

Record of Advice

Advisory Committee Meeting #37

2013 06 04

It was the consensus of the Advisory Committee to recommend an active manager.

On a motion by Shirley Raab, seconded by Martin Hajek the Advisory Committee recommended that Canadian Blood Services appoint Pyramis to replace the Jarislowsky Fraser and Greystone Canadian Equity funds.

It was agreed that manager changes and progress toward implementing the Target Date Strategy could proceed without a final decision on the long bond manager. Analysis of the retirement horizons of those who opt for the Target Date Strategy will provide an indication of the funds that could flow initially to a long bond fund.

On a motion by Martin Hajek, seconded by Liz Thompson, the Advisory Committee recommended approval of the audited financial statements as at December 31, 2012.

Advisory Committee Meeting #38

2013 07 29

On a motion by Robert Hannah, seconded by Monica Girouard, the Advisory Committee recommended that Canadian Blood Services appoint Beutel Goodman as the long bond fund manager when the assets that would be allocated to long bonds reach \$5 million.

On a motion by Monica Girouard, seconded by Robert Hannah, the Advisory Committee recommended that Canadian Blood Services adopt the glide paths presented by Mercer for the conservative, moderate and aggressive target date portfolios:

- All three will start at 85% equity, 15% fixed income.
- The three profiles will end with 25% equity for the conservative glide path, 35% equity for the moderate glide path, and 45% equity for the aggressive glide path.
- The allocation remains constant at 85% Equity / 15% Fixed Income until 40 years from retirement. For the span running from 40 to 20 years from retirement the allocation to equity is gradually reduced. The asset allocation changes are identical for all risk profiles until 20 years from retirement. Afterwards, the pace at which the allocation changes is different for each risk profile.
- The fixed income portion of the allocation will be made up of 100% long bond until 14 years from the anticipated retirement date when the allocation will transition to an ending allocation of 100% universe bond funds.
- The equity portion of the allocation will be 50% Canadian, 50% foreign equity.
- The Canadian allocation will include 0% small cap for the conservative glide path, 10% small cap for the moderate glide path, and 20% small cap for the aggressive glide path.
- The foreign allocation will be 50% US, 50% international for all three glide paths.
- Assets will be rebalanced if the allocation deviates by more than 5% from the target allocation.

Advisory Committee Meeting #39

2013 12 03

On a motion by Liz Thompson, seconded by Monica Girouard, the Advisory Committee recommended that Canadian Blood Services appoint BlackRock as the long bond fund manager, provided that the BlackRock Long Bond Indexed Fund with BBB bonds is added to the Manulife platform, failing which Beutel Goodman will be appointed when the assets that would be allocated to long bonds reach \$5 million.

Note: on December 12, 2013, Julie Dubois confirmed that the indexed Long Term Bond Fund managed by BlackRock, which is on the Manulife platform, is now investing in all issues covered by the index including BBB issues. As a result, the BlackRock Indexed Long Bond Fund will be added to the line up of funds.

On a motion by Monica Girouard, seconded by Liz Thompson, the Advisory Committee recommended maintaining the fee paid to Canadian Blood Services in reimbursement of expenses paid on behalf of the Plan at \$10 per member per month for 2014.

On a motion by Liz Thompson, seconded by Monica Girouard, the Advisory Committee recommended that Canadian Blood Services approve the development and delivery, in Atlantic, Eastern and Pacific time zones, of investment webinars in 2014; recording and posting of the webinar; and development of a workbook tutorial at a cost of \$14,000.

On a motion by Liz Thompson, seconded by Monica Girouard, the Advisory Committee recommended that Canadian Blood Services approve updating the Retirement Planning Workbook at a cost of \$18,600.

On a motion by Monica Girouard, seconded by Liz Thompson, the Advisory Committee recommended approval of a plan expense budget of \$867,380 for 2014.