

**Public Session Minutes for the Meeting of November 16, 2016  
10:45 a.m. to noon, ERC 3023**

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

**Staff:** Becky Dinwoodie, Craig Elliott, Cheryl Foy, Sue McGovern, Michael Owen

**Guests:** Leila Fiouzi and Peter Dawkins from PH&N

**1. Call to Order**

The Chair called the meeting to order at 10:47 a.m.

**2. Agenda**

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

**3. Conflict of Interest Declaration**

There was none.

**4. Chair's Remarks**

The Chair noted the presentations that P. Dawkins and L. Fiouzi would be making during the session, particularly the presentation on the impact of the U.S. presidential election on the economy.

**5. Approval of Minutes of the Meeting of August 10, 2016**

*Upon a motion duly made by A. Imrie and seconded by T. McTiernan, the Minutes were approved as presented.*

## **6. Investment Review**

### **6.1 Second Quarter Investment Review**

L. Fiouzi reviewed the second quarter investment report and highlighted the sovereign debt quality. She noted that after the credit crisis, there was a lot of deleveraging taking place and the U.S. lost their triple A credit rating.

### **6.2 Annual Report on ESG**

L. Fiouzi presented the RBC Global Asset Management semi-annual report on Corporate Governance and Responsible Investment (CGRI), which includes a summary of its proxy voting. L. Fiouzi reported that 11% of their ballots voted against management. The CGRI also reports on engagements undertaken over the relevant period. She highlighted engagement with a large Canadian mining company. The concern was that the company's Board of Directors was light on people with mining experience; accordingly, the company was asked to appoint directors with mining expertise. She also referred to the actions taken with respect to Potash's sourcing of phosphate from the Western Sahara due to the risk of human rights violations.

## **7. Investment Learning – Potential Impact of U.S. Election on Economy and Financial Markets Election**

L. Fiouzi conducted an educational session on the potential economic impact of the recent U.S. presidential election. She reviewed a side by side comparison of the Trump and Clinton political platforms. Trump's proposed plan is to increase spending and reduce taxes. His stance against NAFTA could have a tremendous impact on Canada.

It is estimated that Trump's policies will have a negative impact on the economy in the long-term.

L. Fiouzi discussed some of his proposed policies and their potential consequences, including:

- Reduction of compliance obligations introduced by the Dodd-Frank Wall Street Reform and Consumer Protection Act;
- Plans to repatriate auto manufacturing to the U.S. (increased labour costs, impact of relations with China);
- Reduction of incentives for clean energy/technology;
- Tariff structure for oil and gas
- Stricter immigration policies – much of the U.S. economy is supported by legal and undocumented immigrants

She advised that stock markets prefer the status quo, no matter what it is. When a different party is elected, uncertainty increases and the market reaction will be more uncertain. While there might be a lot of uncertainty in the future, things will eventually settle down. As an institutional and long-term investor, this is good news.

L. Fiouzi provided an overview of the impact of other economic policy shocks, including the Volcker appointment, Asian crisis, fall of the Berlin Wall, Bear Stearns collapse, etc. An examination of the history of the market in periods of turmoil showed that investors should not abandon equities. The market has survived a number of different shocks. It pays most to marginally adjust in the short-term and stay with investments for the long-term.

## **8. Other Business**

There was none.

## **9. Termination**

*Upon a motion duly made by T. McTiernan and seconded by T. Turecki, the public session of the meeting terminated at 11:25 a.m.*

Becky Dinwoodie, Secretary