These will be held over the course of two days.

Day 1 = 9:30 a.m. to 10:30 a.m. – closed session with committee members only

Day 2 = 9:00 a.m. to 12:00 p.m. – open session where Greenlight Plan Sponsor/Administrators and Advisors are invited

### Presentation Log

The Committee reviewed the log and determined the next invitations for presentations.

### Future Meetings

- ✓ #70 Wednesday, June 7, 2023 – Proteus and Sun Life

## 10. Adjournment

**[Motion]** – Matt McNeil made a motion to adjourn the meeting on Day 2 at 11:53 a.m. Seconded by Tim Jones.  
Motion carried.