
Wednesday, November 22, 2017

Public Session

10:00 a.m. to 11:00 a.m.

North Campus, ERC 3023

Toll-Free: 1-877-385-4099 Participant Passcode: 1028954#

Members: Stephanie Chow (Chair), Nigel Allen, Doug Allingham, Craig Elliott (non-voting), Sue McGovern (non-voting), Tim McTiernan, John Speers, Yowsif Yakub

Staff: Robert Bailey, Becky Dinwoodie, Cheryl Foy, Douglas Holdway

Guests: Leila Fiouzi (PH&N)

AGENDA

No.	Topic	Lead	Allocated Time	Suggested End Time
1	Call to Order	Chair		
2	Agenda (M)	Chair		
3	Conflict of Interest Declaration	Chair		
4	Chair's Remarks	Chair		
5	Approval of Minutes of the Meeting of August 16, 2017* (M)	Chair		10:10 a.m.
6	Investment Review		30	
6.1	Second Quarter Investment Review* (U)	PH&N		10:40 a.m.
7	Investment Learning – Exchange Traded Funds	PH&N	15	10:55 a.m.
8	Other Business	Chair	3	
9	Termination (M)		2	11:00 a.m.
	P - Presentation			
	M - Motion			
	U - Update			
	D - Discussion			
	* Documents attached			

Becky Dinwoodie, Secretary

**Public Session Minutes for the Meeting of August 16, 2017
11:20 a.m. to 12:00 p.m., ERC 3023**

Attendees: Nigel Allen (Chair), Adele Imrie (*via teleconference*), Tim McTiernan, John Speers (*via teleconference*), Tyler Turecki

Staff: Becky Dinwoodie, Craig Elliott, Doug Holdway

Guests: Stephanie Chow, Leila Fiouzi and Taylor Woodward from PH&N

Regrets:

1. Call to Order

The Chair called the meeting to order at 11:07 a.m.

2. Agenda

Upon a motion duly made by T. Turecki and seconded by T. McTiernan, the Agenda was approved as presented.

3. Conflict of Interest Declaration

There were no conflict of interest declarations.

4. Chair's Remarks

The Chair welcomed L. Fiouzi and T. Woodward from PH&N, as well as S. Chow to the meeting. He provided an overview of the items coming forward at the meeting.

5. Approval of Minutes of the Meeting of May 24, 2017

Upon a motion duly made by T. McTiernan and seconded by T. Turecki, the minutes were approved as presented.

6. Investment Review

6.1 First Quarter Investment Review

L. Fiouzi presented the first quarter investment review report and responded to questions from the committee.

7. Investment Learning – Economic Outlook for 2018

L. Fiouzi delivered a presentation on the economic outlook for 2018. She advised that the U.S. Federal Reserve has had its first tightening cycle since 2004. There were 17 rate hikes from 2004 to 2007 and none since 2007. Investors appear to be more complacent. The Global Policy Uncertainty Index is at a level that is somewhat concerning.

Global inflation is still relatively low due to the significant upheaval of the credit crisis (not all economic slack has been absorbed) and relatively low wage increases. During the most recent earnings period, profitability remains strong. It has been a long cycle – cycles tend to last 4-5 years and this cycle is now at 8 years.

Despite improvements in corporate profitability, there has been relatively low wage growth. The low growth can be attributed to remaining economic slack and structural changes (losing jobs to automation). There also appears to be a disconnect between the hard and soft economic data (soft is based on survey results). The hard data is not supported by the rosy picture painted by the soft data.

With respect to U.S. bank lending, credit creation has been negative in 2017. The rate of growth has declined, which is another concerning factor. Recovery in Canada has been faster than expected. L. Fiouzi compared the recovery of Alberta and Ontario.

Hourly wages have not recovered and when the minimum wage is increased, there will be an artificial increase.

Several of the key themes for 2017 and beyond:

- U.S. fiscal policy – corporate tax rate changes
- Rise in populism
- Retreat of globalization – rise of globalization had significant impact on economies and increased standards of living

The committee had a discussion regarding the possibility of a softer Brexit.

8. Other Business

9. Termination

There being no other business, upon a motion duly made by J. Speers and seconded by T. McTiernan, the public meeting terminated at 11:28 a.m.

Becky Dinwoodie, Secretary



Presentation to University of Ontario Institute of Technology

Public Session

Leila Fiouzi, CFA
Vice President & Investment Counsellor

Taylor Woodward, CFA
Associate

November 22, 2017



Wealth Management
PH&N Investment Counsel

Summary Investment Returns

September 30, 2017

Market Value:	Investment Account	\$	23,761,502
	Cash Account	\$	582,811

	Three Months %	One Year %	Three Years %	Five Years %	Since Inception*
UOIT	1.97	8.39	7.19	9.46	8.29
<i>Benchmark **</i>	<u>1.07</u>	<u>6.61</u>	<u>5.70</u>	<u>7.63</u>	<u>7.25</u>
Difference	+0.90	+1.78	+1.49	+1.83	+1.04
*Inception date Feb 28, 2006					
UOIT (Cash A/C)	0.27	0.99	0.98	-	0.99
<i>FTSE TMX Canada 30 Day T-Bill</i>	<u>0.16</u>	<u>0.54</u>	<u>0.56</u>	-	<u>0.64</u>
Difference	+0.11	+0.45	+0.42	-	+0.35

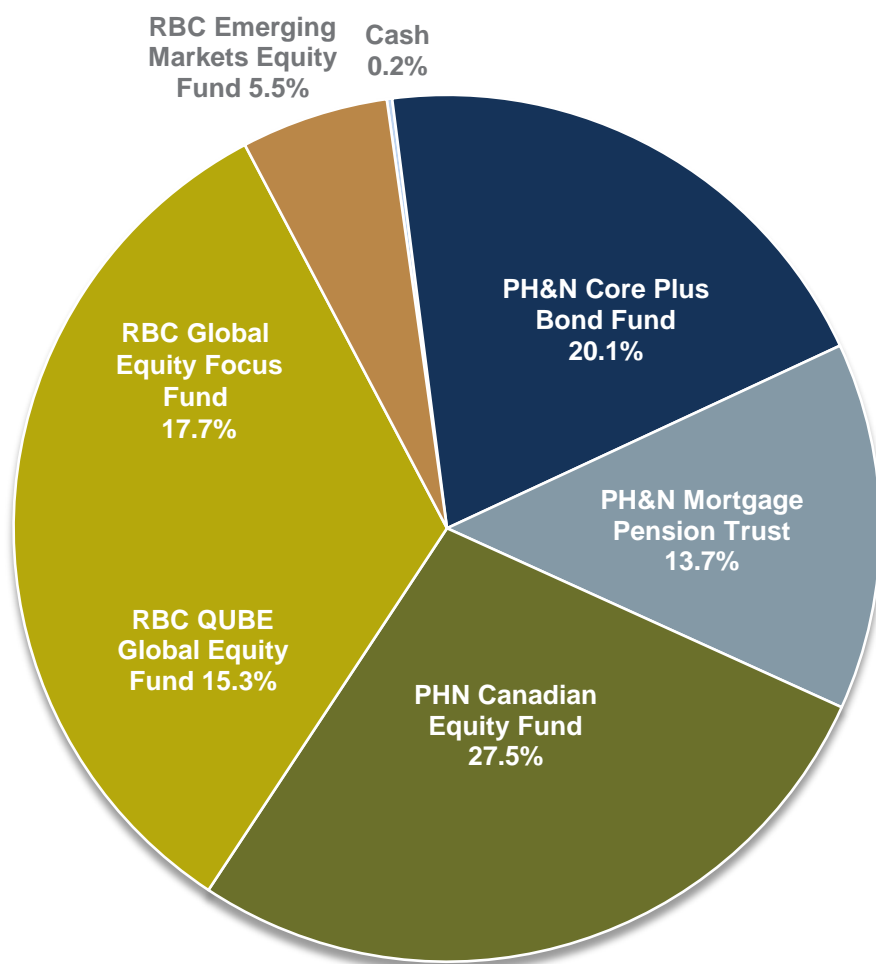
*Inception date Nov 30, 2013

** Current Custom benchmark: 20% FTSE TMX Canada Universe Bond Index; 15% FTSE TMX Canada Short Term Overall Bond Index; 27% S&P/TSX Capped Composite Index; 33% MSCI World Net Index (C\$); 5% MSCI Emerging Markets Net Index (C\$).

Note: All performance is shown gross of annual investment management and custody fees of 38 basis points

University of Ontario Institute of Technology

Asset Mix as at September 30, 2017



Funds	Target Allocation (%)
Cash and Cash Equivalents	0.0
PH&N Mortgage Pension Trust	15.0
PH&N Core Plus Bond Fund	20.0
PH&N Canadian Equity Fund	27.0
RBC Global Equity Focus Fund and RBC QUBE Global Equity Fund	33.0
Emerging Markets Equity Fund	5.0

Exchange Traded Funds



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Wealth Management
PH&N Investment Counsel