



greenlight.
RETIREMENT PROGRAM

77th Governance Meeting Minutes

March 5, 2025
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.
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.
Melissa Boow	- Rock Harbour Wealth Management Inc.
Evan Carrick	- The Wealth Center
Kevin King	- The Wealth Center
Lindsey Hughes	- HUB International Ontario Limited
Lisa Dinchik	- Delaney Financial Services - SECRETARY
Michael Scott	- Proteus, a HUB International Company

The Q1 2025 Greenlight Retirement Program® governance meeting was held virtually in one day.
March 5th, 2025 – Open session where Greenlight Plan Sponsors/Administrators and Advisors were invited.

1. Call to Order

- ✓ The meeting was called to order at 9:00 a.m.
- ✓ Quorum was met for meeting.

Introduction of Guests

Guests are welcomed to the meeting. Welcome!

Approval of Agenda

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

2. Secretary's Report

Distribution of Prior Minutes

The minutes of the December 4th, 2024 meeting were previously approved via email and have already been electronically distributed to plan sponsors, administrators and prospects.

Intermeeting Communication

The committee was given information in accordance with Action Item 379 to investigate Sharia complaint funds available on each platform. The committee decided to add a market-based and zero interest account to each platform where available.

Additions of these funds are in process/completed with all record keepers.

3. Administrative Review

Plan Remittance

HUB International has not been advised by any carriers of unremitted contributions by plan sponsors at this time.

Greenlight Certified Advisors

Melissa Boow, of Rock Harbour Wealth Management, has submitted her application to become a Greenlight advisor. HUB International has confirmed that she meets the requirements in the Member Care Handbook.

[Motion] – Rob Tamblyn made a motion to approve Melissa's application. Seconded by Moe Jr. 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, 2024. It was noted that the Desjardins Financial asset information includes the assets in both their Foresight and regular menus.

Record Keeper	December 31, 2024			September 30, 2024		
	PPS*	PPM*	PPA*	PPS*	PPM*	PPA*
Desjardins Financial	2	62	3.086	4	157	8.177
Canada Life	24	3,795	142.039	23	3,798	140.235
Industrial Alliance	6	224	9.707	6	225	9.801
Manulife	15	1,450	209.835	14	1,392	199.827
Sun Life	6	1,380	148.456	6	1,399	142.649
Totals	53	6,911	513.123	53	6,971	500.689

*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 no plan sponsors lost.

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

Member Meeting and the Greenlight Advisor Self-Assessment forms are being sent via email. The advisors are asked to complete/sign/return these to HUB International Ontario Limited by the due date of April 15, 2025.

4. Industry Updates & Discussion

- [HUB: Employee Benefits & Retirement Outlook 2025](#)
- [HUB: Government Benefits Update Report 2025](#)
- [Benefits Canada: FSRA monitoring target-benefit framework, pension risks in 2025](#)
- [Benefits Canada: Legislation blocking ammunition investments could limit overall investment landscape in Canada](#)
- [Blakes: Pensions and Employee Benefits - Trends for 2025](#)
- [BMKP: Changes to Canada Pension Plan – new benefits for children, enhanced survivor support](#)
- [Benefits Canada: Ontario Teachers' plan member lawsuit highlights cryptocurrency risks - expert](#)

Discussion

The Committee had a robust discussion about the FSRA commentary on the growth of target benefit plans and in particular they recent growth of the College of Applied Arts and Technologies Pension Plan (CAAT). Joe Nunes identified that one of the challenges with provincial pension legislation is that the CAAT plan is considered a 'defined benefit' pension plan because certain base benefits are guaranteed. At the same time, a substantial amount of benefits such as early retirement subsidies and indexation of benefits are not

guaranteed and are subject to funding. This can create confusion with employees that think that a defined benefit plan is one that guarantees all benefits. CAAT allows for contributions by sponsors that are fixed and so the program is not what the industry considers a traditional defined benefit plan.

CAAT might be suitable for DB plan sponsors that want better predictability than their current DB plan and where a DC plan might not be welcomed by employees. CAAT might also be suitable for DC plan sponsors where members are not getting traction in savings and investment choices.

When transitioning from DB to CAAT, members should be aware of what benefit guarantees are being maintained and/or lost. When transitioning from DC to CAAT, sponsors should be aware that although members will be relieved of managing their own investment account – their contributions will not be held in a separate bucket and there is some degree of ‘cost sharing’ among plan members.

Action Items

There were no new Action Items for Q1.

Prior Action Items

[Action Item 376] – **Completed**- The Committee requested HUB International to include in its year end communication to sponsors a reminder to review contribution rates which drives benefit adequacy.

[Action Item 377] – **In process** - The Committee requested HUB International to follow up with carriers to confirm that the default for all plans has been set to the BlackRock target date funds.

[Action Item 378] – **Completed** - The Committee requested HUB International to add to future presentations that Denise has confirmed that HUB International has not been advised by any carriers of unremitted contributions by plan sponsors.

[Action Item 379] – **Completed** - The Committee requested HUB International to investigate the Sharia complaint funds available on each platform. The Governance Committee has requested that this information be shared via email when available so that the decision to add funds can be made prior to the next meeting in March 2025.

[Action Item 380] – **In process** - The Committee requested HUB International to determine any plans that have not been marketed since 2020, or earlier, and to work with the relevant advisors to arrange marketing in 2025.

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 0.60% spread amongst the rates the Record Keepers are offering.
- ✓ As of December 31, 2024, the average rate for 5-year GICs was 2.38%.

Fund Mapping Log

- ✓ Fund mapping in accordance with Action Item 369 has been completed for all record keepers. For detailed information or questions, please reach out to your Hub International advisor.

Active Member Asset Report

- ✓ HUB International Ontario Limited presented an asset report, dated December 31, 2024, 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 Canada Life'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

- ✓ M. Scott presented an economic and market summary to contextualize the performance results from the fund managers. Markets provided exceptional returns in 2024, marking a second consecutive year of strong positive results in equity and bond markets.
- ✓ Equity markets closed out another positive quarter, capping an exceptionally strong year.
- ✓ M. Scott presented the fund performance dashboards for the IA and Desjardins platforms. There were no material firm updates.
- ✓ M. Scott noted that most funds are meeting their four-year performance objectives but some of the active equity funds have underperformed. It has been a challenging market environment for active equity managers, the majority of which underperformed their respective benchmarks in 2024.

7. Desjardins

Will McPhee, Regional Sales Director, Group Retirement Savings, and Gabriel Gomez, Investment Solutions representative, 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. Market Overview

- ✓ In the fourth quarter of 2024, North American stock markets posted lower returns than in the previous quarter but remained in positive territory. The outcome of the US election in particular had a positive effect given investor optimism over the president-elect's policies, which are likely to benefit businesses. Most indexes thus hit new highs in early December, however, uncertainty caused by the US Federal Reserve's mid-December statement led to a significant downturn. In Canada, the S&P/TSX once again showed significant dispersion in sector performance, unlike the third quarter, when all sectors ended in positive territory. Half of the sectors posted gains, and the technology sector in particular stood out with a 22.2% increase in its index. In the U.S., while economic growth remained strong, it was slightly below expectations. For the quarter overall, the S&P 500 Index in the

US closed with a 9.0% return in Canadian dollars. More broadly, the fourth-quarter rally was dominated by the same technology stocks that have driven the market higher for the better part of the last two years.

- ✓ On the other hand, the fixed income market in Canada saw the 10-year yield on Canadian bonds going from 2.96% to 3.23% and for the same period, the total return of the FTSE Canada Universe Bond Index stood at -0.04%, for a year-to-date total of 4.23%. Meanwhile, the corporate bonds in this index returned 1.03% in the fourth quarter and 6.97% over the year. This performance resulted from a combination of current yield, tighter credit spreads and higher interest rates. For the corporate bonds making up this index, the return was 4.67%, the result of both lower interest rates and tighter credit spreads.
- ✓ Once again, the Magnificent Seven (Apple, Microsoft, Google, Amazon, Nvidia, Meta and Tesla), have been the biggest beneficiaries of the AI boom, accounting for one third of the S&P 500 and contributing over 50% of the market's gain at the end of 2024.
- ✓ Despite a difficult December, global equity values again hit new highs, with the MSCI World Index up 6.3%. The optimism that followed the US election faded late in the year due to concerns about a potential slowdown in the economy and an interest rate hike. This led to a nearly 2% drop in the value of global equities. For 2024 as a whole, however, global equities posted a gain of 21%, making it the second consecutive year with a return of over 20%. Economists are expecting less economic growth in emerging countries in 2025 compared to 2024.

2. Target date Funds – DFS BlackRock LifePath Index Funds

- ✓ Performance across vintages of the Canada LifePath Portfolios ranged from +1.8% to +4.5% and reflected the shape of the glidepath, with vintages furthest from retirement (“far dated”) outperforming those closer to retirement (“near dated”).
- ✓ Far dated vintages hold larger equity allocations that benefit most from strong equity markets whereas near dated vintages hold larger fixed income allocations to aid consistent spending in retirement. All portfolios performed in line with their respective benchmarks during the quarter, with relative performance ranging between -0.05% and -0.01%.

3. A la Carte Funds

- ✓ 4 out of 9 actively managed funds have outperformed their respective benchmark on a one-year period.
- ✓ Most of the underperformance vs. the benchmark is explained by the investment style, in particular sector or stock allocation.

4. Governance

Funds on the watch list as of December 31, 2024:

- ✓ Beutel Goodman Fundamental Canadian Equity since Q4 2024 > Disappointing performance over the last few years partly explained by the manager's value style.

5. Additions to the platform in 2024

- ✓ Launch 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).
- ✓ Launch of the **Fidelity ClearPath Index Plus Institutional target date fund series (Income, 2020, 2025, 2030, 2035, 2040, 2045, 2050, 2055 and 2060)** on June 10, 2024. Launched by Fidelity in 2023, these funds broaden our target date offering through the addition of a low-cost solution whose asset allocation continues to adjust after retirement.
- ✓ Addition of the **Fiera Core Plus Bond Fund** on September 6, 2024. This fund is actively managed by Fiera Capital and aims to provide total long-term returns derived primarily from interest income and moderate capital appreciation, by investing mainly in high-quality fixed-income securities of Canadian issuers, as well as in non-traditional debt securities and other assets. The fund's strategy looks to build a diversified exposure to traditional and alternative credit, including high-yield bonds, commercial mortgages, diversified private loans and real assets.

- ✓ Addition of the **MFS Global Equity Growth Fund** on September 6, 2024. This fund is actively managed by MFS Investment Management and aims to provide long-term capital appreciation by investing primarily in stocks of companies worldwide. The fund targets companies that have higher sustainable earnings growth and returns than their industry, improving fundamentals, and whose stock valuations do not fully reflect their long-term growth prospects. The manager takes a conservative approach and seeks to pay reasonable prices for very high quality, durable franchises that can create shareholder value.
- ✓ Addition of the **Morgan Stanley Global Small Cap Equity Fund** on September 6, 2024. This fund is actively managed by Morgan Stanley, based on the Eaton Vance Global Small Cap Equity strategy, and aims to provide long-term capital appreciation by investing primarily in equities of small capitalization companies located in developed markets anywhere in the world. The fund manager looks to exploit market inefficiencies through fundamental bottom-up research and seeks companies that are high or improving in quality. The quality focus typically favours companies that benefit from structural growth or change.

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. Asset Allocation Funds

- ✓ Strong year overall, but results varied by risk profile.
- ✓ Aggressive funds (higher equity exposure) benefited from U.S. market strength, while conservative funds saw steady but lower returns from fixed income.
- ✓ Canadian equities did well, but global equities were mixed, with emerging markets facing challenges.
- ✓ Alternative assets like real estate and infrastructure struggled due to rising interest rates.
- ✓ Positioning for 2025 is shifting toward sector rotation, focusing on financials, energy, and healthcare as inflation and policy changes take shape.

2. BlackRock LifePath Funds

- ✓ Longer-dated funds outperformed, thanks to higher equity exposure benefiting from U.S. and global stock gains.
- ✓ More conservative funds (Retirement & 2025 Index) saw lower but stable returns due to higher fixed income allocation.
- ✓ ESG transition fully implemented, aligning portfolios with sustainable investing.
- ✓ Glide path remains intact—gradual de-risking as investors approach retirement.
- ✓ Looking ahead, these funds will continue balancing market risk with long-term stability.

3. Standalone Funds

Beutel Goodman Canadian Equity Fund underperformed, mainly due to:

- ✓ Underweight in tech, missing out on one of the best-performing sectors.
- ✓ Stock-specific challenges, including TD Bank's U.S. regulatory issues and Rogers' surprise MLSE acquisition.
- ✓ Exposure to Consumer Discretionary and Communication Services, which struggled in 2024.

Mawer Global and US Equity Fund also lagged, driven by:

- ✓ Overweight in Industrials and Financials, while underweight in high-growth Tech.
- ✓ Limited exposure to the "Magnificent 7" (Apple, Microsoft, Nvidia, etc.), which were the biggest market drivers.
- ✓ Stronger focus on downside protection, which meant it didn't fully capture last year's rally.

4. Looking Ahead

- ✓ Markets are shifting, so active management and sector rotation will be key in 2025.
- ✓ Equities will still drive returns, but leadership may rotate, favoring financials, energy, and healthcare.
- ✓ Fixed income could become more attractive if central banks finally start cutting rates later in the year.
- ✓ Flexibility and smart positioning will be critical to navigating inflation risks, trade tensions, and policy 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.

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

Future Meetings

- ✓ #78 Wednesday June 4, 2025 –Proteus and Sun Life
- ✓ #79 Wednesday September 3, 2025 – Proteus and Manulife
- ✓ #80 Wednesday December 3, 2025 – Proteus and Canada Life

10. Adjournment

[Motion] – Tim Jones made a motion to adjourn the meeting at 11:20 a.m. Seconded by Matt McNeil. carried.