



Minutes of the Meeting of  
Monday March 13, 2023

ATTENDANCE:

Present: Ron Youngson (Chair), Oplin Morrison (Vice Chair), Navinder Basra (Treasurer),

The DB Committee has had discussions in regards to the concerns about the long structure of the plan. According to the 2021 annual report, the outflows are about \$10 million per year. The inflow is about \$3 million, that's including special payments from the University.

The Plan being closed to new members, there is also a high exposure to growth assets about 55% right now, which leaves the plan vulnerable in the event of a market downturn.

There's also concern about asset distribution within the growth portfolio, especially with the emerging markets, which have subsequently been dealt with.

A subcommittee was formed, a letter with the concerns was sent to Aon in early January requesting guidance. The DB Committee has had 2 meetings to discuss. Aon has advised the Committee that the growth portfolio was not an overly aggressive one and that 5% in emerging markets was quite reasonable.

Upon discussions, the one thing that emerged consistently was the necessity to preserve the COLA. The problem is with an increase in liability matching assets will reduce volatility, but also predicts lower returns which would impede the granting of COLA (de-risking the plan)

Upon Aon's recommendation, a cash flow projection was requested and received from Eckler.

A request was made to Aon for an equity strategy in glide path testing, the last one was done over 10 years ago

Aon presented cash flow projections, the peak payouts from the plan are predicted to be in the late 20s. Around 2040 they expect it to be about 7 million a year and the final payouts from the DB plan as currently structured are not expected until the 2070s.

Aon has made it clear that there's plenty of money in the plan to keep paying out benefits, but the DB Committee will continue discussions.

The last time COLA was offered was 2 years ago, COLA will not be offered this year.

On the going concern basis, one of our principal objectives, our Canadian equity and real estate managers, especially the real estate have done very well.

The results in the fourth quarter, our plan was up 4 1/2 percent. But for the year 2022, it was down 7.7, and when you factor in inflation, the loss which was quite high in 2022, the loss was just over 13%. Market analysis pointed out that unemployment remains low, inflation is decreasing and there's no major consequences yet of increasing interest rates. However, over the 40 year periods the fund has made money slightly trailing the benchmark.

A review of the process was done, offsetting up investment strategies, the various forms of risk. The key factor for a successful plan is the distribution of funds between return seeking assets, which are equities and liability hedging assets, which are fixed income.

CAP/CAPSA guidelines were reviewed with some minor updates.

The Terms of Reference was reviewed with one minor change.

#### 4. Report from DC Committee (A. Bendor Samuel)

A couple of issues with Desjardins

- 1) A communication was sent to members with the subject line: Action required, it took some time to get the list of members who received the e-

