

The following motion was passed overwhelmingly by UTFA Council

on Wednesday, February 16, 2011

Motion:

Whereas some 6,000 faculty and librarians, including active, retired and other plan participants, are members of the University of Toronto Registered Pension Plan (RPP):

Whereas Governing Council of the University of Toronto is both the legal Sponsor and the legal Administrator of the RPP, and it therefore has a fiduciary duty on behalf of all plan members to see that the pension plan and its investments are managed prudently and responsibly:

Whereas Governing Council and the Administration -

- (i) have allowed some eighteen years of missing pension contributions,
- (ii) have approved the same investment policy for pension assets as for endowment assets,
- (iii) have allowed the allocation of a significant portion of assets to some 400 hedge fund managers in recent years (including losses to the Madoff Ponzi scheme),
- (iv) have allowed pension monies to be invested in illiquid alternative assets,
- (v) have allowed the associated management costs to increase by some 500%,
- (vi) have experienced investment losses of about \$1 billion in 2008 (-29.5%) representing almost one third of pension plan assets. (And these losses have not recovered in the market rebounds of 2009 and 2010).

Whereas UTFA Council has been advised that there are grounds for initiating legal action to challenge the administration's serious mismanagement of the pension plan as detailed above.

UTFA Council has decided not to initiate any legal action at this time.

UTFA Council does express in the strongest terms possible its objections to the investment and contribution policies of the pension plan, and to any attempt by the administration to seek to require the plan membership to increase its contribution amounts and levels as a result of the administration's mismanagement.