

MSBA Pension Report to CUPE MB School Sector Conference

Dauphin, Manitoba

Nov 17- 19, 2017

Unofficial Minutes – so this is a highlight summary to update

1. PENSION PLAN FOR NON-TEACHING EMPLOYEES OF PUBLIC SCHOOL BOARDS IN MANITOBA TRUSTEES MEETING Thursday, May 18, 2017 Norwood Hotel (Terrace Room) 9:00 A.M.

PRESENT:

Floyd Martens, Darlene Parsons, Sharon Sapoznik, Vince Mariani, Linda Ross, Louise Johnston, Ken Cameron, Colleen Carswell

REGRETS: Craig Wallis Carol Newbound

ALSO PRESENT: Kelly Henderson, Brad Rowe (Eckler), Kyle Weeden (Eckler)

1.1 Core Plus Fixed Income Manager Interviews Overview (Brad Rowe and Kyle Weeden, Eckler)

A distribution of plan assets as at March 31, 2017 was reviewed to determine the Core Plus mandate (10%) which would be approximately **\$56 million**.

9:15 am: AB Global; **10:30 am** CIBC Asset Management; **11:45 am** Franklin Templeton

Selection Core Plus Fixed Income Manager :

CARSWELL/CAMERON: THAT **AB Global be selected** as the Core Plus Fixed Income Manager

1.2 Administration Account

The pension trustees reviewed the administration fund history.

Since 2015 when the administration account percentage paid by school boards was revised from 1.2% to 1.0% the plan expenditures have continued to grow exponentially. By far the largest dollar increase is due to investment management fees (new asset classes with higher fees for managers, as well as more managers overall). This, coupled with growth of the fund itself, which naturally results in higher overall fees. Projections of a shortfall in revenue, at 1% contribution, to cover plan expenses occurs in 2018.

A detailed summary of past administration fund financials with projections to 2020 was reviewed by the pension trustees.

Brad Rowe pointed out that our annual investment manager fees as a percentage of assets available for benefits at approximately 0.5% of assets is a very reasonable rate and not uncommon among plans.

Kelly Henderson and Craig Wallis will draft a communication for divisions communicating the change, providing information of the history of the rates and contribution holidays, and detailing the reason for the increase is linked to the investment manager changes

CAMERON/ROSS: THAT a three-step increase in administrative fees contribution rate of 1.2% for 2018, 1.4% for 2019 and 1.6% for 2020 forward be implemented and clearly communicated to boards.

1.3 Future Investment Manager Review Meetings

The pension trustees were polled as to their preference for conducting manager performance review meetings – Fall 2017 or Winter 2018 TBA * see below re **March 8 2018 meeting set for this review**

MSBA Pension Report to CUPE MB School Sector Conference

Dauphin, Manitoba

Nov 17- 19, 2017

Unofficial Minutes – so this is a highlight summary to update

2. ANNUAL GENERAL MEETING – PENSION TRUSTEES

Thursday, May 18, 2017 1:10 P.M.

PRESENT: Floyd Martens, Darlene Parsons, Sharon Sapoznik , Vince Mariani, Linda Ross, Louise Johnston, Ken Cameron, Colleen Carswell

Regrets: Craig Wallis, Carol Newbound

ALSO PRESENT: Kelly Henderson, Shawna Lounsbury (KPMG)

2.1 Presentation of Financial Statements / Auditor's Report (Kelly Henderson / Shawna Lounsbury (KPMG))

The financial statements and auditor's report were presented to the pension trustees.

MARTENS/SAPOZNIK: THAT the financial statements and auditor's report be approved. Carried

2.2 2016 Annual Report

A draft 2016 report was provided to the pension trustees as information.

PARSONS/SAPOZNIK: THAT the pension trustees received and approved the draft annual report and that the final report, amended to include approved financials, **will be distributed to members exclusively electronically.** Carried

2.3 Election of Chair/Vice-Chair – done electronically by agreement of all Trustees, closed May 25/17

- Vince Mariani was acclaimed as Chair for a one-year term.
- Colleen Carswell was acclaimed as Vice-Chair for a one-year term.

3. Update of fund as of Oct 30, 2017: **11.55 %** Running Rate of Return (October rate was 3.27 %)

| Month | Total Assets @ End of Period | Monthly Rate of Return (Post on web) | Running Rate of Return | Quarter Rate of Rtn |
|-----------|------------------------------|--------------------------------------|------------------------|---------------------|
| B/Fwd | 540,156,133.01 | | | |
| MAR 2017 | 561,639,154.22 | 1.693263% | 3.917084% | 3.917084% |
| JUN 2017 | 575,823,727.26 | -1.643654% | 5.694496% | 1.710413% |
| JUL | 571,545,887.91 | -0.446308% | 5.222773% | |
| AUG | 577,224,594.83 | 1.802894% | 7.119828% | |
| SEPT 2017 | 582,021,208.79 | 1.087421% | 8.284671% | 2.450624% |

*User-friendly language summary of all plan changes posted on MSBA website

Go to website which has latest info, rates and changes.

LINK: <http://www.mbschoolpension.ca/index.php>

Next Pension Trustee meeting is March 8, 2018 to review the performance of our Global Equity and Canadian Equity managers. We will also have some time at end of day to discuss any other business.

In solidarity

Darlene Parsons, Local 731, CUPE School Sector rep MSBA Pension Committee

Sharon Sapoznik, Local 3473, CUPE School Sector rep MSBA Pension Committee