



**ALBERTA LOCAL AUTHORITIES PENSION PLAN CORP.
BOARD OF DIRECTORS**

MINUTES of the meeting of the Alberta Local Authorities Pension Plan Corp. Board of Directors held on November 19, 2015 in the Local Authorities Pension Plan Board Room, Suite 1202, 10250 – 101st Street, Edmonton.

Board members

Present:

R. West
J. Whaley

Present via Phone:

T. Agoto
C. Good
G. Howell
N. Ketler
D. Sander
D. Sieben
L. Thompson
G. Walker

Absent:

D. Aldous
K. Balkwill
P. Marsden

ALAPP Corp. Staff (Present at the request of the Board):

██████████ President and CEO
██████████ Vice-President, Investments
██████████ Vice-President, Pension Policy and Funding
██████████ Board Secretary

NEXT REGULAR BOARD MEETING SCHEDULED FOR: December 18, 2015



**ALBERTA LOCAL AUTHORITIES PENSION PLAN CORP.
BOARD MEETING
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November 19, 2015**

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3. BOARD IN CAMERA	

The Chair, T. Agoto, convened the meeting at 1:05pm, November 19, 2015

D. Aldous, K. Balkwill, N. Kettler and P. Marsden absent at start of meeting.

1. APPROVAL OF AGENDA

MOTION AL15:11:01 That the Board of Directors accept the agenda.

Carried 9-0

2. BUSINESS

2.1 Hedge Fund Definition

The ALAPP Corp. VP Investments provided an overview of the report. There was discussion about the difficulty in developing a workable definition, the role of hedge funds, the risks associated with hedge funds and how those risks could be managed.

N. Kettler joined the meeting at 1:40pm.

MOTION AL15:11:02: That the Board approve the following changes in the Statement of Investment Policy and Goals (SIP&G):

1. Update the definition in section 4.10 on hedge funds as recommended;
2. Eliminate the limit in the asset mix table being applied to hedge funds;



3. Control exposure to leverage, portable alpha and other permitted activities through the revised global risk limits based on portfolio VaR (see AIMCo Risk Review); and
4. Continue to require disclosure and reporting,

and that the amended SIP&G be brought to the Board of Trustees' for final review and approval.

Carried 10-0

2.2 Private Equity Benchmark

The ALAPP Corp. VP Investments provided an overview of the report. There was discussion about the beta component, how the use of market based benchmarks could distort the decision making process of the investment managers and the need to continue to report against past benchmarks in addition to the new benchmark.

The Board requested that reporting also include past benchmarks.

MOTION AL 15:11:03: That the benchmark for private equity be changed to CPI plus 650 basis points (using a 5-year rolling average) effective January 1, 2016 and that the amended SIP&G be brought to the Board of Trustees for final review and approval.

Carried 10-0

2.3 AIMCo Risk Review

The ALAPP Corp. VP Investments provided an overview of the report. There was discussion tying the fund investment risk metric to the funding strategy, the ranges for the fund risk metric, at what point the Board should consider targets in the asset mix policy, the upcoming asset liability mix study and the value added expectation from AIMCo.

MOTION AL 15:11:04: That Management re-draft the sections of the Statement of Investment Policy and Goals (SIP&G) regarding Section 3 "Objectives and Asset Mix" and Section 5 "Performance Measurement and Control" as recommended and that the amended SIP&G be brought to the Board of Trustees for final review and approval.

Carried 10-0

2.4 Annual SIP&G Review

The Board reviewed the report, which included the recommended changes from the previous agenda items.

MOTION AL 15:11:05: That the Statement of Investment Policy and Goals be amended as recommended and the amended SIP&G be brought to the Board of Trustees' for final review and approval.

Carried 10-0

The meeting recessed at 2:15pm.

The meeting reconvened at 2:20pm.

3. Board In-Camera

The Board went in camera at 2:20pm.

[REDACTED] and [REDACTED] left the meeting at 2:20pm.

[REDACTED] left the meeting at 2:25pm.

As the agenda was completed, the Chair declared the meeting adjourned at 2:30pm.

[REDACTED]

Chair
November 19, 2015

[REDACTED]

Board Secretary