

*Meeting Minutes*

Saint Mary's University Pension Committee

Committee Members – Present		Regrets	Committee Support - non voting
Gabe Morrison	John Irving	Rob Thacker	Darrell Rooney, Financial Services
Marc Patry	David Lane	Ashraf Al Zaman	Maureen Hayward, Financial services
Cindy Harrigan	Kim Squires	Florian Muenkel	Sheree Delaney, HR Officer
Michael Zhang	Sarah Gough		Todd Saulnier, Pension Consultant, Mercer
Joe Chrvala	Zak McLaren		Lori Park, Pension Consultant, Mercer

The Chair called the meeting to order at 1:00 p.m.

**1. Resignation and Appointment of new member(s) – (Chair)**

The Chair introduced Michael Zhang to the Committee and requested that each member introduce themselves to Michael.

The Chair announced that Florian Muenkel would be joining the Pension Committee but was unable to attend the meeting due to a teaching commitment.

**2. Pension Committee Meeting Minutes (June 1, 2017)**

MOTION: To adopt the June 1, 2017 committee minutes.

Motion: Cindy Harrigan  
Second: Joe Chrvala

In Favour: 8  
Opposed: 0  
Abstentions: 0

Carried

The Chair requested that the SMUFU members make a proposal for the new Vice Chair of the Pension Committee.

John Irving joined the meeting at 1:10 p.m.

**3. Debrief of AGM – June 20, 2017 (Chair)**

The Chair asked the Pension Committee members if they had any comments regarding the 2017 AGM. There were no comments noted.

**4. Pension Committee financial report – June 30, 2017 and September 30, 2017  
(Maureen Hayward)**

Maureen Hayward asked if there were any questions or comments regarding the June 30, 2017 or the September 30, 2017 report. There were no questions or comments.

**5. Plan Amendments (Lori Park) – (copy attached)**

Lori Park, Mercer provided the Pension Committee members with a marked copy of the proposed amendments to the Saint Mary's University Pension Plan. Lori Park, Mercer noted that the proposed amendments to the Plan reflected changes to the Nova Scotia Pension Benefits Act and ensured consistency between the Plan terms and the administrative practices and contractual obligations of the University. Lori Park, Mercer noted that these changes relating to the Nova Scotia Pension Benefits Act must be submitted to the Office of the Superintendent of Pensions prior to June 1, 2018. David Lane asked about the amendments regarding forfeitures. That everyone is 100% vested. There was some discussions of a possibility that a non-active member may not be 100% vested so there may be a small amount of forfeitures in the future.

As per the Terms of Reference, motions relating to Plan amendments must be passed at two Pension Committee meetings.

MOTION: To adopt the Amendment #2 Saint Mary's University Pension Plan as drafted.

Motion: Joe Chrvala  
Second: David Lane

In Favour: 9  
Opposed: 0  
Abstentions: 0

Carried

ACTION: The motion will be brought forward at the next Pension Committee meeting.

**6. Report from subcommittees:**

- **Investment**

**Target Date Funds (Investment Subcommittee (ISC)) – John Irving/Todd Saulnier**

### **Enhancement to Fixed Income Investments**

MOTION: On behalf of the Investment Subcommittee, move to replace BlackRock Canadian Bond Index Fund with AB Canadian Bonds (core Plus) Fund in the Base Portfolio of the Pension Plan through the SunLife Open Investment Solution (OIS) option.

Motion: John Irving  
Second: Marc Patry

In Favour: 9  
Opposed: 0  
Abstentions: 0  
Carried

Michael Zhang asked the Pension Committee if the funds were reviewed annually. Todd Saulnier, Mercer reported that this is part of the Mercer annual report.

### **Search for Global Cap Equities Manager**

MOTION: On behalf of the Investment Subcommittee, move to select Wellington Management Global Equity Perspectives Fund to fulfill the vacant allocation in the Pension Plan SIP&G for a Global Cap Equity Fund in the Growth Portfolio and the Diverse Growth Fund through the Sun Life Open Investment Solution (OIS) option.

Motion: John Irving  
Second: Joe Chrvala

In Favour: 9  
Opposed: 0  
Abstentions: 0  
Carried

John Irving noted that Wellington exceeded the benchmark by more than the fees. There was some discussion surrounding the fees and the performance of the fund. Todd Saulnier, Mercer reported that the goals are outlined in the Statement of Investment Policy & Goals (SIP&G). There was also some discussion surrounding the definition of Global funds and what markets are included.

### **Statement of Investment Policies and Goals (SIP&G)**

MOTION: On behalf of the Investment Subcommittee, move to:

To approve the revised Statement of Investment Policies and Goals to include three changes:

1. Incorporate active bond management and investment in out-of-benchmark, mostly non-Canadian, fixed income and derivative strategies to enhance returns on fixed income investment.
2. Replace BlackRock Bond Index Fund with AB Canadian Core Plus Fixed Income Fund.
3. Add Wellington management Global Equity Perspective Fund as the Global Small Cap Equity Fund.
4. Update the Capital market Expectations on Appendix A

To engage Mercer and SunLife to assist with preparing communication and education materials for plan members related to these charges.

Motion: John Irving  
Second: Marc Patry

In Favour: 9  
Opposed: 0  
Abstentions: 0  
Carried

Todd Saulnier, Mercer reviewed the changes in the SIP&G and provided explanation for the changes.

ACTION: Todd Saulnier, Mercer will negotiate fees with SunLife

- **Internal agents**

Zak McLaren provided copies of the Saint Mary's University Pension Plan Delegation of Plan Functions to University as Internal Agents, one signed by the Senior Director, Financial Services and one signed by the Senior Director, Human Resources.

Darrell Rooney, Senior Director, Financial Services reported that the Annual Information Return had been completed by September 30, 2017 but was not submitted to the Office of the Superintendent of Pensions until October 20, 2017. Darrell Rooney, noted that there was a potential for a fine but The Office of the Superintendent of Pensions has confirmed that there will not be a fine. Darrell Rooney will review the process with the Financial Services team to understand the cause and will redefine the process.

ACTION: Darrell Rooney will report back to the Pension Committee on the process.

Lori Park and Todd Saulnier, Mercer left the room.

- **External agents – Retention and Supervision of agents (external)**

Sheree Delaney provided the Pension Committee with a summary of the External Agents survey which was completed in March 2017. Michael Zhang noted that a report should be provided to the external agent.

ACTION: Sheree Delaney will provide a report to the External Agents.

Lori Park and Todd Saulnier, Mercer returned to the room.

- **Education – (Kim Squires) Education/Information sessions update**

Kim Squires reported that the Pension Education Subcommittee met on July 6, 2017 to discuss a plan to follow up with those members who may be investing in a target date portfolio that is not aligned with their intended retirement date. The Subcommittee's goals were to reach out to all

members and have 25% of the outliers to take action, segment group of “worst outliers” with a phone call from HR and an onsite one-one-one visit with a Sun Life representative.

On August 11, 2017 a memo was sent to the “active outliers”. On October 30, 2017 a second memo was sent to the “worst outliers”. On November 9 and 14, 2017 Sheree Delaney telephoned or left a voice mail message to the “active outliers” at their SMU extensions to remind the Plan members of the memos and offering them a chance to attend a SunLife one-on-one session on either November 23 and 24, 2017.

ACTION: The Subcommittee will meet in early 2018 to review and discuss next steps.

**7. Pension Committee Governance**

**a. Annual Information Return (Darrell Rooney – verbal report)**

See item 6, Report from Subcommittees, Internal agents.

**b. Pension Committee Member Insurance and Indemnification Policy (Maureen Hayward)**

Maureen Hayward provided the Pension Committee with a copy of the updated Insurance and Indemnification Policy.

**c. Pension Committee Self-Assessment (CAPSA) (Chair)**

The Chair asked if there were any questions or comments relating to the self-assessment. There were no comments noted and the report was accepted as submitted.

**8. Other Business**

**a. Macro agenda checklist for 2017/18 (Chair)**

The macro agenda checklist for 2017/18 was accepted as submitted.

**b. Next meeting – TBD**

The next Pension Committee meeting will be held in early 2018.

**6. Adjournment**

The meeting adjourned at 2:37 p.m.