

## Meeting Minutes Saint Mary's University Pension Committee

Committee Members – Present	Regrets sent	Committee Support - non voting
Larry Corrigan, Chair	Darlene Goucher	Maureen Hayward
Walt Finden	Darryl Bruce	Ron Cochrane, Advisor
Nicola Young	Sheldon Glick	Lori Park, Mercer
Cindy Harrigan	David Lane	Yvan Breton, Mercer
Keith Hotchkiss	Ashraf Al Zaman	Janine Rose, Recording Secretary
Kim Squires	Bob Cook	
Lori Francis		

Yvan Breton, Mercer Investment Consultant was in attendance for the meeting.

The Chair called the meeting to order at 3:05 p.m.

The following items were added or removed from the agenda:

- Memos from Mercer added as Item #3 (b) on the agenda: “Comments on Lehman Brothers Bankruptcy and General Market Conditions”, and “September Crisis”

### 1. Introduction of New Members

New Committee Members were introduced: Ashraf Al Zaman (Faculty Appointment) replacing Jeff Power and Darlene Goucher (NSGEU Appointment) replacing Julee Adams.

### 2. Pension Committee Minutes (June 11, 2008)

Motion:	Keith Hotchkiss
Seconded	David Lane

That the minutes of June 11, 2008 be approved as amended.

Motion Passed:	In Favour	9
	Opposed	0
	Abstentions	3

### 3.

#### a) Investment Monitoring Report (continuation of discussion from June 11/08 meeting)

An opportunity was provided for members to table additional questions/comments regarding the Investment Monitoring Report. There were no questions.

#### b) Memos distributed by Mercer

The two memos that were sent from Mercer, “Comments on Lehman Brothers Bankruptcy and General Market Conditions”, and “September Crisis” were circulated to Members *via* e-mail prior to the meeting. Hard copies were also provided at the meeting.

Yvan Breton provided an introduction and summary on each of the memos, and Yvan indicated that the direct impact on the Saint Mary's University Plan is expected to be minimal. Yvan indicated that the financial market is unstable and the insecurity of

investors has had a negative impact on the market. Yvan highlighted the following market impact:

Canadian Market: negative 7% this week, negative 13.7% this month, negative 17% this quarter, and negative 12% YTD

S&P 500: negative 6.5% this week, negative 8.3% this month, negative 13% YTD

Yvan indicated that the good news is that the value of the Canadian dollar is going down versus the US dollar; therefore, the -13% YTD would be much worse if it were in US dollars.

Committee Members discussed at length the memos and the Committee's responsibilities in the matter. Yvan indicated that the first step is for Committee Members and plan members to understand that the exposure for the Saint Mary's University Pension Plan is minimal. He also suggested discussing the item with Sun Life to determine what Sun Life will be sending to plan members to determine if additional communication should be sent from the Pension Committee.

Yvan suggested checking with Sun Life to determine the reaction of plan members to determine if there has been movement in asset allocation.

Yvan also pointed out the concern that was discussed at the AGM regarding plan members nearing retirement who are invested high in equities.

The Committee has a responsibility to communicate to plan members.

Action – The Chair will discuss with Sun Life Financial to determine what is being sent to plan members and follow-up to see if there has been movement from plan members in asset allocation. The Chair will then follow-up with Committee Members via e-mail to review the communication that will be sent from the Pension Committee.

#### **4. Sun Life composite series tools – briefing note from Mercer**

Yvan Breton provided a hard copy of the presentation to Committee Members; an electronic copy will also be made available. Yvan explained that Sun Life has created a standard offering to administer asset allocation portfolios. Yvan reviewed the current line-up of SMU investment options. The Saint Mary's University Pension Plan is the only Sun Life client with this set-up of five different asset allocation portfolios. Mercer was engaged to evaluate whether this new standard approach is more appropriate in providing administration and member communication support.

Yvan indicated that using the Composite Series to administer the portfolios would have the advantage of improving communication to plan members. Members will clearly see on their statements what portfolio they have selected and will have access to information about the portfolio itself, including historical performance at the portfolio level. Yvan also discussed limitations of the current manual processes.

Yvan concluded that the benefits of the Composite Series are significant. Accordingly, Mercer recommended that the Committee use Sun Life's Composite Series tool to deliver the asset allocation portfolios to plan members.

Committee Members discussed the Composite Series investment options at length, including process and costs. Offering the Composite Series investment options would be beneficial to plan

members but also to Sun Life. Committee Members felt this should be taken into consideration in the negotiation of the fees for offering the Composite Series tool.

The Chair will discuss the above matters with Sun Life and bring details on the fees to the Committee for review/discussion.

Motion: Approve Mercer's recommendation that the Pension Plan use the Sun Life Composite Series tool to deliver the asset allocation portfolios to plan members. The Chair has authority from the Committee to negotiate the Sun Life fees for administering these portfolios.

Motion: Kim Squires  
Seconded Nicola Young

Unanimously carried

Motion Passed:	In Favour	12
	Opposed	0
	Abstentions	0

## 5. Education/Information Sessions

### a) Pension Committee education sessions

Training session scheduled for Friday October 24, 2008. Lunch from 1PM-2PM; session from 2PM-5PM. Kim Squires and Janine Rose will not be available to attend. Session to be held at the Mercer office.

Action – Lori Park to send details (address, parking, etc...) *via* e-mail to Committee Members.

### b) Appointment of Education sub-committee Member

Cindy Harrigan was appointed to replace Julee Adams.

## 6. Macro agenda for Pension Committee

Lori Park distributed the proposed Saint Mary's University Pension Plan – Pension Committee Agenda Checklist. Concerns were raised that the current agendas were quite full and as a result annual items for review may not be addressed. Committee Members felt the checklist provided a useful tool for planning the Pension Committee agendas and keeping on-track. The Chair indicated that as per the Committee's self-assessment, the Committee has a responsibility to review the checklist.

The Chair suggested adding the following items to the checklist:

- Insurance/indemnification – confirmation each year, in particular for new committee members
- The requirement for the Chair to report to the Finance Committee and to the Board of Governors
- The review of the pension plan design every 3-years
- Education for Pension Committee Members

Consensus – Use the Saint Mary's University Pension Plan – Pension Committee Agenda Checklist as a working document for setting the agendas for the committee meetings.

Adjourned 4:35 pm