

The University of Winnipeg Trusted Pension Plan Board of Trustees

Minutes of Asset-Liability Results Meeting
Friday, March 1, 2013

ATTENDANCE:

Present: Henry Hudek (Chair), Laurel Repski (Vice-Chair), Mary Anne Walls (Secretary), Mike Emslie (Treasurer), Barry Barske, Jane Barske, Ed Byard, Ray Erb, Judy Graham, Kyle MacDonald, Colin Morrison, Hans Werner, Murray Wiegand

Regrets: Greg Gillis, Ron Youngson

Also In Attendance: Ronda Perinot (Recording Secretary), Brian White and Nathan LaPierre (Aon Hewitt)

1. Asset-Liability Results Meeting

The Aon Hewitt presenters guided the Board through the Additional Asset-Liability Results handout dated February 8, 2013.

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While Aon Hewitt recommends a 60% to 40% glide path, they noted that a 75% to 40% glide path is defensible as long as there is a plan in place to reduce exposure which is very important from a governance stand point. The 60% to 40% model is a middle ground, while the 75% to 40% model increases the risk a bit for a higher expectation of return. Aon Hewitt also noted that while few plans are at 75%, many are at 65%.

It was noted that the inclusion of 10% real estate in the portfolio mitigates risk since it makes the 75% not as aggressive. Aon Hewitt indicated that it would be prudent practice to revisit every three to five years, but even with frequent review need to have systematic process in place for de-risking.

Decisions:

- 1. Aon Hewitt's recommendation that the optimized p**

The issue of risk was discussed. The discount rate and the global economy were considered. The importance of selecting the appropriate manager to govern the long bond transition glide path was discussed and it was determined that this would be the ongoing responsibility of the DB Committee.

The discussion turned to potential input from the stakeholders. It was noted that if Board comes to consensus re position, input would be needed from the University's administration given the additional volatility of annual contribution levels. Input from other stakeholders will be sought if it is felt that it will add value.

It was noted that the glide path will be one way only. Allocation ranges will be provided to managers by the DB committee (target allocation). It was also noted that a revised SIP will also need to be adopted.

It was determined that as long as there was consensus re the intent of the motion, the precise wording for the motion will come from H. Hudek, and his background document, which will become a preamble to the recommendation. The final wording will be approved at the next meeting of the Board.

It was moved (H. Werner/R. Erb)

That the following motion be adopted by the Board.

Consensus re motion intent:

- move to 75% growth with a glide path to 40% growth depending on the funded status of the Plan: Canadian Equity 20%, Global Equity 35%, Emerging Markets 10%, Real Estate 10%, Infrastructure 0%, Long Bonds 0%, Universe Bonds 20%, High-yield Bonds 5%, Mortgages 0% (glide path as presented on page 16 of the February 8, 2013 Aon Hewitt document).
- 10-year glide path from universe to long bonds (as presented on page 24 of the Aon Hewitt document, except that the glide path is extended from 8 to 10 years).

...CARRIED

(all in favour, 0 opposed, 0 abstained)

Next Steps

- Motion will be communicated to Aon Hewitt by H. Hu