



73rd Governance Meeting Minutes

March 6, 2024
Virtual Meeting

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 – CHAIRPERSON

Facilitator:

Joe Nunes	- Actuarial Solutions Inc.
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Guests:

Al Broadbent	- Rock Harbour Wealth Management Inc.
David Craievich	- Craievich Financial Services
Evan Carrick	- The Wealth Center Inc.
Jennifer Williams	- Rock Harbour Wealth Management
Kevin King	- The Wealth Center Inc.
Lindsey Hughes	- HUB International Ontario Limited
Lisa Dinchik	- Delaney Financial Services - SECRETARY
Michael Scott	- Proteus, a HUB International Company

The Q1 2024 Greenlight Retirement Program® governance meeting was held virtually in one day.
March 6, 2024 – Open session where Greenlight Plan Sponsors/Administrators and Advisors were invited.

1. Call to Order

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

Introduction of Guests

Guests are welcomed to the meeting. Welcome!

Approval of Agenda

[Motion] – Tim Jones made a motion to approve the agenda without change. Seconded by Kevin Delaney. Motion carried.

2. Secretary's Report

Distribution of Prior Minutes

The minutes of the December 6th, 2023 meeting were previously approved via email and have already been electronically distributed to plan sponsors, administrators and prospects.

Intermeeting Communication

Documentation was sent to the committee in accordance with Action Item 374. HUB Proteus provided a review on Islamic Funds that would be suitable for the Greenlight Retirement Program. The document went into detail on the current availability of funds that abided by the ethics and legal principles for those who wish to follow the Shariah Law.

There was a discussion around asking all record keepers if the committee could add a particular fund in accordance with the Shariah Law on a plan-by-plan basis. Rob Tamblyn confirmed that this is possible at request.

3. Administrative Review

Greenlight Certified Advisors

Pamela Salvarakis submitted an application to become a certified Greenlight advisor and HUB International has confirmed all requirements were met. Pamela was unable to attend the Q1 meeting but will be joining moving forward. Pamela is from the Ottawa area but now resides in Windsor, bringing over 13 years of experience. Motion was made by Tim Jones and second by Mike Steffler. Motion carried.

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, 2023. It was noted that the Desjardins Financial asset information includes the assets in both their Foresight and regular menus.

Record Keeper	December 31, 2023			September 30, 2023		
	PPS*	PPM*	PPA*	PPS*	PPM*	PPA*
Desjardins Financial	5	274	14.67	5	213	13.75
Canada Life	26	4,473	150.35	26	4,506	139.60
Industrial Alliance	6	271	8.42	6	279	7.57
Manulife	15	1,446	177.75	16	1,415	166.78
Sun Life	6	706	115.31	6	886	106.54
Totals	58	7,169	466.50	59	7,299	434.24

*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 and one plan sponsor lost reported during Q4 2023

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.

Certified Advisor Tracking

HUB International Ontario Limited has 26 active advisors with the welcoming of Pamela Salvarakis. Greenlight Member Meeting and the Greenlight Advisor Self-Assessment forms were sent via email on March 4th, 2024. The advisors are asked to complete/sign/return these to HUB International Ontario Limited by the due date of April 1, 2024.

4. Industry Updates & Discussion

- [Manulife: iWatch Report Q4 2023 MPS Funds](#)
- [Blakes: Canadian Pension Law 2023 Year in Review](#)
- [Osler: 'Material IT risk' reporting requirement for Ontario pension plans goes live April 1, 2024](#)
- [Benefits Canada: ACPM focusing on VPLA policy, ESG investment standards in 2024](#)
- [Mawer: Global Equities: Scuttlebutt, Reverse Roadshows, and Bathroom Lists](#)

Action Items

There were no new action items added for this quarter.

Prior Action Items

[Action Item 373] – **Completed** – The committee asked HUB International to investigate 1-year GIC options on each platform and if available have them added to the menu without need for additional approval from the Committee.

[Action Item 374] – **Completed** – The Committee requested a report from HUB Proteus on 'Islamic Funds' available on each platform and provide advice for their suitability for the Greenlight Retirement Program.

[Action Item 375] – **In process** – The Committee requested HUB International to determine any plans that have not been marketed since 2019, or earlier, and to work with the relevant advisors to arrange a marketing in 2024.

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 Canada Life had the best rate this past quarter.
- ✓ There is a 0.90% spread amongst the rates the Record Keepers are offering.
- ✓ As of December 31, 2023, the average rate for 5-year GICs was 3.26%.

Fund Mapping Log

There were no updates to report this quarter.

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. 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 IA and Desjardins' platforms were circulated in the materials in advance of the meeting.
- ✓ Michael Scott presented the investment performance reports with a focus on 4-year returns relative to benchmarks and peer groups.
- ✓ Michael commented that the Committee's patience with the JF Canadian Equity Fund continues to pay off as the fund was one of the best performing Canadian equity funds in 2023.
- ✓ Michael Scott presented a summary of the Shariah-compliant investment options available on the recordkeeper platforms with commentary on their suitability for the Greenlight Program.

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

- ✓ The fixed income market experienced significant volatility through the year and that's including the 4th quarter. In October the bond market was standing in a third consecutive year of negative returns but the final quarter of the year was a very positive one, with 8.3% return. One of the key events of the quarter was the change of tone from the central banks, which suggests the end of the key rate hike cycle. The US Federal Reserve (the Fed) has even hinted that it could reduce rates 3 times in 2024.
- ✓ In the fourth quarter, North American markets moved primarily in the same direction as fixed income. In October, high rates volatility initially had a more or less negative impact on share prices. Starting in November, a rapid and complete turnaround in the situation led to a sharp rebound. The S&P/TSX Index returned 8.1% in the fourth quarter, while the S&P 500 Index saw its value increase by 11.7%. These same indexes ended the year with gains of 11.8% and 26.3% respectively. In Canada, almost all industries finished the quarter in positive territory, but with a wide dispersion in returns. After a strong third quarter, energy was the only sector to underperform. Investors now seem to view the recent production cuts by OPEC as a response to falling global demand for oil. Sectors that are sensitive to interest rates did well in the fourth quarter. Tech stocks came to the fore, thanks to Shopify's strong performance after announcing results that were higher than predicted by analysts and earnings prospects for the coming quarters. The finance, real estate, utilities and telecommunications sectors also performed well.
- ✓ Magnificent Seven (Apple, Microsoft, Google, Amazon, Nvidia, Meta and Tesla), have been the biggest beneficiaries of the AI boom, contributing more than 60% of the S&P 500's return.
- ✓ Despised pressure from conflict in the middle east that weighted on Emerging Market return, overall Emerging Markets Equities were strong in the Last quarter. The sign of a soft landing for the US economy and increase expectation for interest rates cut in 2024 were supporting but China continues to be a drag on broad Emerging Market performance. Elsewhere in emerging markets, Taiwan (32.5%) and South Korea (26.3%) were the exchanges that stood out the most, due in large part to their concentration in the technology sector.

2. Governance

- ✓ Funds on the watchlist as at December 31st, 2023:
 - Jarislowsky Frazer Canadian Equity and Balanced > Recent departure at the senior management level (Maxime Ménard). Close monitoring of impacts that could result from that change.

- Lazard International Equity > Disappointing performance over the last few years.

3. Multi-Management Funds

- ✓ Progression Funds:
 - All five Progression Funds recorded positive returns during the fourth quarter and the one-year period of 2023 but underperformed their respective benchmarks.

4. À la Carte Funds

- ✓ 10 out of 18 funds have outperformed their respective benchmark on a one-year period. Most of the underperformance vs. benchmark is explained by the investment style, in particular sector or stock allocation.

5. Additions to the platform in 2023/2024

- ✓ Launch of the **MFS International Equity Fund** and J.P. **Morgan Global Equity Fund** on July 21, 2023, to enhance our foreign equity offering.
- ✓ Addition of **DFS BlackRock® Extra Long Bond Index Fund** on August 31, 2023, to give defined benefit plan sponsors access to an additional risk management tool, improving the asset-liability matching potential for plans where the liability duration is very long.
- ✓ Addition of the **Mawer Canadian Equity Fund** on February 29, 2024. This fund has long been closed to new clients by the manager in order to ensure a sound management of its capacity. It enhances our Canadian equity offering and comes in addition to the three Mawer strategies already available through the investment platform (U.S. equity, international equity and global equity).

8. Industrial Alliance

Paul English, CEBS, 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 Funds: These funds demonstrated commendable performance across different risk profiles, albeit with some variance against benchmarks.
- ✓ Dividend and Global Equity Funds: Some of the challenges faced by these funds, especially in certain sectors, but also recognized the areas where they've shown resilience and potential for growth.
- ✓ Real Estate Fund: Despite the broader economic headwinds, this fund's strategic positioning in high-growth sectors stood out as a testament to its robust management and investment acumen.

2. Market and Economic Insights

- ✓ We explored the current global economy, focusing on the impact of monetary policies on inflation. It was encouraging to note the slight easing of inflationary pressures, offering a glimmer of optimism for future monetary adjustments.
- ✓ The geopolitical landscape, marked by various tensions and uncertainties, was a critical part of our discussion. These factors invariably influence market sentiments and investment landscapes, reminding us of the importance of incorporating political risks into our analyses.
- ✓ In the equity markets, the sentiment leans towards optimism, fueled by expectations of rate cuts. However, we underscored the need for caution, given the potential for market adjustments based on unforeseen economic shifts.

9. Future Meetings & Presentation Invitations

Until further notice, the Greenlight meetings will continue to be held virtually. The meeting will be held over one day moving forward.

Day 1 = 9:00 a.m. to 12:30 p.m. – open session where Greenlight Plan Sponsor/Administrators and Advisors are invited

Future Meetings

- ✓ #74 Wednesday June 5, 2024 – Proteus and Sun Life
- ✓ #75 Wednesday September 4, 2024 – Proteus and Manulife
- ✓ #76 Wednesday December 4, 2024 – Proteus and Canada Life

10. Adjournment

[Motion] – Tim Jones made a motion to adjourn the meeting on Day 2 at 11:35 a.m. Seconded by Moe Jr. Motion carried.