

Report on the
University's Pension Committee Meeting
June 4, 2009
By Harold Squires (note also in attendance Don Steele and Evan Simpson)

Officials from CIBC Asset Management, who manages the Canadian Fixed Income Allocation of the Pension Fund, were invited to the meeting to explain their subpar performance in the past year. After their presentation and considering their overall performance for the past 19 years, it was decided not to recommend any change at this time.

The Cash Flow Statements for Dec. 31, 2008 and March 31, 2009. showed that the university made a \$4.3M extra payment in Dec. to help fund the deficit. Over the six month period the value of the fund dropped from \$666M to \$619M (-47M), but as of June 3rd. the value had rebounded to \$649M.

MUNPA has recently discovered that there is a difference in the rate of pay that some of our survivors are receiving in relation to survivors in the Public Sector Pension Plans. Therefore, MUNPA put forward a motion to request that the university correct this inequity.

Update from the Performance Review Subcommittee meeting held March 12th.

1. Overall fund performance for the quarter ended Dec. 31, 2008, was a negative 5.51% and for one year a negative 13.7%. Both bet the policy target in this very difficult year.
2. **Putnam** – there was a recommendation to terminate Putnam as the international manager which was accepted by the Pension Committee. The 4 year target for Putnam was 1. % above the EAFE Index, but they were actually .1% below the EAFE index.
3. Securities Lending – Glen Roberts reported he was able to renegotiate the sharing formula to a 60% MUN 40% CIBC Mellon split, while still keeping the guarantee on no loss for MUN. It was agreed to continue participating in the lending of securities.
4. Socially Responsible Investing – There was a joint request from MUNFA and CUPE for a full day seminar on socially responsible investing. While there were some concerns on whether one could monitor and benefit from this, it was agreed that before making a decision, the topic was worthy of a full discussion and review.

Other Things to Note:

A meeting with the Actuary will be held on June 30th. Early indications were that there will still be an unfunded liability in the pension fund as at March 31, 2009.

INDEXING – We are hopeful that Pensioners who are 65 years old by July 1, 2009 will receive an increase of 1.2% for indexing.