



PENSION COMMITTEE

SPECIAL MEETING

Tuesday, October 18, 2011, 2:15 p.m. – 2:45 p.m.

FORSTER ROOM 229, Simcoe Hall

AGENDA

(Cover Memo)

- 1** University of Toronto Pension Master Trust: Investment Targets and Actuarial Assumptions
(Motion for approval)

Following presentations by the Assessors, by the Plans' actuary and by the Vice-Chair, the Committee engaged in an extended discussion with several members' questions expressing caution about the proposed return target and selected actuarial assumptions. There was a widely-held view that the long-term target return proposed by the Administration would not necessarily represent the expected return in the near term but that it approximated the return assumption used for actuarial purposes. There was recognition among members of the Committee that significant funding consequences would arise if the return assumptions are not met but in light of current market conditions pension investments must have a strong emphasis on avoiding a permanent loss of capital. With their caution and in this context the following recommendation was approved.

Effective July 1, 2011, that a real investment return target of at least 4.0% over 10-year periods while taking an appropriate amount of risk to achieve this target, but without undue risk of loss, be adopted for the University of Toronto Pension Master Trust, and that the going concern, solvency and hypothetical wind-up assumptions contained in Attachment 3, Appendix I to this memo be adopted for the University of Toronto Pension Plan, the University of Toronto (OISE) Pension Plan and the Supplemental Retirement Arrangement.