BRANDON UNIVERSITY

Brandon University Retirement Plan
Board of Trustees
Wednesday, February 14, 2024 @ 1:00 p.m.
Clark Hall Room 104 & via Teams

AGENDA

1.0 Call to Order

2.0 Approval of Agenda and Minutes

2.1 Approval of Minutes of November 22, 2023

2.2 Approval of Agenda of February 14, 2024

3.0 Connor, Clark & Lunn Investment Management Ltd (L Ross Onder & P Muldowney)

3.1 Investment Performance Review

4.0 New Business

4.1 Board of Governors, Representative, Julee Galvin

4.1.1 Schedule B for signature

4.2 Annual Review of Statement of Investment Policies & Procedures

4.3 Education Session – Plan Governance

4.4 Extrapolated funding position and considerations in performing a valuation as at December 31, 2023

4.5 July 1, 2024 – Cost of Living Increases

5.0 Continuing Business

5.1 Eckler Pension Presentation – BU Staff & Faculty (Update)

6.0 Correspondence

6.1 CIBC Mellon Custodial Fees – Invoices

Invoice #	Duration	Amount
305468	Dec 1 – 31, 2023	$11,309.36
303569	Nov 1 – 30, 2023	$11,060.35
302385	Oct 1 – 31, 2023	$10,455.42

6.2 Connor, Clark & Lunn - Invoices

Invoice #	Duration	Amount
19647_1939	Jul 1 – Sept 30, 2023	$242,909.85

6.3 Eckler

Invoice #	Duration	Amount
Administration Services 0194BUN10-EB1-23-3398	Oct 1 – Dec 7, 2023	$33,902.04
Professional Services 0192BUN01-EB1-24-0015	Oct 1 – Dec 31, 2023	$20,949.39

6.4 BU Misc Invoice

Account #	Duration	Amount
762549	Nov 2022 -2023	$20,523.92

7.0 Upcoming Meeting Dates

Wednesday, June 5, 2024	1:00 – 4:00 p.m.	Clark Hall Room 104
Wednesday, November 20, 2024	1:00 – 4:00 p.m.	Clark Hall Room 104

BRANDON UNIVERSITY

Brandon University Retirement Plan
Pension Trustees
Wednesday, November 22, 2023
MEETING MINUTES

Present:	Allison Noto (Exempt) David Taylor (BUFA) Doug Pickering (BUFA) Eric Raine (MGEU) Greg Misener (MGEU) (via Zoom) Jan Chaboyer (Retiree) Scott Lamont (Board of Governors) Warren Wotton (IUOE-A)
Guests:	Andrew Kulyk, Eckler Ltd. Lizanne Ross Onder, CC&L Peter Muldowney (via Zoom)
Regrets:	Nicky Kreshewski (Resource) (via Zoom)
Recording Secretary:	Donna Neufeld

---

1. Meeting called to order at 1:15 p.m.

The Chair started the meeting with an acknowledgement with respect to the lands the Brandon University campus is located.

2. Approval of Agenda & Minutes

2.1. Approval of Agenda of November 22, 2023. The following item was added to the agenda.

4.1 Asset Allocation

> Motion: Moved and Seconded (S Lamont/D Pickering)
>
> BE IT RESOLVED THAT THE agenda for the November 22, 2023 meeting of the Brandon University Retirement Plan Pension Trustees be approved as amended.
>
> CARRIED

2.2. Approval of Minutes of June 7, 2023

2.3. Approval of September 25, 2023

> Motion: Moved and Seconded (S Lamont/W Wotton)
>
> BE IT RESOLVED THAT THE minutes for the June 7 & September 25, 2023 meetings of the Brandon University Retirement Plan Pension Trustees be approved as presented.

CARRIED

3. Connor, Clark & Lunn Investment Management Ltd. (L. Ross Onder)

3.1. Investment Performance Review

- L Ross Onder gave an overview of the CC&L's third quarter 2023 Investment Performance Review presentation.
- Executive Summary:
  - After a strong start to the third quarter, concerns over rising energy prices' impact on inflation and higher for longer interest rates weighed on investor sentiment,
  - Towards the end of the quarter, bond yields surged, reaching new highs for this economic cycle and equity markets declined in the final weeks of September,
  - Higher oil prices and interest rates drove equity market leadership over the quarter,
  - The rise in yields, particularly in the longer end of the yield curve, resulted in short-term bonds outperforming universe and long bonds,
  - The Retirement Plan portfolio's third quarter 2023 return was -4.0%, below its benchmark's return of -3.7%,
  - Year-to-date, the portfolio returned 2.8%, which was 0.8% below the benchmark,
  - The portfolio's annualized 4-year return was 4.7%, or 1.6% above its benchmark, and
  - Since the last meeting in June, there was an additional capital call for real estate in July and for infrastructure in September.
- Portfolio Valuation and Asset Mix
  - At the start of the 3rd quarter, the portfolio started at $225,008,106 and by the end of the quarter it was down to $214,473,654.
  - Infrastructure Fund
  - When BDO conducted their audit of the Infrastructure Fund, they raised a concern that the Retirement Plan having a 10% allocation to Infrastructure Fund, there could be an issue as there is a 10% maximum concentration limit that applies to pension plans.
  - Whenever equity markets decline, there is a risk that the market value of the Plans' infrastructure investment would be greater than 10% of the Pension Plan.
  - When the University made the commitment to include infrastructure in March 2022, the market value of the portfolio was approximately $240 million; and with the decline in markets, there was a decline in the market value of the BU Retirement Plan portfolio so if the original $240 million had been fully invested, it would represent more than 10% of the Plan's portfolio which is a problem.
  - Currently the Plan has approximately 2.6% of the portfolio invested in infrastructure.
  - From a risk management, it could be prudent for the Trustees to consider requesting a reduction in the portion of the Plan's capital commitment that has not yet been invested. This would have to be done prior to December 15, 2023.
  - The 10% that is in the Infrastructure Plan is a technical structure. The University does not own more than 10% of any particular asset or fund.
  - If the University runs more than 10% of a company then the Auditor has to start auditing the companies that the funds are invested at the expense of the University.
  - An administrative update was made to minimum and maximum ranges in the interim policy for long bonds. Funds are divested from the Canadian equities and long bonds to fund the Real Estate and Infrastructure investments and ultimately the portfolio will be switched towards its long-term policy mix. There was an inconsistency in the minimum and maximum ranges for long bonds in the University's interim policy mix and the long-term policy mix.
  - Going forward, the long-term policy ranges for long bonds will be adopted which is a minimum of 10% and a maximum of 30%. This means that the BURP SIPP will need to be

amended. CC&L will prepare a brief Management Account Agreement amendment letter that the Trustees will need to execute to accept this change.
  - The SIPP needs to be reviewed annually under the Pension Benefits Regulation and filed with the Superintendent of Pensions.
- Market Review – As at September 30, 2023
  - After a strong start to the 3rd quarter, concerns over rising energy prices' impact on inflation and higher for longer interest rates weighed on investor sentiment,
  - The quarter ended with surging bond yields which reached new highs for this economic cycle and equity market declines,
  - Despite the move lower in global equity markets, energy was the top performing sector while technology and most cyclical sectors finished the quarter lower,
  - Rising yields, particularly in the longer end of the yield curve, resulted in short-term bonds outperforming universe and long bonds.
- Investment Returns as at September 30, 2023
  - The Plan portfolio was down -4.0% at the end of the 3rd quarter and up 2.8% YTD; slightly behind the benchmark of 3.6%.
  - The 4-year returns for the Plan's investments are up 4.7%; 1.6% over benchmark.
- Asset Class Returns as at September 30, 2023
  - All three of the Canadian Equity Funds beat the TSX in the 3rd quarter.
  - The top performing fund for the quarter was the Emerging Markets Equity Fund which had a positive return of 2.4% and beat its benchmark by 3.2%.
- Canadian Equity – Q3 2023 Market Review & Performance Attribution
  - The markets were volatile and declined in the third quarter.
  - The Energy sector delivered a positive return this quarter of over 10%.
  - All three Canadian strategies (CC&L Q Equity Extension, SRA Canadian Equity Fund & PCJ Canadian Equity Fund) outperformed the index.
- Foreign Equity – Q3 2023 market review & performance attribution
  - The US Equity market outperformed both the Canadian & International Equity markets.
  - All three markets declined in the 3rd quarter.
- Emerging Markets Equity – Q3 2023 Market Review & Performance Attribution
  - This fund was the strongest performer against equites and fixed returning 2.4%.
  - YTD the fund has outperformed its benchmark by 6.6%.
- Fixed Income – Market Review & Performance Attribution
  - In the 3rd quarter, the yield curve shifted in an upward direction.
  - The Long Bond Fund was slightly ahead of the Long Bond Index.
  - YTD the fund is up 1.9%.
- Real Estate – Q2 - 2023
  - The Fund experienced a small negative return of 0.8% in the 2nd quarter.
  - The Fund's income return has remained positive and stable over the last 12 months.
  - The 3rd quarter's returns are a positive 1.7%.
  - The occupancy rate of the portfolio is above 90%.
  - The Fund participated in a capital call in July in which the Fund acquired 2 multifamily residential properties.
- Infrastructure – Q2 2023
  - There was a 1.7% return in the 2nd quarter below the 2.4% benchmark.
  - In the 3rd quarter, the Fund was up 2.1%, YTD, the fund is up 8.1% which is in line with its target range.
  - Going forward, the Infrastructure Fund will allocate up to 20% of its total investment commitments to a second infrastructure fund which will be launched in early 2024, will

exclusively be focused on energy transition infrastructure investments. This will include renewable fuels, sustainable heating and cooling systems, and carbon capture projects, etc.

- Economic Picture & Outlook
  - For the consumer side, retail sales have slowed. The unemployment rate is 5.7%.
  - The business side, the Bank of Canada overall business outlook survey index fell to the lowest level in the 3rd quarter.
  - On a year over year basis, inflation came down to 3.1%; however still above the Bank of Canada target of 2%. Inflation seems to have peaked, but risk of re-acceleration remains.
- Asset Class Positioning
  Equities
  - Canadian equities, remain focused on business with good profit margins, maintain balanced cyclical exposure.
  - Foreign equities, focus remains on quality growth companies with strong financials that should perform well in a softer market environment.
  - Emerging markets: look well-positioned to weather economic slowdown.
- Fixed Income
  - Positioning remains defensive overall, should benefit from a continued normalization in the yield curve.
- Real Estate & Infrastructure
  - Real Estate: continues to deliver stable income returns, industrial sector weighting complemented by defensive retail, growing multifamily exposure and well-tenanted high quality office properties.
  - Infrastructure: continues to be diversified and well-positioned regardless of cyclical challenges.

  - Equity markets and bonds performed well at the beginning of the 4th quarter.
  - As of November 21st, market close, the Retirement Plan portfolio was over $225 million which is a gain of over $11 million at the end of the 3rd quarter.

3.2. Investment Portfolio Updates
  3.2.1. CC&L Infra-Energy Transition Letter (August 2023)
  3.2.2. CC&L Institutional Infrastructure Fund (Tax Exempt) – Term Sheet
  3.2.3. CC&L Institutional Infra Fund – SIPP (August 2023)

- These documents were included in the agenda package for information.

4. New Business

4.1. Asset Allocation

- Scott & Lizanne explained the reason for reduction in the Capital Commitment to CC&L Institutional Infrastructure Fund to $15,000,000 effective December 15, 2023. The Committee discussed the change and made the following motion.
- The Pension Trustees will send a letter to CC&L confirming their intent to request a $9,000,000 reduction in the original capital commitment to bring the commitment to $15,000,000 instead of $24,000,000.

Motion: Moved and Seconded (S Lamont/D Pickering)

BE IT RESOLVED THAT THE Brandon University Retirement Plan Pension Trustees approve setting the Connor, Clark & Lunn Capital Commitment Infrastructure Fund maximum at $15,000,000.

CARRIED

4.2. Pension Election Nominee – Jan Chaboyer

4.2.1. Schedule B for signature

- The Chair welcomed Jan. Scott spoke to the Schedule B – the Acceptance of Trust document Jan is required to sign as a new Trustee agreeing to the responsibilities of a Brandon University Pension Trustee.

4.2.2. Motion to release Maurice Koschinksy

- There is a motion to release Maurice as he is no longer a Trustee.

Motion: Moved and Seconded (E Raine/W Wotton)

BE IT RESOLVED THAT THE Brandon University Retirement Plan Pension Trustees release Maurice Koschinsky of his responsibilities and obligations as a Brandon University Pension Trustee.

CARRIED

4.3. Approval of 2023 Auditors

- BDO is currently the Auditor and they have been hired for 5 years; however they need to appointed each year.

Motion: Moved and Seconded (S Lamont/J Chaboyer)

BE IT RESOLVED THAT THE Brandon University Retirement Plan Pension Trustees appoint BDO as the Auditor for the 2023 Fiscal Year.

CARRIED

4.4. Plan for next Pension Presentation to BU in 2024

- Scott recommends that Eckler make Pension Presentations to staff and faculty more frequently and as soon as February/March. The presentations would include the Retirement Plan, Canada Pension Plan, Old Age Security Plan, and all the other factors when planning for retirement.
- Andrew has agreed to complete 2 presentations on campus in one day (one during business hours and the second one around 4 p.m.).

4.5. Pension Trustee Training Session

- Andrew has 3 different training programs for the Pension Trustees. They are the general overview of the plan provisions, governance focused, and actuarial valuation basics.
- If the Trustees would like to do shorter recurring training programs, there is the Pension Benefits Act, the Income Tax Act, General Pension Information (eg. what is a defined benefit plan, what is a defined contribution plan, how does funding work, solvency evaluations, etc.).
- The IUOE-D position is still vacant.
- It was suggested that training happen for at least half-hour of each Pension Trustees' meeting. The first training session will be on Governance at the February 7, 2024 meeting.

5. Continuing Business

5.1. Post Normal Retirement Date (Age 65) Elections & Statements Update

- The Province issued new legislation which allowed a change that was not previously offered. When someone reaches the age of 65 or normal retirement age, the Plan is now allowed to offer a choice for anyone continuing to work between continuing to participate and accruing service or stopping contributions and freezing benefits.

- Brandon University made an amendment to the Plan which allowed members to have this choice.
- It is a very detailed and technical calculation for each person's pension projection. Projections were provided to anyone over the age of 65 on what their pension would be at the next annual increments to age 71. The latest age a member can commence their pension is the December of the year one turns 71.
- The choice is a one-time choice if a member chooses to stop contributing.
- Going forward, statements will be prepared on a quarterly basis as members are getting closer to age 65 informing them of their retirement benefits, and also the projections on whether they make the choice to continue to make pension contributions or not.

6.0 Correspondence

Motion Moved and Seconded (A Noto/D Pickering)

BE IT RESOLVED THAT THE Brandon University Retirement Plan Pension Trustees approve the payment, after the fact, of the invoices from agenda items 6.1 through 6.3.

CARRIED

7.0 Upcoming Meeting Dates

Wednesday, February 7, 2024	1:00 – 4:00 p.m.	Clark Hall Room 104
Wednesday, June 5, 2024	1:00 – 4:00 p.m.	Clark Hall Room 104
Wednesday, November 20, 2024	1:00 – 4:00 p.m.	Clark Hall Room 104

8.0 Adjournment

Motion Moved and Seconded (D Pickering/J Chaboyer)

BE IT RESOLVED THAT THE Brandon University Retirement Plan Pension Trustees approved adjournment of the meeting at 3:11 p.m.

CARRIED

CONNOR, CLARK & LUNN

BOARD OF TRUSTEES' MEETING

LIZANNE ROSS ONDER & PETER MULDOWNEY

February 14th, 2024

BRANDON UNIVERSITY RETIREMENT PLAN

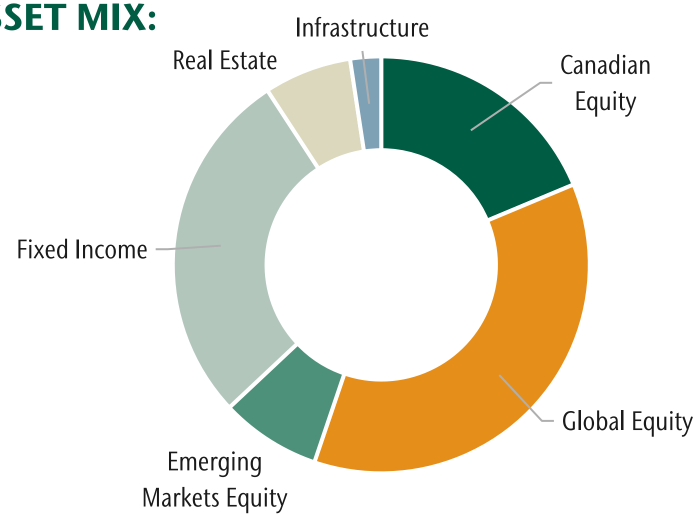
DASHBOARD

ASSETS UNDER MANAGEMENT:

2023 Year-end	Q4 2023 growth
$233,008,438	~$20.3 million*

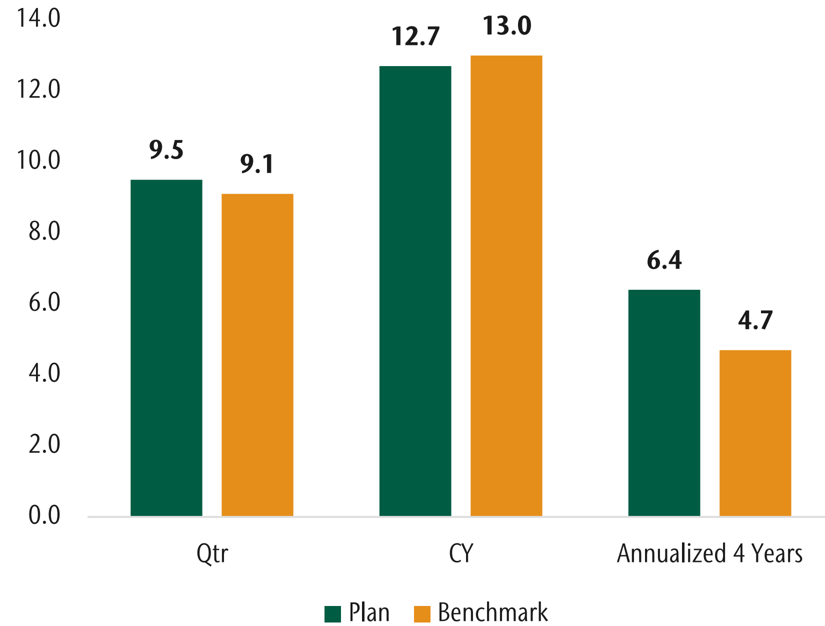
*excludes contributions & withdrawals

ASSET MIX:



- All asset classes were broadly in line with the interim policy mix
- Private market investments now represent 9% of assets (vs. long-term target of 20%)

PERFORMANCE:



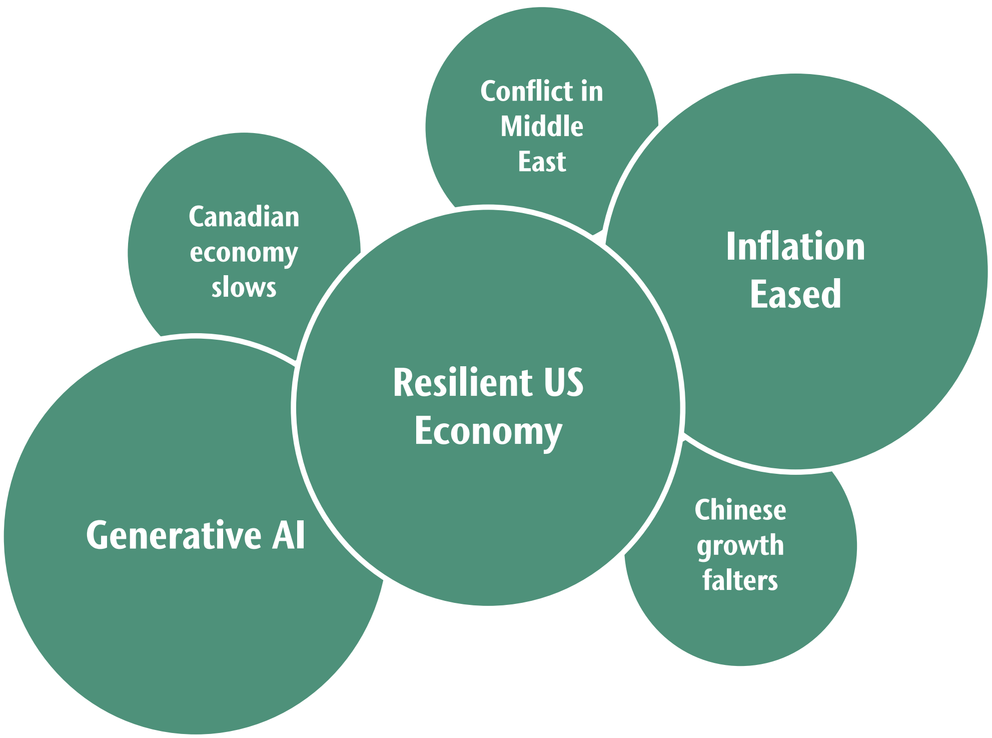
- International equity and commercial real estate funds were the key sources of underperformance for calendar year
- All funds held in the portfolio over the 4-year period ending December 31, 2023 have contributed to the added value

OTHER UPDATES:

- Founding partner, Lloyd Rowlett retired from SRA
- CC&L Infrastructure on track to launch new energy transition strategy
- Crestpoint Real Estate launching an opportunistic strategy

2023 YEAR IN REVIEW

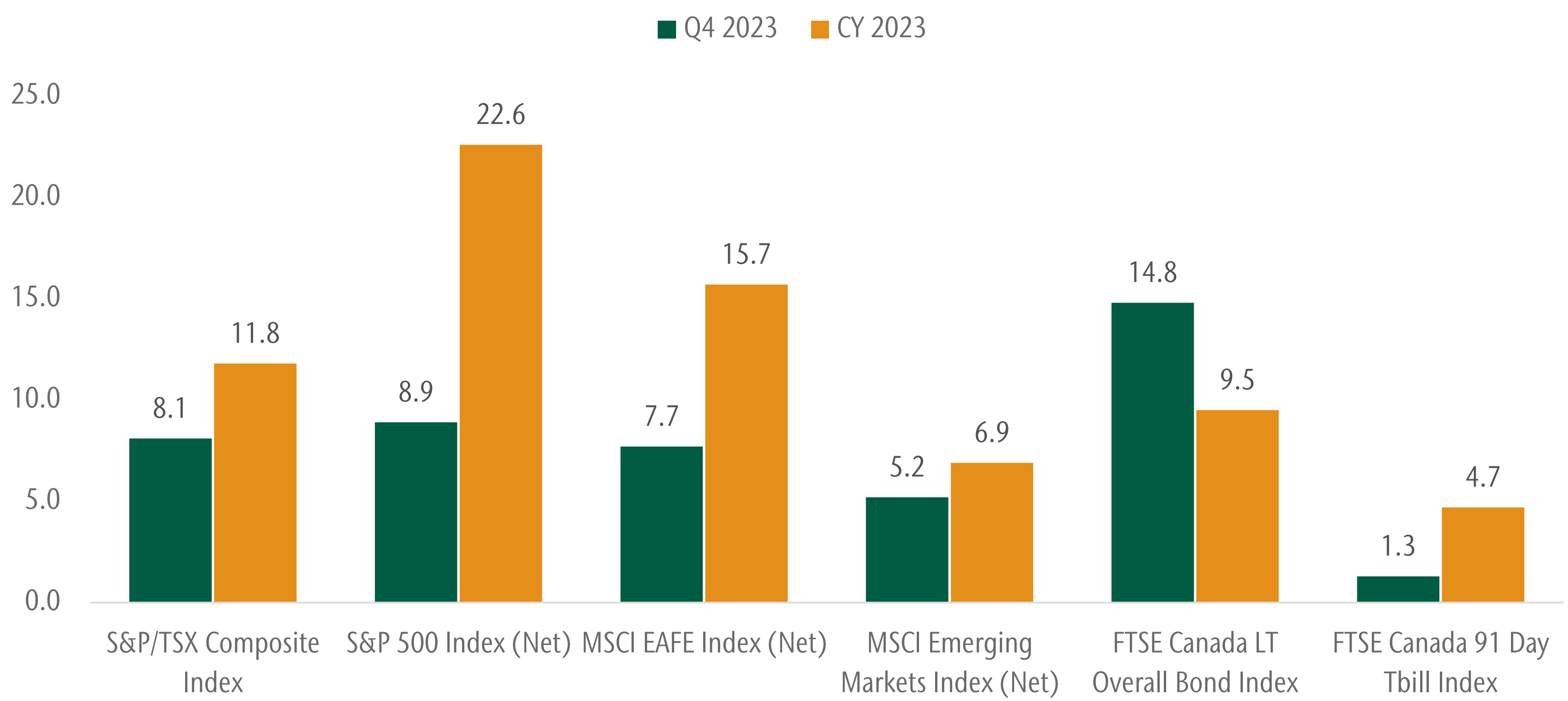
Key Market Themes in 2023



MARKET REVIEW

As at December 31st, 2023

- Signs of a slowing US economy & a more dovish tone from the US Federal Reserve dissipated concerns of further interest rate hikes
- After spiking earlier in the quarter, bond yields subsequently plunged
- Equities rallied with information technology regaining the top spot among sectors, while in developed markets, energy was the only sector to deliver a negative return
- The decline in yields over the quarter resulted in positive returns from bonds, with long bonds outperforming other major public markets



Note: All index returns are in Canadian dollars

INVESTMENT RETURNS

As at December 31, 2023

TOTAL PORTFOLIO	Q4 2023 (%)	Calendar Year (%)	Annualized 4 Years (%)
Brandon University Retirement Plan	**9.5**	**12.7**	**6.4**
Benchmark*	9.1	13.0	4.7
Added Value	**0.4**	**-0.3**	**1.7**

* Benchmark is evolving towards the long-term mix. The benchmark as at 12/31/2023 was 18.5% S&P500 Index (Net 15%) (CAD$) & 18.8% S&P/TSX Composite Index & 18.5% MSCI EAFE Index Net (CAD$) & 8% MSCI Emerging Markets Net (CAD$) & 27.3% FTSE Canada Long Term Overall Bond Index & 6.5% Inflation +4% (Canada CPI + 4%) & 2.5% Inflation +5% (Canada CPI + 5%).
Prior to September 15, 2023, benchmark was 18.5% S&P500 Index (Net 15%) (CAD$) & 18.8% S&P/TSX Composite Index & 18.5% MSCI EAFE Index Net (CAD$) & 8% MSCI Emerging Markets Net (CAD$) & 28.7% FTSE Canada Long Term Overall Bond Index & 6.5% Inflation +4% (Canada CPI + 4%) & 1% Inflation +5% (Canada CPI + 5%).
Due to the valuation lag for real estate and infrastructure:
Q4 returns include the last available returns in the current calendar quarter
YTD returns include the last available returns in the current calendar year
Annualized returns include the last available returns for these investments
All returns are gross of fees except for infrastructure. Added value may differ due to rounding to 1 decimal place.

ASSET CLASS RETURNS

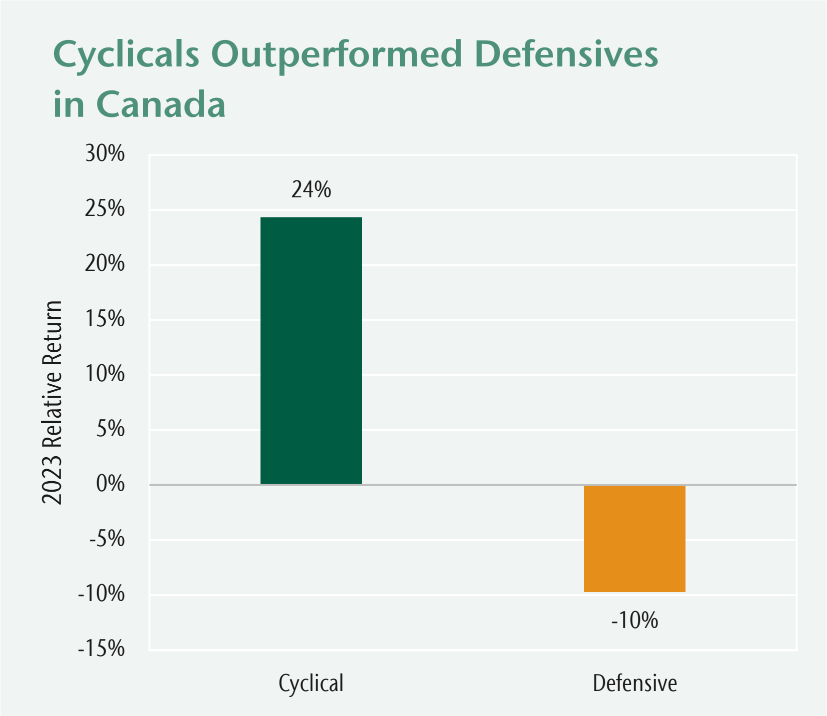
As at December 31, 2023

	FUND/TRUST	Q4 2023 (%)	Calendar Year 2023 (%)	Annualized 4 Years (%)
Total Canadian Equities		**8.4**	**11.7**	**10.9**
Canadian Equity	CC&L Q Equity Extension I	9.6	13.8	12.7
	SRA Canadian Equity	7.9	9.3	11.0
	PCJ Canadian Equity A	7.8	12.0	8.9
	S&P/TSX Composite Index	8.1	11.8	8.6
Total Global and Emerging Market Equities		**8.8**	**16.8**	**10.3**
Global Equity	CC&L Q US Equity Extension A	9.4	23.3	14.1
	S&P 500 Index Net (CAD)	8.9	22.6	12.2
	NS Partners International Equity A	9.8	11.8	8.0
	MSCI EAFE Index (CAD)	7.7	15.7	5.9
Emerging Market Equity	CC&L Q Emerging Markets Equity	4.9	13.5	6.0
	MSCI Emerging Market Index Net (CAD)	5.2	6.9	0.7
Fixed Income	CC&L Long Bond A	14.9	10.1	-1.6
	FTSE Canada Long Term Overall Bond Index	14.8	9.5	-2.2
Alternatives	Crestpoint Institutional Real Estate*	1.7	-0.2	-
	CC&L Institutional Infrastructure*	2.2	8.2	-

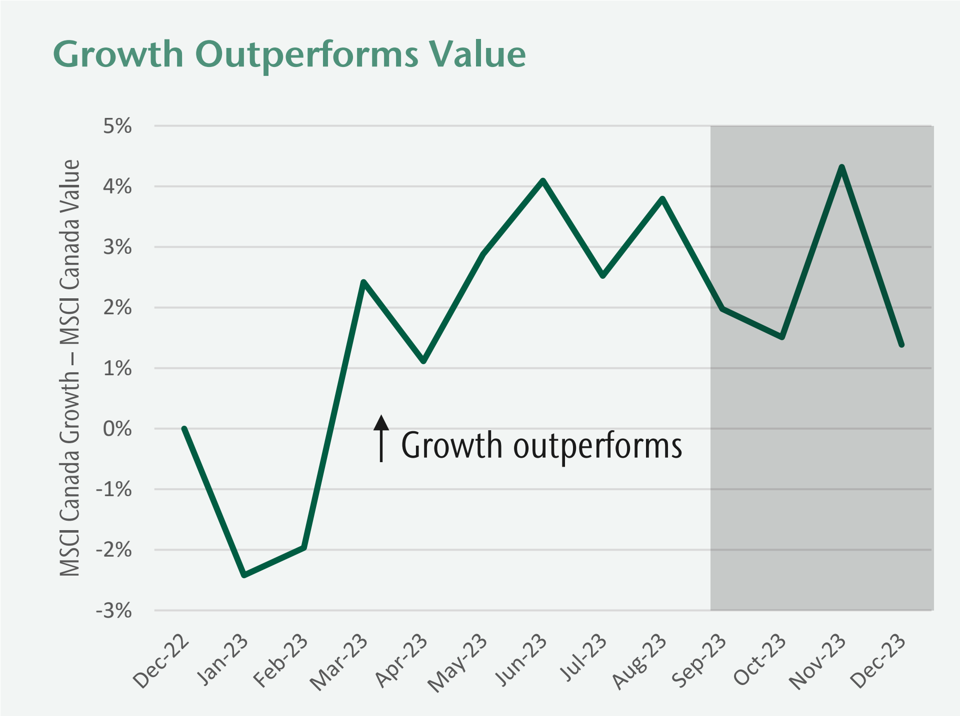
* Due to the valuation lag for real estate and infrastructure, returns presented here are to the end of the previous calendar quarter.
All returns are gross of fees except for infrastructure.

CANADIAN EQUITY

Market review



Source: S&P Global Intelligence, Connor, Clark & Lunn Investment Management Ltd.
Cyclical Industries: Technology, Diversified Financials, Insurance, Industrials, Consumer Discretionary, Consumer Staples, Metals, Paper Forest, Banks, Energy, Autos, Media and Chemicals
Defensive Industries: Real Estate, Gold, Oil & Gas Utilities, Electric/Power Utilities, Communication Services, Consumer Staples



Shaded area denotes Q4 2023
Source: MSCI, Connor, Clark & Lunn Financial Group

CANADIAN EQUITY

Performance Attribution

CC&L Q Equity Extension

	Fund	Index	Comments
Q4 2023	9.6%	8.1%	Strong contribution from security selection in part offset by sector allocation
CY 2023	13.8%	11.8%	Strong contribution from security selection in part offset by sector allocation

SRA Canadian Equity Fund

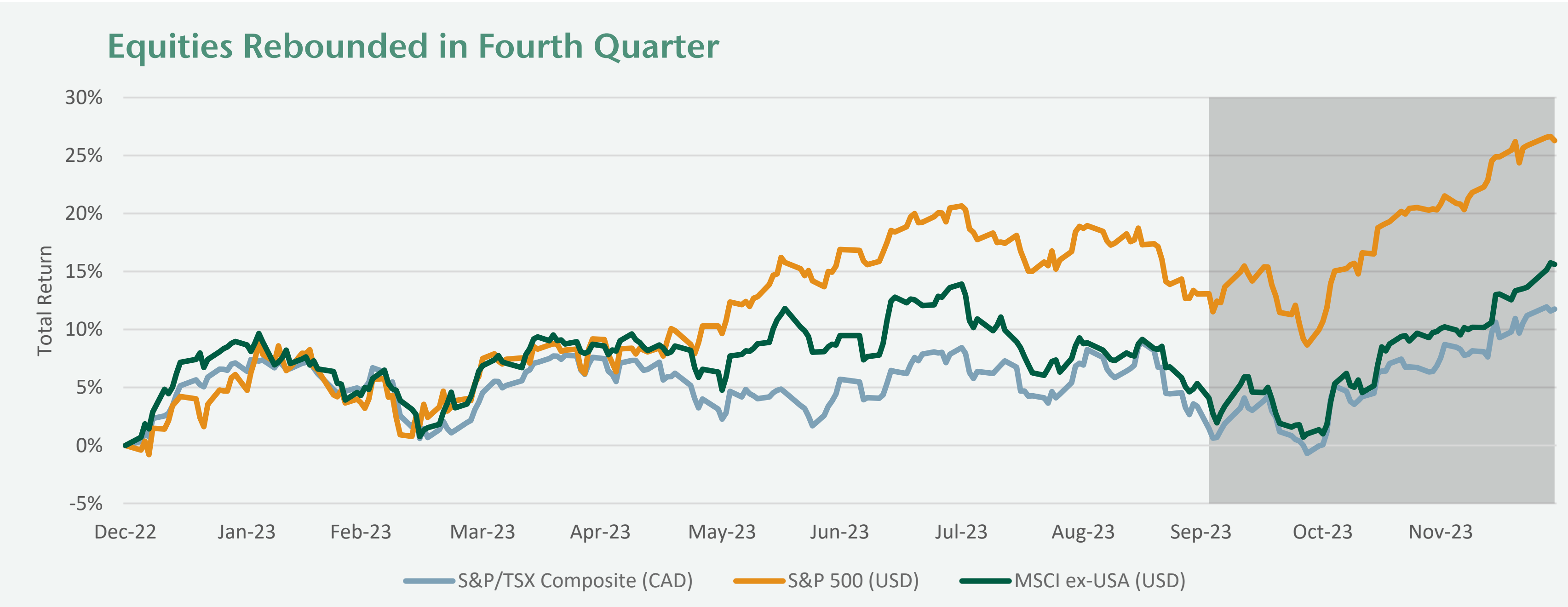
	Fund	Index	Comments
Q4 2023	7.9%	8.1%	Sector allocation was the main detractor
CY 2023	9.3%	11.8%	Sector allocation was the main detractor

PCJ Canadian Equity Fund

	Fund	Index	Comments
Q4 2023	7.8%	8.1%	Security selection was the main detractor
CY 2023	12.0%	11.8%	Sector allocation was the main contributor

FOREIGN EQUITY

Market Review & Performance Attribution



Shaded area denotes Q4 2023
Source: Connor, Clark & Lunn Investment Management Ltd.

CC&L Q US Equity Extension Fund

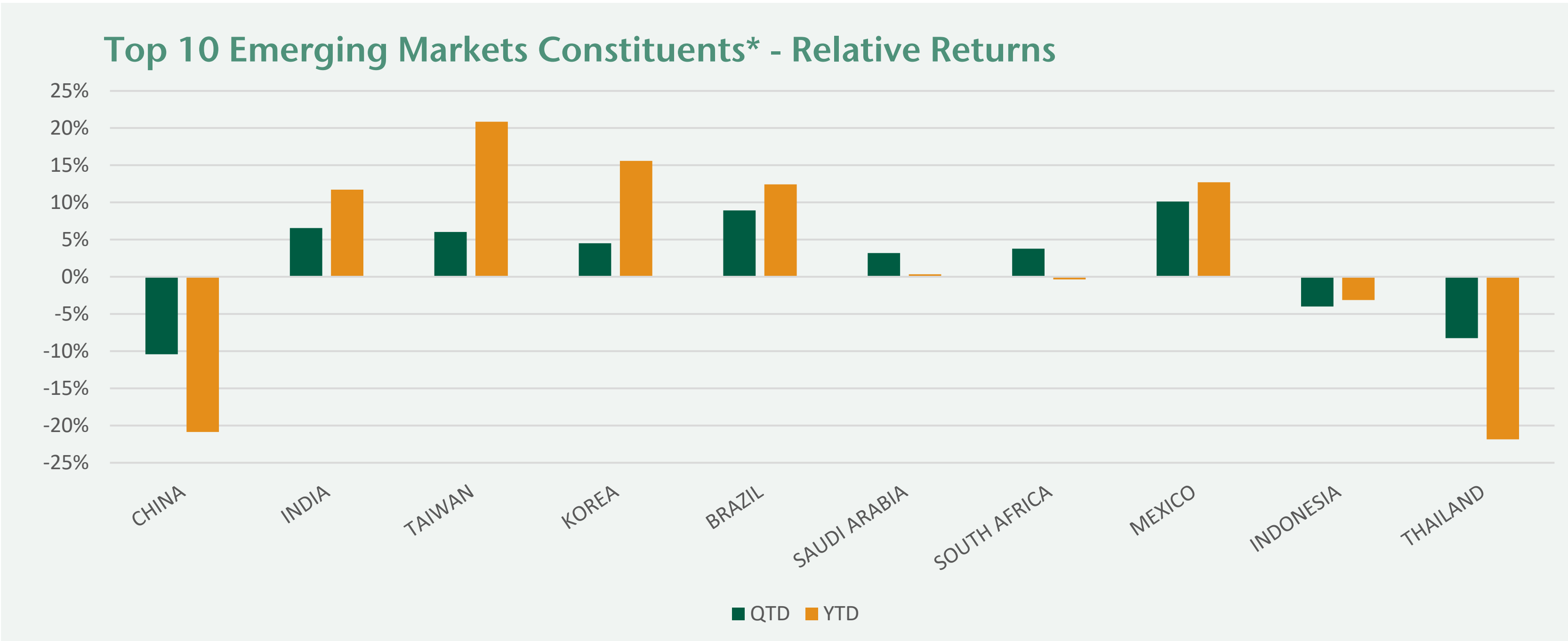
	Fund	Index	Comments
Q4 2023	9.4%	8.9%	Positive security selection partially offset by sector allocation
CY 2023	23.3%	22.6%	Positive security selection offset by sector allocation

NS Partners International Equity Fund

	Fund	Index	Comments
Q4 2023	9.8%	7.7%	Strong contribution from security selection in part offset by sector allocation
CY 2023	11.8%	15.7%	Security selection and tactical exposure to China were the main detractors

EMERGING MARKETS EQUITY

Market Review & Performance Attribution



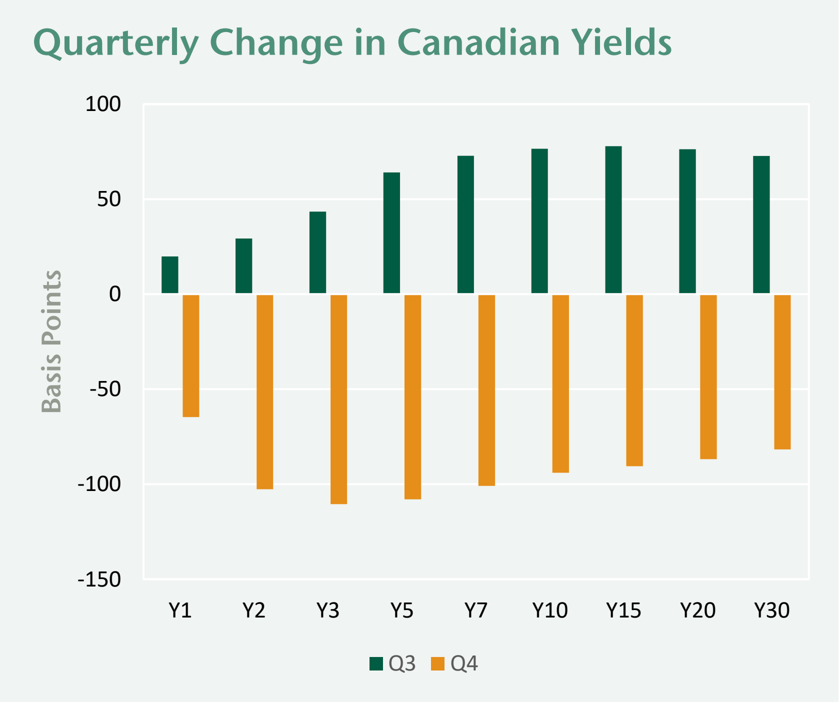
*Classified by each country's weight in the MSCI Emerging Markets Index at 12/31/2023.
Source: MSCI, Connor, Clark & Lunn Financial Group. Returns shown in local currency.

CC&L Q Emerging Markets Equity Fund

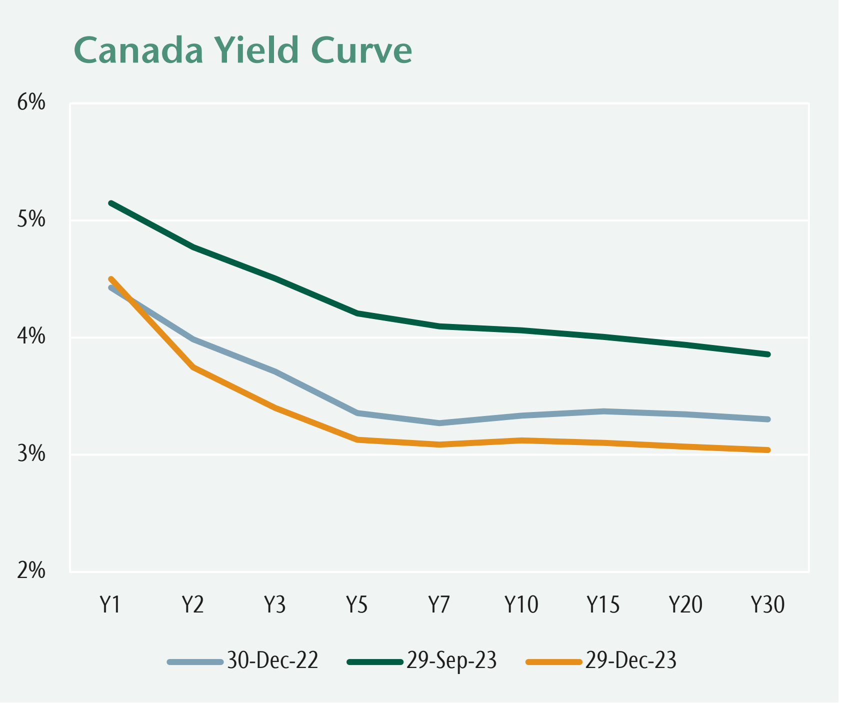
	Fund	Index	Comments
Q4 2023	4.9%	5.2%	Sector allocation was a detractor
CY 2023	13.5%	6.9%	Strong positive contribution from security selection

FIXED INCOME

Market Review & Performance Attribution



Source: Bank of Canada, Macrobond



Source: Bank of Canada, Macrobond

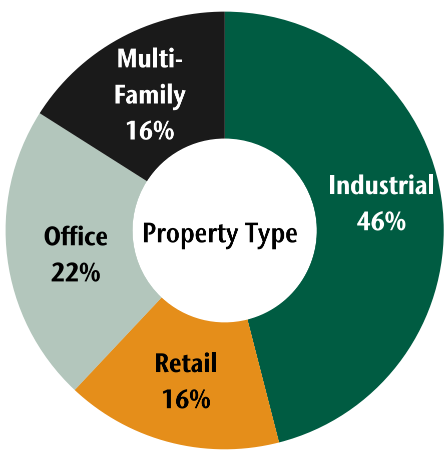
CC&L Long Bond Fund

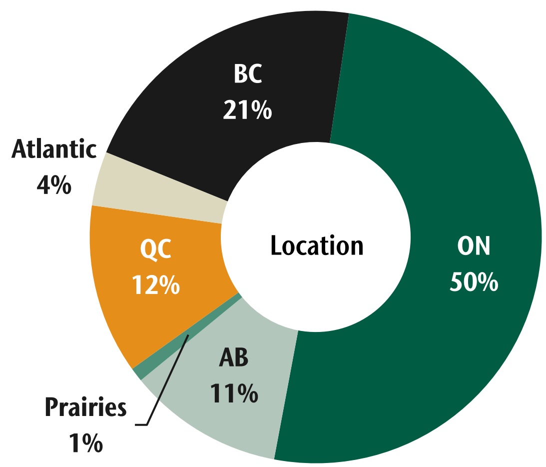
	Fund	Index	Macro Decisions	Security Selection
Q4 2023	14.9%	14.8%	Positive	Small negative
CY 2023	10.1%	9.5%	Strong positive	Small negative

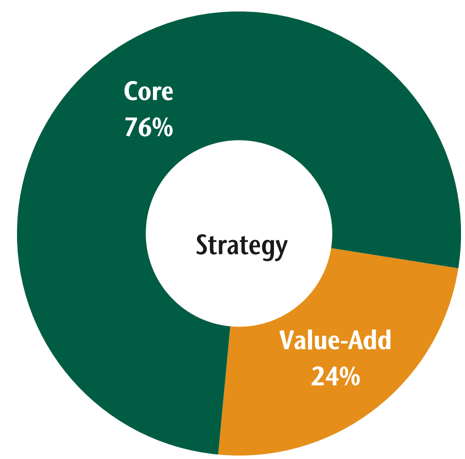
REAL ESTATE

	Fund	Benchmark**	Diversification*	Effective Occupancy	Strategy
Q3 2023	1.7%	1.8%	313 properties	92% at end of September 2023	Pursue select investments in opportunistic real estate within the Fund's existing value-add allocation
YTD 2023*	-0.2%	6.5%			

Portfolio Characteristics*





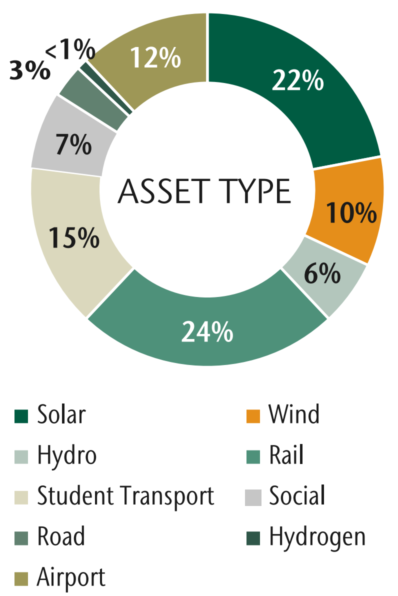


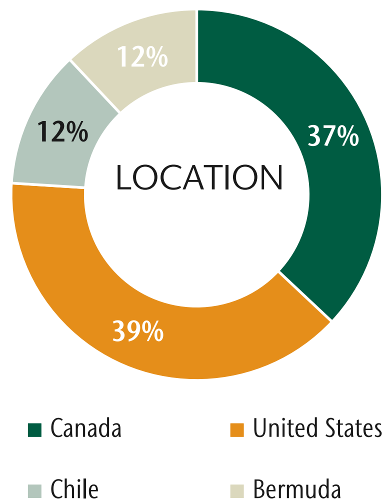
* As of September 30, 2023
** Inflation + 4% (Canada CPI + 4%).

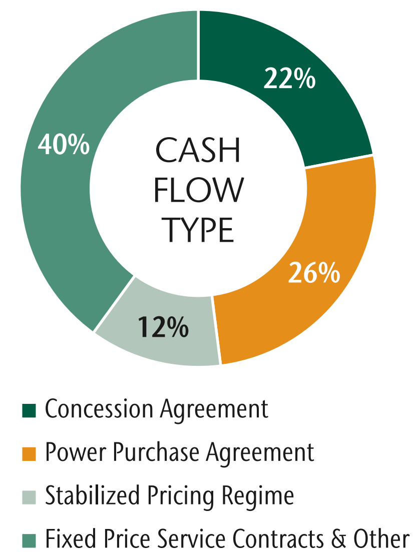
INFRASTRUCTURE

	Fund	Benchmark**	Diversification*	Pipeline*
Q3 2023	2.2%	2.1%	90+ individual projects 30+ investments	~$2 billion of potential transactions under review
YTD 2023*	8.2%	7.3%		

Portfolio Characteristics[1,2]

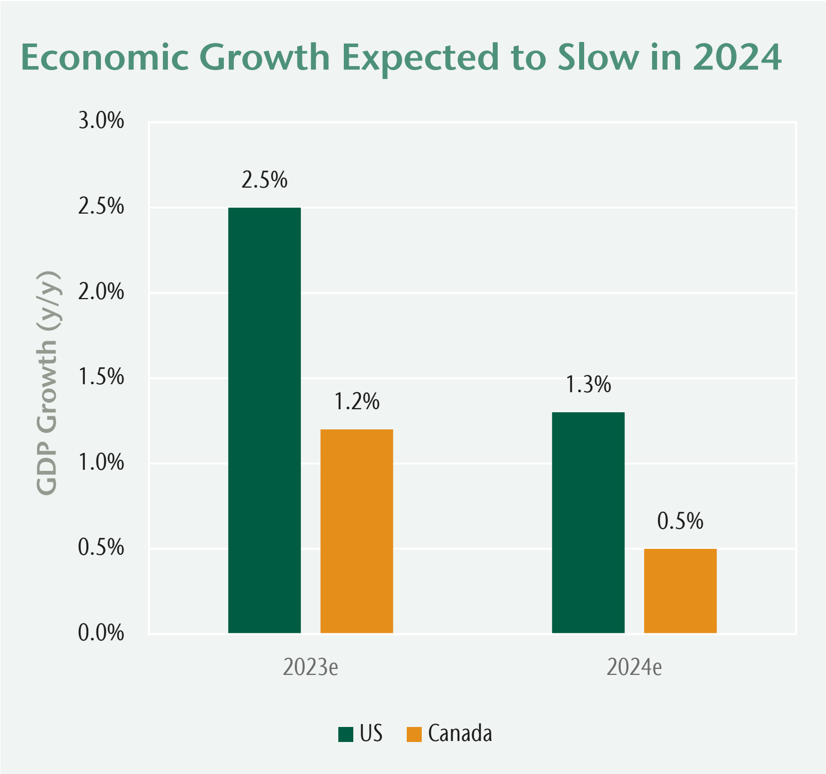




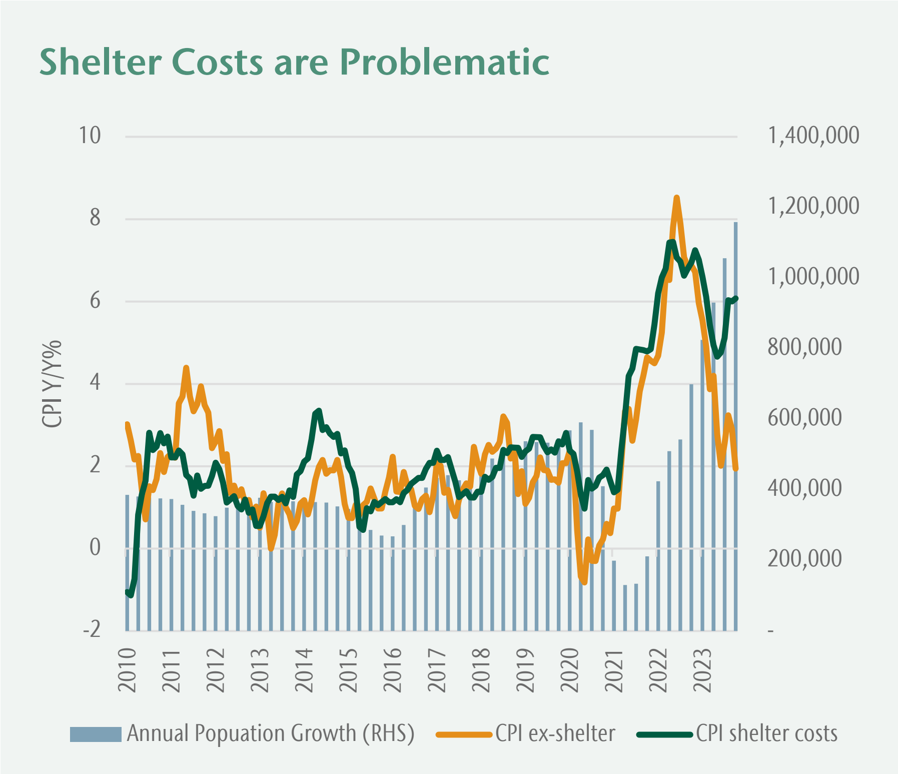


[1] Based on percentage of estimated Fund NAV at September 30, 2023. Totals may not add to 100% due to rounding.
[2] Concession Agreement' and 'Power Purchase Agreement' refers to renewable energy and public-private partnership investments that operate under 20-to-40-year contracts primarily with investment grade government counterparties. 'Stabilized Pricing Regime' refers to the Distributed Solar Portfolios (12% of NAV), which operate under the Pequeños Medios de Generación Distribuida (PMGD) stabilized pricing regime in Chile. Power is sold to the grid at the stabilized price and purchased by a large pool of buyers consisting of local utilities and generators. 'Fixed Price Service Contracts & Other' primarily represents CC&L Infrastructure's rail assets (24% of NAV) and Landmark Student Transportation (15% of NAV), where revenues are highly contracted on individually negotiated terms with a variety of counterparties, including reputable corporate customers and local school districts across Canada and the United States.
* As of September 30, 2023
** Benchmark: Inflation +5% (Canada CPI + 5%). Represents internally estimated returns at the fund level. Returns are presented net of fees and expenses.

ECONOMIC PICTURE & OUTLOOK



Source: Bloomberg



Source: StatCan, Macrobond, NBF Economics and Strategy

ASSET CLASS POSITIONING

EQUITIES

- Canadian equities: focused on businesses with resilient earnings and cash flows, maintain balanced cyclical exposure
- Foreign equities: favour quality growth companies with strong financials that are positioned to weather economic slowdown
- Emerging markets: valuations are attractive, inflation better contained than in developed markets

FIXED INCOME

- Expect continued normalization in the yield curve, maintain underweight to credit and defensive security selection

REAL ESTATE & INFRASTRUCTURE

- Real estate: focus on stable income returns and long-term capital return preservation, selectively evaluating opportunities that may offer compelling risk-adjusted returns
- Infrastructure: high-quality new investments to further increase portfolio diversification with exposure to additional sectors, geographies and counterparties

APPENDIX

PORTFOLIO VALUATION AND ASSET MIX

As at December 31, 2023

	BRANDON UNIVERSITY RETIREMENT PLAN
Start of Quarter (September 1, 2023)	$214,580,943
Performance	$20,285,888
Contribution/Withdrawal	($1,858,394)
End of Quarter (December 31, 2023)	$233,008,438

ASSET CLASS	FUND/TRUST	CURRENT MIX (%)	INTERIM POLICY MIX (%)	LONG-TERM POLICY MIX (%)
Canadian Equity	CC&L Q Equity Extension I	6.3	6.3	5.0
	SRA Canadian Equity	6.2	6.3	5.0
	PCJ Canadian Equity A	6.2	6.3	5.0
Global Equity	CC&L Q US Equity Extension A	18.4	18.5	18.5
	NS Partners International Equity A	18.1	18.5	18.5
Emerging Market Equity	CC&L Q Emerging Markets Equity	7.8	8.0	8.0
Fixed Income	CC&L Long Bond	27.8	27.3	20.0
Real Estate	Crestpoint Real Estate	6.8	6.5	10.0
Infrastructure	CC&L Institutional Infrastructure	2.4	2.5	10.0
Total		**100.0**	**100.0**	**100.0**

Schedule "B"

Acceptance of Trust

The undersigned hereby accepts the appointment to act as a Pension Trustee of The Brandon University Pension Fund (the "**Fund**") and the duties and obligations imposed on the Pension Trustees under the Amended and Restated Trust Agreement made the _____day of________________,_________(the "Trust Agreement"). The undersigned acknowledges having read the Trust Agreement and understanding its nature and effect, and agrees to hold the Fund and administer the Brandon University Retirement Plan in accordance with its terms and the provisions of the Trust Agreement.

DATED the_____day of_______________,________.

____
Name:
Address:

Statement of Investment Policies & Procedures

Brandon University Retirement Plan

Approved and adopted effective __________, 2024

Deleted: 2022

Table of Contents

1. OVERVIEW & BACKGROUND

1.1 Introduction

Brandon University Retirement Plan (the “Retirement Plan” or “Plan”) maintains an investment portfolio of invested assets of the Retirement Plan (the “Portfolio”). This Statement of Investment Policies & Procedures (the “SIPP”) addresses the manner in which the Portfolio shall be invested. Investments shall be selected in accordance with the criteria and limitations set forth herein and in accordance with all relevant legislation. The Retirement Plan is administered by Pension Trustees (the “Trustees”). The Trustees have prepared the SIPP to ensure continued prudent and effective management of the Portfolio so that they meet the objectives set out by the Trustees. The SIPP also defines the management structure and other procedures adopted for the ongoing operation of the Portfolio.

1.2 Purpose

The basic goal underlying this SIPP is to ensure that the current and future assets of the Plan shall be invested in a prudent manner so that the Plan assets shall be sufficient to meet the obligations of the Plan as they come due.

This SIPP provides the framework for the investment of the Portfolio. The purpose of this SIPP is to ensure that the Portfolio is invested in a prudent and effective manner. The SIPP also seeks to establish ongoing communication between the Trustees and the Investment Manager(s) and other agents engaged to manage and invest the assets of the Portfolio.

This SIPP may be changed or modified at any time by action of the Trustees; any such change shall be promptly communicated in writing to the appointed Investment Manager(s) and the Actuary.

1.3 Nature of the Plan

a) <u>Contributions</u>

The Plan is a final average contributory defined benefit pension plan established on April 1, 1974.

b) <u>Administration</u>

The Plan is administered by Trustees in accordance with a trust agreement with Brandon University. Day to day administration of the Retirement Plan is done by the Office of the Vice-President Administration and Finance of Brandon University.

c) <u>Regulation</u>

The Plan is registered with the Pension Commission of Manitoba and meets the requirements of the Pension Benefits Act of Manitoba.

2. GOVERNANCE

2.1 Trustees

The Trustees of the Retirement Plan (the "Trustees") have ultimate responsibility for the Portfolio and its overall management.

The Trustees are responsible for the following tasks with respect to the Retirement Plan's investment activities:

a) Review and assist in developing the SIPP of the Retirement Plan; establish a suitable asset mix policy for the assets of the Retirement Plan;
b) Ensure that no investments shall be made in any category not specifically permitted by this SIPP;
c) Establish an investment manager structure and strategy as the means to implement the asset mix policy which specifies the number of investment managers, types of investment managers and allocation of assets between investment managers, including rebalancing of the asset mix as described in Section 5.2;
d) Select, appoint and replace, when deemed necessary, the Investment Manager(s), the Investment Consultant (if applicable), the Custodian and other external providers;
e) Review the SIPP annually for its continuing applicability and, if applicable, make any changes or modifications;
f) Monitor the external service providers to the Plan in respect of their continuing suitability of performance;
g) Review and monitor investment manager performance and make changes, as appropriate;
h) Monitor the investment performance of the overall Portfolio;
i) Satisfy itself that investments made by, and all other actions of the Investment Manager(s) are in compliance with this SIPP;
j) Communicate any changes to this SIPP to the Investment Manager(s) and the Actuary which may affect the investment of the Plan assets.

2.2 Investment Managers

External Investment Manager(s) shall be responsible for:

a) complying with the terms of an investment management agreement (the "Managed Account Agreement" in the case of Connor, Clark & Lunn (Canada) Ltd.);

b) investing the assets allocated to them in accordance with sections 5 and 6 of this SIPP, the Appendices to this SIPP and as defined in Schedule A of the Managed Account Agreement (the "Mandate");
c) placing orders with brokers, investment dealers, banks or trust companies for the purchase or sale of securities, purchasing securities directly from the issuers or holders thereof and selling securities directly to the issuers thereof or to other persons;

d) giving such directions and instructions to custodians and others as may be necessary and appropriate to carry out the Mandate(s);

e) investing, at its discretion, in other funds, including funds managed by persons other than the Investment Manager(s) (“Sub-Managers”);

f) reporting to the Trustees and Investment Consultant (if applicable) on a quarterly basis and in writing in respect of their performance for the quarter relative to the individual asset classes and total portfolio benchmarks in section 7.1 of this SIPP , the investment holdings and transactions, the intended strategy for the following quarter and compliance with the quantitative investment guidelines in sections 5 and 6, and the Appendices to this SIPP;

g) providing to the Committee on an annual basis, or whenever changes occur, their policies and procedures relating to voting rights on securities, soft dollars, professional standards, conflicts of interest and internal controls;

h) advising the Trustees or a designated delegate of the Trustees on an ongoing basis of any material changes in the organization (the Investment Managers or any Sub-Managers), such as personnel or investment process, or any other fact that may reasonably be expected to influence future investment performance;

i) attending meetings of the Trustees, as required; and

j) being available for meetings or discussions with designated Administrators of the Retirement Plan on a reasonable basis.

2.3 Custodian

The Custodian for the Portfolio shall be responsible to:

a) perform the duties required of the Custodian pursuant to agreements entered into from time to time with the Retirement Plan;

b) report Portfolio holdings in a timely manner;

c) process the security transactions that result from the buy and sell orders placed by the Investment Manager(s); and

d) provide the Trustees with monthly portfolio reports of all assets of the Portfolio and monthly reports of all transactions during the period.

2.4 Investment Consultant (as or when applicable)

The Investment Consultant shall be responsible to:

a) assist in the preparation and ongoing review of this SIPP;

b) assess and evaluate, both quantitatively and qualitatively, the Investment Managers’ performance and risk relative to peers, to relevant indices, and to SIPP objectives;

c) assist in reviewing the asset allocation of the Plan and any proposed changes;

d) assist with the selection of investment managers, as required; and

e) advise the Trustees of any changes in the Plan, market environment or governing legislation that may affect the Plan's SIPP.

2.5 Actuary

The Actuary for the Plan shall be responsible to:

a) perform actuarial valuations of the Plan as directed by the Trustees; and

b) advise the Trustees on such matters as Plan design, membership and administration which may affect the Plan's SIPP.

2.6 Standard of Care

The agents of the Portfolio as identified above shall exercise the care, diligence and skill in the administration, investment, and management of the Portfolio that a reasonably prudent person would exercise in the circumstances. The agents shall use all relevant knowledge and skill that they possess or, by reason of their profession, business, or calling, ought to possess.

The Investment Manager(s) are expected to comply, at all times and in all respects, with the Code of Ethics and Standards of Professional Conduct as promulgated by the CFA Institute and any internal codes of conduct or ethics policies the Investment Manager(s) may have in place. The Investment Manager(s) will exercise the degree of care, diligence and skill on behalf of the Plan that a reasonably prudent investment manager would exercise in the circumstances. The Investment Manager(s) will also use all relevant knowledge and skill that they possess or ought to possess as prudent investment manager(s).

2.7 Conflicts of Interest

These guidelines apply to members of the Trustees, Investment Manager(s), the Custodian, and any employee or other agent retained to provide services related to Portfolio investments.

Any persons listed in this section shall disclose the nature and extent of their conflict to the Trustees in writing, upon the earliest of:

a) first becoming aware of the conflict or potential conflict;

b) at the first meeting in which the matter at issue is disclosed; or

c) at the first meeting in which he knows or ought to have known that he/she has an interest in the matter discussed.

For the purposes of b) above, the disclosure must be made orally if knowledge of the conflict arises in the course of a discussion at the meeting. Upon disclosure, the conflict will be assumed ongoing unless the Chair of the Trustees is notified otherwise.

If the person disclosing the conflict has the capacity to participate in or to make decisions affecting the selection of the investments of the Portfolio, the person may only continue to participate with respect to the issue in conflict with the formal approval of the Trustees.

2.8 Related Party Transactions

The Trustees, on behalf of the Plan, may not enter into a transaction with a related party unless:

a) the transaction is both required for operation and or administration of the Plan and if:

   i) the terms and conditions of the transaction are not less favourable than market terms and conditions;

   ii) it does not involve the making of loans to, or investments in, the related party;

b) the transaction involves an investment:

   i) in an investment fund or segregated fund that is open to investors other than the administrator and its affiliates;

   ii) in securities issued or fully guaranteed by the Government of Canada or a provincial government, or an agency of either one;

   iii) in an index fund;

   iv) in an unallocated general fund of a person authorized to carry on a life insurance business in Canada; or

   v) that involves the purchase of a contract or agreement linked to the performance of a widely recognized index; or,

c) the combined value of all transactions with the same related party is nominal or the transaction(s) is immaterial to the Plan.

For the purposes of Section 2.8, only the market value of the combined assets of the Plan shall be used as the criteria to determine whether a transaction is nominal or immaterial to the Plan. Transactions less than 0.5% of the combined market value of the assets of the plan are considered nominal. Two or more transactions with the same related party will be considered as a single transaction.

A "related party" is defined to mean any person who is a member of the Trustees. It also includes the Investment Managers and their employees, a union representing employees of the employer, a member of the Plan, a spouse or child of the persons named previously, or a corporation that is directly or indirectly controlled by the persons named previously, among others. Related party does not include a government or a government agency, or a bank, trust company or other financial institution that holds the assets of the Plan.

3. INVESTMENT BELIEFS

3.1 Investment Beliefs

The Trustees have developed the following Investment Beliefs to guide decision making. These will be reviewed from time to time, as required.

a) The Retirement Plan has limited resources to dedicate to managing the Portfolio investments and should therefore keep the investment structure relatively simple and easy to manage. We prefer the simplicity of multi-asset balanced managers where possible but will consider specialist investment managers for asset classes where our balanced managers do not have the necessary skill or capability.

b) The Plan has a long-term investment time horizon and the assets should be managed to benefit from this competitive advantage. Over the long-term, investors should be rewarded with a higher return for taking investment risk.

c) Maintaining a well-diversified portfolio is essential for risk management.

d) In the long term, asset class prices tend to revert to average levels, so actively implementing a regular rebalancing program can help to reduce exposure to extreme market valuations and enhance long term returns.

e) Active management can be expected to add value over and above fees charged.

f) No one investment style (e.g. Value or Growth) will consistently produce higher returns, and it is not possible to predict which style will outperform over a given period so our portfolio should be style neutral.

4. PORTFOLIO EXPECTATIONS

4.1 Portfolio Return Expectations

The Investment Manager(s) appointed by the Trustees to invest the assets of the Portfolio are expected to achieve a satisfactory long-term rate of return through a diversified portfolio, consistent with acceptable risks and prudent management. The asset mix policy adopted for the Portfolio is expected to:

- Maximize long-term total return while protecting the capital value of the Portfolio from major market fluctuations through prudent management of asset allocation and prudent selection of investments;
- Maintain current purchasing power of monies placed in the Portfolio plus a real incremental return of 2% to 4% over rolling four-year periods. On a longer-term basis, the returns should equal or better the discount rate used in the Retirement Plan valuation, net of fees, over rolling four-year periods.
- Generate returns in excess of the Benchmark Portfolio return over rolling four-year periods;
- Obtain a 25-50th percentile performance ranking or better over rolling four-year periods for the individual asset classes as measured by a nationally recognized service, where available

Portfolio-level risk is controlled by investing in a well-diversified portfolio, including both Canadian and foreign equities, and by maintaining allocations to fixed income and alternative investments such as real estate and infrastructure.

4.2 Expected Volatility

The volatility of the Portfolio is directly related to its asset mix, specifically, the balance between Canadian bonds, Canadian equities, foreign equities and other investments such as real estate and infrastructure.

5. STRUCTURE OF PORTFOLIO INVESTMENTS

5.1 Asset Mix

Total Portfolio Asset Mix

Taking into consideration the investment and risk philosophy of the Portfolio, the following long-term asset mix has been established:

Long-Term Target Asset Allocation Policy

Assets	Minimum %	Benchmark %	Maximum %
Equity	**35.0**	**60.0**	**70.0**
Canadian Equity		18.0	
International Equity		18.5	
U.S Equity		18.5	
Emerging Markets Equity		8.0	
Fixed Income	**10.0**	**20.0**	**30.0**
Long Bonds		20.0	
Cash*	**0.0**	**0.0**	**5.0**
Real Estate	**0**	**10.0**	**20.0**
Infrastructure	**0**	**7.0**	**9.0**

Deleted: 15

Deleted: 10

Deleted: 20

It is recognized that both real estate and infrastructure are less liquid assets classes and will take some time to reach the target allocation. During this period of initial investment, it is recognized that assets may be outside the long-term asset allocation policy strategic ranges. As a result, the following interim asset allocation will be adopted until the Investment Manager's initial infrastructure and real estate commitments are fully invested:

The maximum weight in infrastructure reflects the requirement to remain in compliance with the Pension Benefits Standards Act. Although expressed as a percentage of the portfolio, the current direction to the Investment Manager is that the maximum Infrastructure allocation is $15 million.

Initial Interim Asset Allocation Policy

Assets	Minimum %	Benchmark %	Maximum %
Equity	**35.0**	**65.0**	**75.0**
Canadian Equity		20.0	
International Equity		18.5	
U.S Equity		18.5	
Emerging Markets Equity		8.0	
Fixed Income	**10.0**	**35.0**	**45.0**
Long Bonds		35.0	
Cash*	**0.0**	**0.0**	**5.0**
Real Estate	**0.0**	**0.0**	**20.0**
Infrastructure	**0.0**	**0.0**	**20.0**

Deleted: 25

Capital calls for real estate and infrastructure will be funded in a manner that strives to maintain the Interim or Long Term Policy Percentages. Capital call funding will take into account any deviations from the most recent Interim or Long Term Policy Percentages, as applicable, at the time of the capital call such that overweight allocations may first be considered as a source of funding, with consideration given to shifting the Portfolio toward the Long Term Policy Percentages. Interim Policy Percentages will be updated by the Investment Manager with each capital call to reflect the resulting allocations to the real estate and/or infrastructure funds.

*The Portfolio is expected to be fully invested. However, there may at times be residual cash held in the Portfolio while rebalancing and while raising cash to fund capital calls from the real estate and infrastructure funds.

5.2 Monitoring of Asset Mix

In order to ensure that the Portfolio operates within the minimum and maximum guidelines stated in this SIPP, the Trustees shall monitor the asset mix on a calendar quarterly basis. Rebalancing the Portfolio can take place over a reasonably short period of time after an imbalance has been identified. While a single balanced manager is employed, the Investment Manager will be responsible for rebalancing the Portfolio on an ongoing basis. When more than one investment manager is employed, rebalancing may be affected by redirecting the net cash flows to and from the Portfolio, or by transferring cash or securities between the Portfolios or Investment Manager(s) (where applicable).

6. PERMITTED AND PROHIBITED INVESTMENTS

6.1 Regulations

The Retirement Plan must comply with the requirements and restrictions set out in the (i.e. Manitoba Pension Benefits Act, Pension Benefits Act (Canada), Income Tax Act), and their respective Regulations.

Deleted: name relevant acts

Legislation states that no more than 10% of the market value of the Portfolio may be invested in the securities of any one issuer except for securities issued or guaranteed by the Federal or Provincial governments.

6.2 Permitted Investments

Without limiting the generality of Section 6.1 above, investments of the Portfolio shall adhere to the investment policies of the pooled funds in which the Portfolio is invested.

The Portfolio may hold

a) Cash, short-term securities;

b) Canadian and foreign equities, including but not limited to common shares, rights, warrants, cash and cash equivalents, limited partnerships, royalty trusts, income trusts, private placements, unit trusts, income oriented equity unit trust securities, subscription receipts, securities convertible into common shares, real estate investment trusts that are traded on recognized exchanges and derivatives. These holdings may be effected through participation in collective investment vehicles including pooled funds, mutual funds, closed-end funds, exchange traded funds (such as i-shares) or through the purchase of individual securities and derivatives;

c) Canadian and foreign fixed income securities, including but not limited to cash, short-term securities, bonds, debentures, notes, coupons, asset-backed securities, Tier 1 capital securities, structured notes, private placements and other evidence of indebtedness of Canadian or foreign issuers, and derivatives. These holdings may be effected through participation in pooled investment funds or through the purchase of individual securities;

d) Investment in real estate by way of participation in a pooled fund is permissible. While it is recognized any real estate pooled fund in which the Plan participates is governed by its own investment policy, desirable traits in selection of a real estate manager and pooled fund include: an institutional investment focus, a core plus style of real estate investing that is predominantly focused on developed income producing properties, a well-diversified portfolio by property type and by region, measured use of leverage, not to exceed 80% on individual properties (market value at time of acquisition) and 65% on total Real Estate Fund assets (market value at the time the money is borrowed);

e) Investment in infrastructure by way of participation in a pooled fund is permissible. While it is recognized any infrastructure pooled fund in which the Plan participates is governed by its own investment policy, desirable traits in selection of an infrastructure manager and pooled fund include: an institutional investment focus, a core/grow-to-core and core plus style of infrastructure investing that is predominantly focused on construction and operating stage infrastructure assets, a well-diversified portfolio by asset type and by region. It is recognized that infrastructure investments are customarily financed with leverage levels in the range of 70% to 90%+.

6.3 Derivatives, Shorting and Use of Leverage

Derivatives instruments will only be used in ways that are consistent with the investment objectives of the pooled funds included in the Appendices to this SIPP. The underlying exposures facilitated through the use of derivatives will be incorporated into each of the pooled funds' constraints as detailed in the Appendices to this SIPP. Counterparty risk arising from derivative transactions will be limited to credits rated as per the pooled fund SIPPs included in the Appendices to this SIPP. Instruments used may include but are not limited to futures, forwards, options, swaps and structured notes.

Short selling, borrowing securities and using leverage are permitted in ways that are consistent with the investment objectives of the pooled funds included in the Appendices to this SIPP.

7. MONITORING AND EVALUATION

7.1 Performance Measurement

For purposes of evaluating the performance of the Portfolio and the Investment Manager(s), rates of returns are measured over various periods with a focus on moving four-year periods.

Return objectives relative to benchmarks and other objectives are gross of fees and include realized and unrealized capital gains or losses plus income from all sources.

Long-Term Total Portfolio Benchmark

Investment weightings and results of the Portfolio are to be measured against a long-term Benchmark Portfolio comprising:

Assets	Benchmark	Target %
Canadian Equity*	S&P/TSX Composite Index	18.0
International Equity	MSCI EAFE Index (net) (CAD)	18.5
U.S Equity*	S&P 500 Index (net 15%) (CAD)	18.5
Emerging Markets Equity	MSCI Emerging Markets Index (net) (CAD)	8.0
Long Bonds	FTSE Canada Long Term Overall Bond Index	20.0
Real Estate	Canada CPI + 4%	10.0
Infrastructure**	Canada CPI + 5%	7.0

Deleted: 15

Deleted: 10

*Performance of the CC&L Q Equity Extension Fund and the CC&L US Equity Extension Fund is reported net of investment management fees and performance incentive fees.
*Performance of the CC&L Institutional Infrastructure Fund is reported net of investment management fees, performance fees (where applicable) and expenses.

The rate of return of the Portfolio will be expected to exceed the blended Benchmark return and each of the individual asset classes is expected to obtain a 25-50th percentile performance ranking or better as measured by a nationally recognized service over four-year rolling periods, where available, and as reported annually at the end of each calendar year. It is also expected that the rate of return of the Portfolio will be equal or better than the discount rate used in the Retirement Plan valuation, net of investment management fees, over rolling four-year periods.The University will instruct the Actuary to report the Retirement Plan's discount rate to the Investment Manager(s) on an annual basis, or more frequently if changes warrant.

Investment Manager(s) Performance Expectations

The primary expectation is for the Plan to earn annualized rates of return exceeding the return on a passive blended investment benchmark, net of investment management fees, to be developed in conjunction with the Investment Manager(s) and set out in the Mandate. Rate of return calculations are to be "time-weighted" and based on market values.

Secondary expectations are to earn returns in each asset class that exceed the asset class benchmark index return, gross of investment management fees, and the median manager return in an appropriate comparative universe over moving four-year periods, where available.

Pooled Funds	Pooled Funds' Performance Objectives*
PCJ Canadian Equity Fund	• S&P/TSX Composite Index +2% over rolling four-year periods. • Obtain a 33rd Percentile Performance ranking over rolling four-year periods, as measured by a nationally recognized service.
Scheer, Rowlett & Associates Canadian Equity Fund	• CPI+ 3% over long-term**. • Annualized return of benchmark + 2% over a business cycle**. • Obtain above median performance over rolling four-year periods, for similar mandates, as measured by a nationally recognized service.
CC&L Q Equity Extension Fund	• S&P/TSX Composite Index +3.5% per annum over a market cycle***.
NS Partners International Equity Fund	• MSCI EAFE Index (CAD) +2% over rolling four-year periods. • Obtain a 33rd Percentile Performance ranking over rolling four-year periods, as measured by a nationally recognized service.
CC&L Q US Equity Extension Fund	• S&P 500 Index (net 15%) (CAD) +2% per annum over a market cycle***.
CC&L Q Emerging Markets Equity Fund	• MSCI Emerging Markets Index (CAD) (net) + 3% per annum over a market cycle**.
CC&L Long Bond Fund	• FTSE Canada Long Term Overall Bond Index + 0.5% per annum over a market cycle**.
Crestpoint Institutional Real Estate Trust	• Gross annualized returns of 8-11% over time
CC&L Institutional Infrastructure Fund	• Net annualized returns of 8-11% over time***
CC&L Group Money Market Fund	• FTSE Canada 91 Day T-Bill Index over a market cycle**.

* Gross of fees and expenses unless otherwise stated.
** Long-term signifies over a business cycle. Business and market cycles may often vary in duration. For the purpose of performance measurement and consistency across the Retirement Plan's investments, the added value of all pooled funds listed above will be reviewed over rolling four year periods.
*** Net of investment management fees and performance incentive fees.

7.2 Compliance Reporting by Investment Managers

The Investment Manager(s) are required to complete and deliver a signed compliance report to the Trustees each quarter. The compliance report will indicate whether or not the Investment Manager(s) were in compliance with the quantitative investment guidelines listed in sections 5 and 6 of this SIPP and in the Appendices to this SIPP during the quarter.

In the event of any inconsistency between the main body of the SIPP and the Appendices, the terms of the Appendices shall prevail.

If at any time an investment or group of investments within the Portfolio does not comply with the guidelines set out in this SIPP, the Investment Manager(s) shall exercise their best judgment as to the action required to correct the situation. The Trustees will be notified by the Investment Manager(s) of the non-compliance as soon as is practicable.

Investments of the Portfolio assets in the pooled funds available through the Investment Manager, including its Sub-Managers identified in the Appendices to this SIPP are permissible. It is recognized that pooled funds are governed by their own investment policies, the provisions of which may diverge from those in this SIPP.

7.3 Evaluation of Investment Manager(s)

From time to time the Trustees shall appoint, by a competitive process, an investment management firm to act as Investment Manager who will carry out the day to day management of the investments in accordance with this SIPP. In order for an investment management firm to be considered for appointment, or retained after initial appointment, they will be assessed against the following criteria:

i) the firm must have the relevant experience and expertise within its professional managers,

ii) should be financially sound,

iii) have experienced low turnover of key personnel,

iv) have a clearly articulated process which is repeatable and consistently adhered to,

v) show a sound approach to risk management which is consistent with the process employed,

vi) demonstrate an acceptable level of performance over a variety of time periods and market conditions,

vii) have the capacity to undertake the Portfolio investments,

viii) reasonable fees

The Trustees, along with each Investment Manager and the Investment Consultant (where applicable) will develop the Mandate which will outline the terms under which the Investment Manager will operate, as agreed to and acknowledged by the Investment Manager.

7.4 Dismissal of an Investment Manager

Reasons for considering the termination of the services of an Investment Manager(s) include, but are not limited to, the following factors:

- Performance results which are below the stated performance objectives;
- Changes in the overall structure of the Portfolio's assets such that the Investment Manager's services are no longer required;
- Changes in personnel, firm structure or investment philosophy which might adversely affect the potential return and/or risk level of the portfolio; and/or;
- Failure to adhere to this SIPP;
- Failure to communicate effectively with the Trustees or administrators of the Retirement Plan.

8. MISCELLANEOUS

8.1 Liquidity

It is anticipated the public market Investment Manager(s) will invest in securities which are marketable, that are able to be sold at close to their prevailing quoted market prices.

Given the long-term nature of the Retirement Plan the Trustees may invest a portion of the Portfolio in less liquid assets such as real estate and infrastructure.

When liquidation becomes necessary, the Trustees will notify the Investment Manager(s) as far in advance as is practical to allow them sufficient time to build up necessary liquidity reserves.

8.2 Valuation of Investments Not Regularly Traded

In case of a security that becomes illiquid, or an inherited security that does not have an active market over an extended period of time, the value of the security will be determined in such manner as the Investment Manager(s) from time to time determines.

8.3 Voting Rights

The Trustees have delegated voting rights acquired through the investments held by the Portfolio to the Investment Manager(s). The Investment Manager(s) are expected to exercise all voting rights related to investments held by the Portfolio in order to protect the interests of the Portfolio. Written reports of proxy votes cast are to be provided to the Trustees annually.

8.4 Sanctions

Investments shall not be made in companies that have significant business interests in countries against which Canada has sanctions. The Committee will provide clarification to the Investments Manager(s) as necessary in uncertain circumstances.

It is recognized that investments may be implemented through the use of pooled funds governed by their own investment policies, the provisions of which may diverge from those in this SIPP.

8.5 Lending of Securities and Cash

The Portfolio may enter into securities lending agreements, for the purposes of generating incremental income, provided the loaned investments are secured by cash or highly liquid investments have a market value of at least 102% of the loan, and that this 102% level of security is maintained at least daily.

The Portfolio may not lend cash, other than through making investments allowed by Section 6 in this SIPP.

8.6 Discounted Brokerage Commissions

Investment Managers may use directed brokerage to pay for research and other investment related services provided they comply with, and provide the disclosure required by the Soft Dollar Standards as listed by the CFA Institute. In certain cases, Investment Managers may instead operate under the European MiFID II rules and would be subject to similar strict constraints.

8.7 SIPP Review

This SIPP may be reviewed and revised at any time, but at least once every calendar year it must be formally reviewed. Any revisions shall be promptly communicated to the Investment Manager(s). Should the Investment Manager(s) wish to review this SIPP at any time, it is his/her responsibility to contact the client with specific instructions.

This Statement of Investment Policies and Procedures has been adopted by Brandon University Retirement Plan Trustees.

Accepted on behalf:

Client:

Signature: ______________________________

Name: ______________________________

Title: ______________________________

Date: ______________________________

Signature: ______________________________

Name: ______________________________

Title: ______________________________

Date: ______________________________

-END-

ECKLER

Brandon University Retirement Plan

Trustee Education – Pension Plan Governance

February 2024

What is Pension Plan Governance?

The structure and processes for overseeing, managing and administering a pension plan to ensure the fiduciary and other obligations of the plan are met.

CAPSA Guideline No. 4

- CAPSA Pension Plan Governance Guidelines provides overall guidance to:
  - all types and sizes of pension plans
  - help administrators achieve and maintain good governance

- CAPSA guidelines not mandatory but are “strongly” encouraged
  - 11 Key Governance Principles

CAPSA's 11 Key Governance Principles

1. Fiduciary responsibility
2. Governance framework
3. Roles and responsibilities
4. Performance monitoring
5. Knowledge and skills
6. Access to information
7. Risk management
8. Oversight and compliance
9. Transparency and accountability
10. Code of conduct and conflict of interest
11. Governance review

Benefits of Good Governance

- Meets fiduciary obligations
- Minimizes risk
- Creates efficiencies
- Promotes consistent administration
- Encourages good decision-making, transparency and accountability
- Contributes to positive plan performance and better outcomes for stakeholders

Statutory Standards

- Pension Benefits Act
  - Administrator of a pension plan shall:
    - exercise the level of care, diligence and skill a prudent person would exercise in dealing with **the property of another person**
    - use relevant knowledge and skill that the administrator possesses or, by reason of the administrator's profession, business or calling, ought to possess

Fiduciary Standard

- Established by common law
  - The level of care and skill a person would exercise in dealing with **<u>their own property</u>**
  - Based on the knowledge and skills an ordinary person would use to care for own property

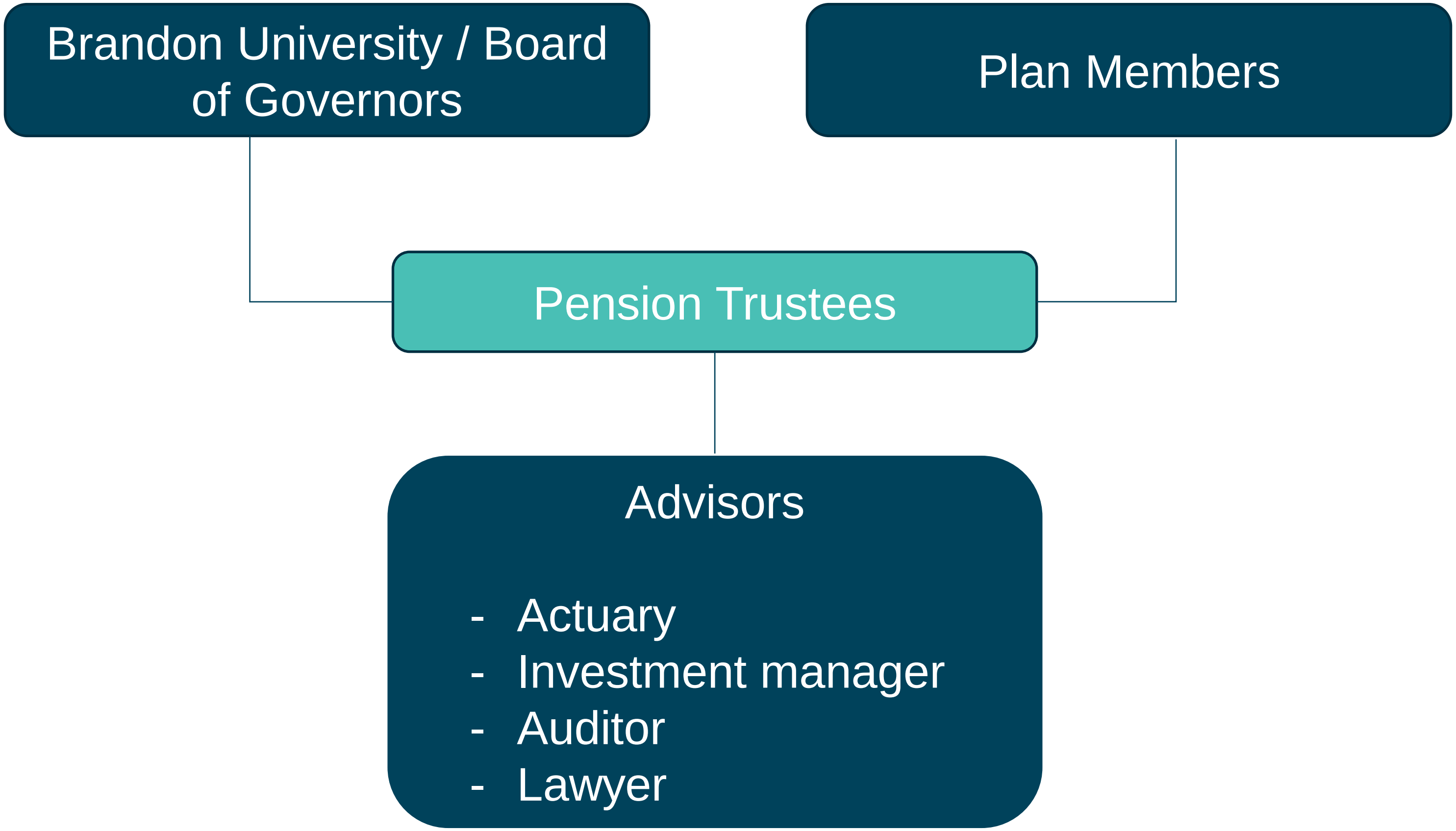
Fiduciary Relationship

- Fiduciary relationship exists when:
  - One party can exercise power and act unilaterally
  - One party is vulnerable to the actions of the other

Pension Plan Governance

- Good governance establishes & documents:
  - governance structure
  - documents applicable
  - parties involved
  - duties and responsibilities
  - terms of reference
  - monitoring and assessment

Governance Structure



Documents to be maintained

- Plan Document/Plan Text
- Trust Agreement
- Statement of Investment Policies and Procedures (SIP&P)
- Member booklets, statements, other member communication material

Trust Agreement

- Establishes trust fund
- Establishes board of trustees
- For trustees, sets out:
  - Authority
  - Duties and responsibilities
- For sponsor, sets out:
  - Appointment / removal of trustees
  - Amendments to trust itself

Who is in charge?

- Administrator (with a capital “A”)
- Who may be administrator is defined in the PBA

“…in the case of a jointly trusteed plan, by a board of trustees with at least as many trustees representing members of the plan as there are trustees representing the employer”

Delegating Responsibility

- Allowed under PBA when it is reasonable and prudent to do so
  - Selected by Board
  - Ongoing supervision

Role of Administrator

- Comply with legislation
- Implement / maintain governance model
- Monitor delegates

Role of Administrator

- Review / maintain plan documentation
  - Trust agreement
  - Plan text
  - Regulatory filings
  - All contracts with providers
  - Statement of Investment Policies & Procedures (SIP&P)
  - Other policies and procedures

Role of Administrator

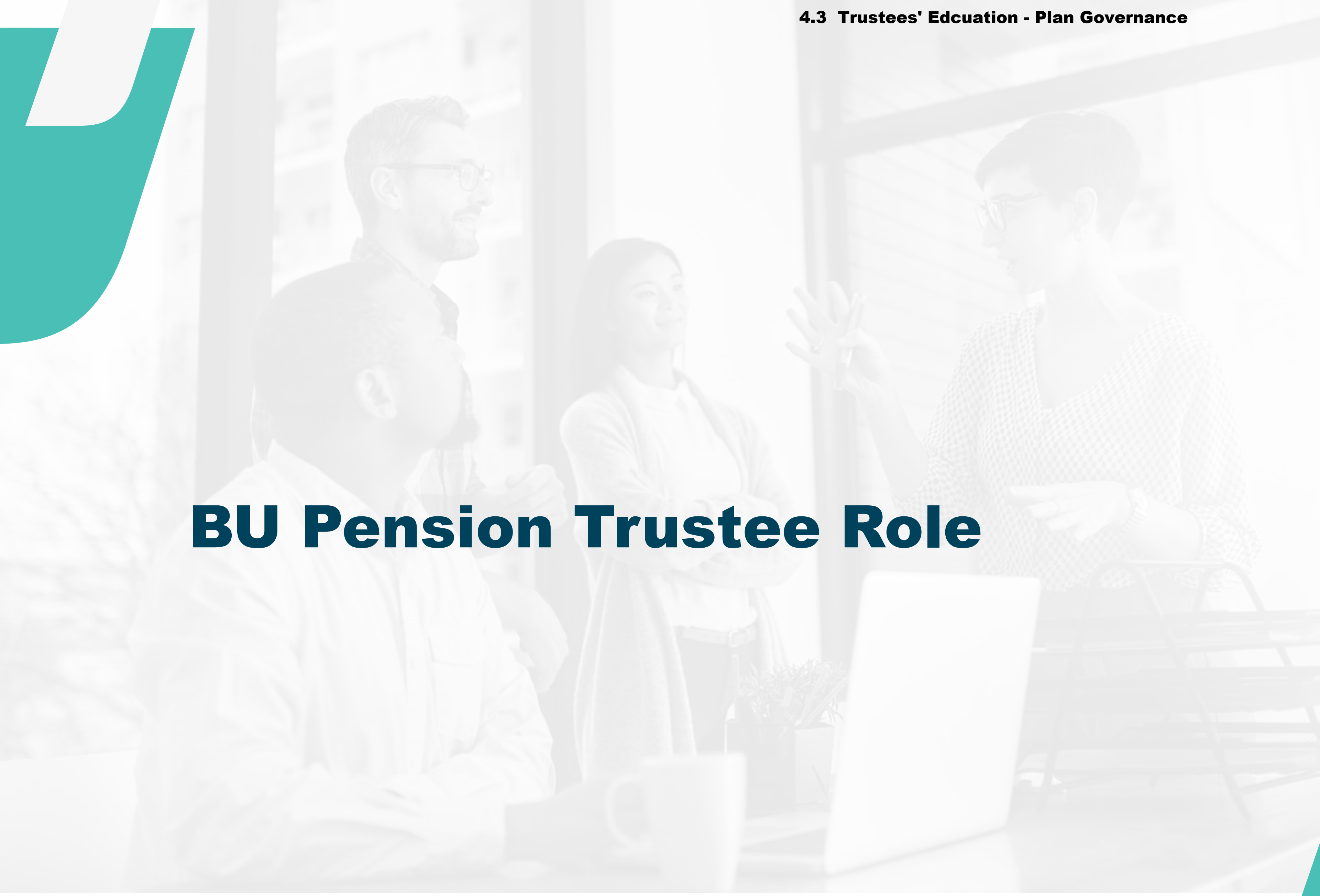
- Retain and monitor external advisors
  - Investment consultant
  - Investment managers
  - Custodian
  - Actuary / Consultant
  - Accountant/auditor
  - Legal counsel

Board of Trustees

- Oversee delivery of benefits
- Appoint third-party agents and advisors
- Approve Board policies:
  - Investment, education, travel expenses, etc.
  - Administrative rules
- Plan document interpretation
- Recommend plan amendments

Participants in Pension Management

1. Beneficiary
2. Pension Trustees
3. Plan Sponsor
4. Actuary
5. Administrator
6. Third Party Administrator
7. Investment Manager
8. Investment Consultant
9. Fund Custodian
10. Accountant/Legal Advisor
11. Regulatory Authorities



BU Pension Trustee Role

Fiduciary Responsibilities of the Trustees

- A fiduciary relationship exists between Pension Trustees and plan members because Trustees have discretionary powers that affect members' interests
- The Pension Trustees as a governing body have a duty to act in good faith and in the best interests of the plan members and beneficiaries of the pension plan
- In doing so, they treat members impartially and with loyalty. They exercise care, skill and diligence and don't allow personal interests to conflict with those of the plan

Fiduciary Responsibilities of the Governing Body

- Pension Trustees are responsible for the plan but are not expected to manage the plan on a day-to-day basis
- Management functions may be delegated, but ultimate responsibility remains with the Pension Trustees
- Trustees are therefore able to delegate but must choose the agent and then evaluate and monitor the agent's performance

Monitoring of Performance

- Pension Trustees delegate various functions to actuaries, consultants, investment managers etc.
- Pension Trustees require appropriate, timely and accurate information in an understandable form in order to monitor agents' activities and fulfill their own responsibilities effectively
- Trustees should receive reports in advance of regular meetings to allow review and reflection of information relating to investment activities, funding activities and operating activities
- Trustees should have an opportunity for discussion, questions and answers

Competency and Composition

- Pension Trustees should collectively demonstrate the skills, ability and dedication necessary to fulfill their responsibilities
- Where appropriate, information and advice should be sought from qualified external advisors
- Trustees should have or acquire knowledge and skills in the following areas:
  - Pension legislation
  - Actuarial principles
  - Plan rules
  - Fiduciary duties
  - Financial markets
  - Risk management

The Brandon University Retirement Plan Trust Agreement

- The Plan is administered by ten Pension Trustees. The number of trustees from each affiliation (association, union etc.) is specified in the Trust Agreement

- The Fund is held in trust by the Pension Trustees

- The term of a Pension Trustee is three years. A Pension Trustee may be appointed for a second term (or more) but no more than six consecutive years may be served

- A Pension Trustee may resign by giving 90 days notice

- A Pension Trustee may be removed for failure to perform his or her duties in a reasonable manner

The Brandon University Retirement Plan Trust Agreement

- The Pension Trustees meet at least three times per year including the designated Annual Meeting for presentation of a financial statement
- The Pension Trustees annually appoint one of their members to serve as Chair of the meetings
- Six Pension Trustees constitutes a quorum and decisions are made by majority vote or by written resolution of all Trustees
- Pension Trustees are not entitled to fee or payment for their service but may be compensated for expenses they incur in performance of their duties

The Brandon University Retirement Plan Trust Agreement

- Powers of Pension Trustees
  - To administer the Fund in accordance with the Trust Agreement and the Plan
  - To enter into an agency or custody agreement with a financial institution which will hold the assets of the Plan in trust and make benefit payments out of the Fund
  - With the approval of the University, to employ actuaries, accountants, legal counsel, administrators, etc. and investment managers to direct the investments of the Fund
  - To prepare annual audited financial statements

The Brandon University Retirement Plan Trust Agreement

- Powers of Pension Trustees (cont'd)
  - To establish sub-committees for such purposes as the Pension Trustees consider necessary
  - To require the University to pay all contributions to the Plan to the Custodian and to maintain appropriate Member records
  - To compute the amount of and provide for the payment of benefits from the Fund
  - To establish administrative rules and prescribe forms and procedures for the administration of the Plan
  - To interpret the Plan and the Trust Agreement and determine all matters of policy and recommend amendments to the Plan

The Brandon University Retirement Plan Trust Agreement

- Powers of Pension Trustees (cont'd)
  - To provide for the payment of expenses incurred by Pension Trustees and for payment of any taxes and assessments levied on the Fund
  - To make, execute and deliver all written instruments as necessary or proper to carry out their duties and to administer the Plan
  - To institute, prosecute and defend any suits or actions affecting the Plan
  - To borrow money on a short-term basis to meet obligations and expenses of the Plan
  - Subject to compliance requirements, to allow a custodian or investment manager to lend securities from the Fund

The Brandon University Retirement Plan Trust Agreement

- Other terms
  - The Pension Trustees in exercising their powers are obligated to maintain the registration of the plan
  - The Pension Trustees are indemnified by the Plan and by the University unless liable by reason of dishonesty, wilful misconduct or negligence
  - The Trust Agreement may be amended by the University but no amendment that affects the rights, duties, authorities etc. of the Pension Trustees may be made without the consent of the Trustees

The Brandon University Retirement Plan Trust Agreement

- Reporting
  - The University after each calendar year end provides the Pension Trustees with written notice of contributions, compensation and service of the members
  - The University provides the Pension Trustees with written notice of contributions, compensation and service of members within 21 days of termination or death or within 90 days prior to retirement
  - The Pension Trustees maintain suitable and adequate records of the operation of the Plan. These records may be audited by the University
  - The Pension Trustees provide the University with annual audited statements, copies of actuarial reports, provincial information returns, minutes of Trustees' meetings and Trustee resolutions

Appendix

Participants in Pension Management

Participants in Pension Management

1. Beneficiary
2. Pension Trustees
3. Plan Sponsor
4. Actuary
5. Administrator
6. Third Party Administrator
7. Investment Manager
8. Investment Consultant
9. Fund Custodian
10. Accountant/Legal Advisor
11. Regulatory Authorities

1. Beneficiaries

- A person designated by the terms of an employee benefit plan who is or may become entitled to a benefit under the plan.
  - Active employees
  - Retired employees
  - Terminated members with vested benefits
  - Spouses/Common-law Partners
  - Designated beneficiaries

2. Pension Trustees

- Elected or appointed individuals responsible for the management of an employee benefit plan.
  - Governed by Trust Agreement
  - Charged with fiduciary responsibility
  - Responsible to act “solely in the interest of all Beneficiaries”

3. Plan Sponsor

- Party that established and maintains the Plan
- Ultimately responsible for funding benefits

- *Brandon University*

4. Actuary

- Person professionally trained in the technical and mathematical aspects of insurance, pension and related fields
- Estimates how much money needs to be contributed to a pension fund each year in order to support the benefits that will become payable in the future
- *Eckler Ltd.*

5. Administrator

- Responsible for day-to-day administration
  - Ensures new employees join
  - Obtains applications and change forms
  - Tracks and reports credited service, salary, contributions
  - Remits contributions to Custodian
  - Approves and remits expenses
  - Reports benefit events
  - Verifies all transactions
  - Assists members and beneficiaries
- ***Trustees***

6. Third-Party Administrator

- Provides administration services that requires expertise in pension legislation
  - Maintain member information
  - Calculate benefit entitlements and prepare benefit statements
  - Authorize all benefit payments from Plan
  - Prepare annual membership statements
  - Calculate Pension Adjustment Reversal (PAR)
  - Prepare and file plan amendments
- *Eckler Ltd.*

7. Investment Manager

- Provides investment services including:
  - Invests fund assets
  - Selects securities
  - Ensures compliance with investment policy statement established by the Trustees

- *Connor Clark & Lunn Investment Management Ltd.*

8. Investment Consultant

- Provides independent investment advice including:
  - Investment manager and market research
  - Investment manager selection and monitoring
  - Negotiation of management fees
  - Risk management

9. Fund Custodian

- Responsible for:
  - Receiving and monitoring plan contributions
  - Safekeeping of assets and securities
  - Providing regular statements of transactions
  - Making payments as directed to Beneficiaries
  - Paying expenses as directed
  - Settling trades on direction from Investment Manager

- *CIBC Mellon*

10. Accountant/Legal Advisor

- Accountant
  - Person or firm hired to prepare audited financial statements
- *BDO Canada*
- Legal Advisor
  - Person or firm hired to:
    - Establish or amend the Trust Agreement
    - Provide ad-hoc legal advice

11. Regulatory Authorities

- Superintendent of Pensions and Manitoba Pension Commission
  - Pension Benefits Act and Regulations
  - Sets out the minimum benefits and funding rules
  - Superintendent of Pensions monitors pension plans and enforces the Act
- Canada Revenue Agency
  - Income Tax Act and Regulations
  - Sets out the maximum benefits and funding rules

ECKLER

CAPSA/ACOR
Canadian Association of Pension Supervisory Authorities
Association canadienne des organismes de contrôle des régimes de retraite

Guideline No. 4: Pension Plan Governance Guideline

Context for the Guidelines

The Canadian Association of Pension Supervisory Authorities (CAPSA) has designed these guidelines and associated reference tools to help plan administrators meet their governance responsibilities.

Published originally in 2004, these guidelines have been used widely by pension plans in Canada. The current version includes updated and clarified principles and guidance on implementation of the principles.

Pension Plan Governance

Pension plan governance refers to the structure and processes in place for the effective ***administration*** of the pension plan to ensure the fiduciary and other responsibilities of the plan administrator are met. CAPSA believes that good pension plan governance is essential if ***plan members*** and ***beneficiaries*** are to receive the benefits they are entitled to, and to understand their rights and responsibilities under the pension plan.

The objective of pension plan governance is to enable the plan administrator to deliver on the pension promise consistent with the pension plan documents and pension legislation. Pension legislation defines the pension ***plan administrator****** as the body responsible for the governance of the pension plan.

Pension Plan Administrator

Pension legislation specifies who may be a plan administrator and identifies the plan administrator's responsibilities. The plan administrator may be any of the following:

- the employer who established the plan,
- a pension committee,
- a board of trustees,
- an insurance company,
- a bargaining agent, or
- another body established or permitted by law.

The party appointed as the plan administrator is usually stated in the plan documents.

The plan administrator may use ***delegates*** to help carry out governance responsibilities. Delegates may include employees of the plan administrator and external ***third party service providers***.

* Please note that defined terms are italicized and bolded when first used. Definitions are in the Glossary of Terms, contained at the end of the guidelines.

Pension Governance System

An effective pension governance system:

- establishes a framework for defining the duties, associated responsibilities and accountabilities for all participants in the governance process,
- covers all facets of pension plan management, including communication, funding, investments and benefit administration, and
- provides careful oversight while enhancing protection for plan members and beneficiaries.

Good pension plan governance:

- is essential for meeting fiduciary and other responsibilities,
- minimizes risks and maximizes efficiency,
- promotes accurate, timely and cost-effective delivery of pension benefits,
- promotes administration of the plan in the best interests of plan members and beneficiaries,
- requires control mechanisms that encourage good decision-making, proper and efficient practices, clear accountability, and regular review and evaluation,
- contributes to positive pension plan performance, and
- helps to demonstrate due diligence on the part of the plan administrator.

Governance Guidelines

This CAPSA Guideline on Pension Plan Governance provides a broad, flexible outline of key pension plan governance principles. Different types and sizes of plans, however, may require different governance practices. Although pension plan administrators need to adapt their governance practices to specific circumstances and resources, we strongly recommend that all plan administrators adopt a governance structure and processes consistent with the principles that follow. The tools and strategies used to reflect these principles may vary depending on the characteristics of each pension plan.

The Guidelines recommend principles for effective pension plan governance. They outline the appropriate roles and responsibilities of the ***plan sponsor*** only when the plan sponsor is acting as plan administrator. They do not cover the roles and responsibilities of the plan sponsor under general corporate governance principles. Many individuals who have pension plan governance responsibilities also have responsibilities to the plan sponsor. Consequently, those with governance responsibilities must clearly understand the different roles and responsibilities for each. Further, when taking actions that affect the pension plan, they must carefully document the actions for both sets of responsibilities. In particular, whenever the two roles are in a conflict of interest, the administrator must act in the best interests of plan members and beneficiaries.

CAPSA encourages all pension plan administrators in Canada to assess whether their current pension plan governance structures and processes are effective and to strive for the best practices set out in the Guidelines.

Note, however, that the Guidelines are not intended to create additional rights and responsibilities for any party to a pension plan. Though voluntary, they are meant to help plan administrators achieve and maintain good pension plan governance.

CAPSA Guidelines

This CAPSA Guideline on Pension Plan Governance provides overall guidance to assist plan administrators of all types and sizes of pension plans in achieving and maintaining good governance. Plan administrators and other governance participants may also wish to reference other CAPSA Guidelines and publications that are appropriate to the plan's circumstances.

Each of the CAPSA Guidelines and other publications can be obtained through CAPSA's website (www.capsa-acor.org) under "CAPSA Guidelines".

CAPSA Pension Plan Governance Principles

Principle 1: Fiduciary responsibility

The plan administrator has fiduciary responsibilities to plan members and beneficiaries. The plan administrator may also have other responsibilities to other ***stakeholders.***

Principle 2: Governance framework

The plan administrator should establish and document a governance framework for the administration of the plan.

Principle 3: Roles and responsibilities

The plan administrator should clearly describe and document the roles, responsibilities, and accountabilities of all participants in the pension plan governance process.

Principle 4: Performance monitoring

The plan administrator should establish and document performance measures to monitor the performance of participants in the governance and administration of the plan.

Principle 5: Knowledge and skills

The plan administrator, directly or with delegates, has a duty to apply the knowledge and skills needed to meet the plan administrator's responsibilities.

Principle 6: Governance information

The plan administrator should establish and document a process to obtain and provide to governance participants appropriate information to meet fiduciary and other responsibilities.

Principle 7: Risk management

The plan administrator should establish and document a framework and ongoing processes, appropriate to the pension plan, to identify and manage the plan's risks.

Principle 8: Oversight and compliance

The plan administrator should establish and document appropriate processes to ensure compliance with the legislative requirements and pension plan documents.

Principle 9: Transparency and accountability

The plan administrator should establish and document a communication process with the aim to be transparent and accountable to plan members, beneficiaries and other stakeholders.

Principle 10: Code of conduct and conflict of interest

The plan administrator should establish and document a code of conduct, incorporating a policy to manage conflicts of interest.

Principle 11: Governance review

The plan administrator should establish and document a process for the regular review of the pension plan's governance framework and processes.

CAPSA Pension Plan Governance Guidelines

Principle 1: Fiduciary responsibility

The plan administrator has fiduciary responsibilities to plan members and beneficiaries. The plan administrator may also have other responsibilities to other stakeholders.

A fiduciary relationship is one of trust between two or more parties where one (or more) person(s) (the fiduciary[ies]) has an obligation to act in the best interests of the other party.

(a) Fiduciary responsibilities

Fiduciary obligations are owed when legislation imposes such duties or when:

i. a plan administrator and/or any delegates can exercise discretionary power to affect the interests of members or beneficiaries;
ii. a plan administrator and/or any delegates can unilaterally exercise that power so as to affect the interests of the members or beneficiaries; and
iii. the members and/or beneficiaries are in a position of vulnerability at the hands of the plan administrator and/or any delegate.

The plan administrator and delegates must act honestly, in good faith and in the best interests of plan members and beneficiaries of the pension plan as part of their fiduciary responsibilities.

In its fiduciary role, the plan administrator's responsibilities include:

- treating members and beneficiaries impartially and considering the interests of those members currently accruing a pension, those who are in receipt of a pension and any others who may be entitled to a benefit from the plan,
- acting with the care, skill and diligence of a prudent person,
- interpreting the plan terms fairly, impartially and in good faith,
- managing conflicts of interest, and
- within the scope of such duties and its authority, ensuring that members and beneficiaries receive promised benefits.

The pension governance process should help the plan administrator carry out its fiduciary and other responsibilities. Although plan administrators may delegate certain tasks of the plan administrator to third parties, the administrator retains fiduciary responsibility.

(b) Other responsibilities

The plan administrator may also have other responsibilities to other stakeholders.

When employers, bargaining agents, or their nominees act as plan administrators, they must understand the difference between their plan administrator and other roles, and act accordingly. Employers and bargaining agents should follow the principles in these Guidelines when acting as plan administrator.

Principle 2: Governance framework

The plan administrator should establish and document a governance framework for the administration of the plan.

The governance framework should:

i. identify the duties and functions that need to be performed for the plan administrator to meet its fiduciary and other responsibilities; and
ii. determine and demonstrate on an on-going basis how the plan administrator will meet such fiduciary and other responsibilities.

The plan administrator may wish to consider sharing relevant documents related to the governance framework with the plan members, beneficiaries and other stakeholders beyond those legally required.

Principle 3: Roles and responsibilities

The plan administrator should clearly describe and document the roles, responsibilities, and accountabilities of all participants in the pension plan governance process.

The plan administrator:

- is ultimately responsible and accountable for managing the plan;
- may delegate operational management tasks, but should provide oversight to ensure responsibilities are fulfilled;
- is responsible for selecting the delegates and monitoring the actions of delegates;
- is responsible for managing any conflicts of interest that arise; and
- should ensure that the pension governance structure, roles and responsibilities, accountabilities and reporting relationships (i.e. chain of delegation) are clearly documented and communicated to all participants in the pension plan governance process.

When the same person or entity performs both pension plan administration and corporate functions, there should be a clear recognition, understanding, and documentation of the different roles and responsibilities of each function. When a decision related to the pension plan is made, it should be clearly documented, and its rationale and the role under which it is taken should be included.

Principle 4: Performance monitoring

The plan administrator should establish and document performance measures to monitor the performance of participants in the governance and administration of the plan.

The plan administrator is responsible for:

- establishing and documenting appropriate performance measures;
- regularly monitoring the performance of all participants in the governance process, including the plan administrator, internal staff and delegates;
- regularly reviewing the appropriateness of such performance measures; and
- establishing procedures and taking follow-up actions to correct inadequate performance.

Since performance evaluations need to be based on objective, impartial assessments, the plan administrator may require independent professional assessments.

Principle 5: Knowledge and skills

The plan administrator, directly or with delegates, has a duty to apply the knowledge and skills needed to meet the plan administrator's responsibilities.

The plan administrator is ultimately responsible for the governance and the administration of the pension plan. In order to apply the knowledge and skills needed to meet the plan administrator's responsibilities, the plan administrator should identify the relevant qualifications, resources and experience necessary to meet these responsibilities. The plan administrator should either obtain appropriate support to directly fulfill the administration role or delegate the function to external experts.

The plan administrator and delegates in the governance structure should together possess and apply the knowledge and skills to fulfill the plan administrator's responsibilities.

The plan administrator should, on appointment and on an ongoing basis, consider whether all delegates have the relevant qualifications, resources and experience to carry out their function and have access to appropriate education.

Principle 6: Governance information

The plan administrator should establish and document a process to obtain and provide to governance participants appropriate information to meet fiduciary and other responsibilities

Processes should exist so that the plan administrator obtains the necessary information to meet its fiduciary and other responsibilities.

The plan administrator should ensure that delegates have appropriate information related to the pension plan that is needed to carry out their responsibilities.

Principle 7: Risk management

The plan administrator should establish and document a framework and ongoing processes, appropriate to the pension plan, to identify and manage the plan's risks.

A plan's risk management framework should provide reasonable assurance for the achievement of the plan's objectives through:

a) identifying the risks;
b) assessing and prioritizing the risks;
c) ensuring a clear understanding of the responsibilities for the management of the risks;
d) accepting the risk or designing and implementing an appropriate risk-mitigating response;
e) monitoring and evaluating the risks and effectiveness of the responses and risk management processes generally; and
f) documenting the risk management processes.

Principle 8: Oversight and compliance

The plan administrator should establish and document appropriate processes to ensure compliance with the legislative requirements and pension plan documents.

Every pension plan should have documented processes to enable compliance with legislative requirements and to ensure functions related to the administration and governance of the pension plan fall within the plan terms, plan administrative policies, and legislative requirements.

Principle 9: Transparency and accountability

The plan administrator should establish and document a communication process with the aim to be transparent and accountable to plan members, beneficiaries and other stakeholders.

The plan administrator should establish a communication process, taking into account both fiduciary and other responsibilities, so that plan members, beneficiaries and other stakeholders have access to information about the plan as required by applicable legislation. In addition, the plan administrator should consider what, if any, other information about the plan will be made available to plan members, beneficiaries and other stakeholders.

Plan administrators should inform pension plan members and beneficiaries of the process for asking questions and raising concerns.

When communicating with plan members, the plan administrator should:

a) communicate how important decisions about the plan are made; and,

b) inform them of the risks, benefits, options, and responsibilities of membership in the plan.

In establishing and documenting the communication process, the plan administrator should consider the different interests of stakeholder groups, and whether communication methods might be adapted to meet those interests more effectively.

Principle 10: Code of conduct and conflict of interest

The plan administrator should establish and document a code of conduct, incorporating a policy to manage conflicts of interest.

The plan administrator should establish and periodically review a documented code of conduct applicable to the administration of the plan. The code of conduct should set out expected behaviours. It should also include or incorporate procedures to identify, monitor and address material conflicts of interest, both actual and perceived.

Plan administrators should ensure delegates have an appropriate code of conduct that incorporates a policy to manage conflicts of interest, as well as processes for appropriate disclosure of conflicts and breaches of the code of conduct.

Principle 11: Governance review

The plan administrator should establish and document a process for the regular review of the pension plan's governance framework and processes.

The plan administrator should regularly review the pension plan's governance framework and processes and establish a timeframe for the review. The attached *Pension Plan Administrator Governance Self-Assessment Questionnaire* has been developed to assist the plan administrator in carrying out a governance review.

The governance review may result in the plan administrator setting goals and objectives for the future and modifying its policies and practices to improve overall pension plan governance. Where the review identifies governance shortfalls, the review process should also identify and implement methods to address them.

The plan administrator may wish to communicate the result of the governance review to plan members, beneficiaries and other stakeholders.

Glossary of Terms

administration	the oversight, management and operations of the pension plan and its pension fund including the investment of the assets of the pension fund.
beneficiaries	individual, group, body or entity entitled to a benefit under the terms of a pension plan other than plan members.
*delegate**	any party who carries out aspects of the administration of the pension plan and investment of the pension fund (including a committee or third party service provider).
plan administrator	the individual, group, body or entity that is responsible for the oversight, management and operations of the pension plan and pension fund.
plan member(s) or member(s)	all current and former employees, including retired employees, entitled to benefits under the pension plan.
plan sponsor	the individual or entity that is responsible for determining the design of the pension plan, setting the benefit structure for various classes of members, and establishing, amending or terminating the pension plan.
third party service provider	the entity (or entities) or individual(s) that is/are retained by the plan administrator to perform some or all of the delegated duties associated with the pension plan and the pension fund that the administrator is required to perform.
stakeholder	a party who has an interest in decisions and actions about the pension plan. It includes plan members and beneficiaries, and may include others who may be entitled to pension plan benefits in circumstances such as marriage breakdown. Depending on the circumstances of the pension plan, it may also include the plan administrator, employers, collective bargaining agents, employee and employer associations, and others.

* In Québec, there is also the notion of "delegatee", which is distinct from that of the "delegate". The delegatee has, with respect to delegated functions, the same responsibilities as the plan administrator.

ECKLER

Brandon University

December 31, 2023 Funded Status Update

February 2024

Agenda

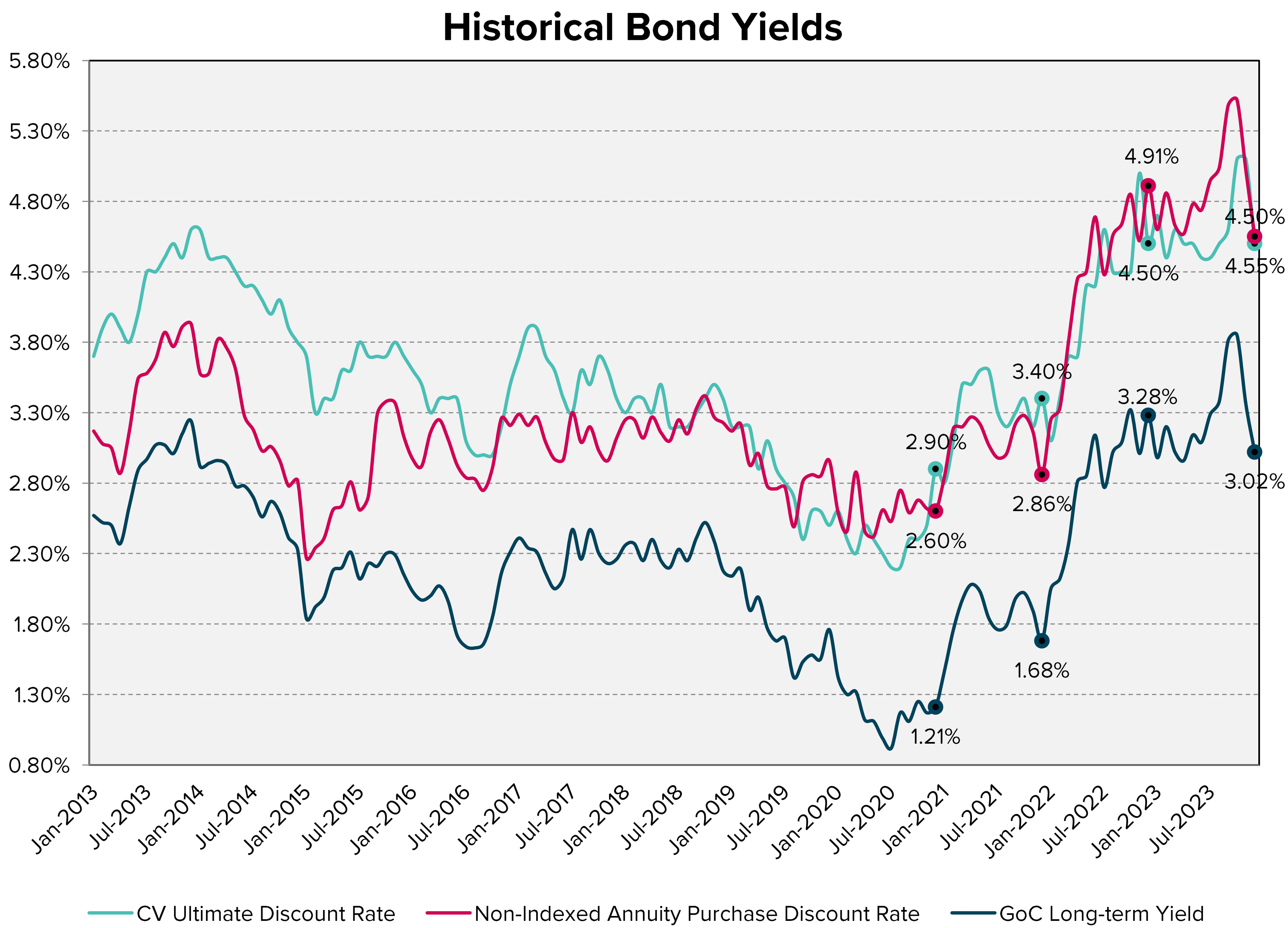
1. 2023 Highlights
2. 2024 Cost of Living Increase
3. 2024 Funding Projection & Estimated Funded Status

2023 Highlights

What Happened Since Previous Valuation at December 31, 2022

- Draft audited statement not available yet
- Net fund return in 2023 based on CIBC statement
  - Market value return before expenses: 12.62%
    - Median return for balanced funds in 2023 was 10.95%
  - Market value return net of expenses: 11.93%
  - Actuarial value (smoothed) return: 5.26%
- Change in CPI in Canada of 3.4%
- Bond yields increased throughout 2023
  - Increased during the year then dropped at end of year
  - Yields at December 2023 lower than those at December 2022

Historical Bond Yields



What Happened Since Previous Valuation at December 31, 2022

- Decrease in annuity purchase rate (32 bp):
  - Based on preliminary guidance (subject to change)
  - Would increase annuity purchase liabilities
- Increase in commuted valued rates at short end:
  - Select CV rate (first 10 years) increased 40bp
  - No change to ultimate CV rate (after 10 years)
  - Would decrease commuted value liabilities

2024 Cost of Living Increase

2024 Cost of Living Increase

Year	Net Investment Return	4-year Geometric Average Return	Excess of Average over 6%	December CPI	Increase in CPI	Actual COLA	COLA Enhancements for Prior Years' Capped Increases	Effective Date of COLA Increase	Calculated Excess Above CPI
2017	11.04%	7.82%	1.82%	130.8	1.9%	1.82%	0.00%	01-Jul-2018	0.00%
2018	-2.80%	4.89%	0.00%	133.4	2.0%	0.00%	0.00%	01-Jul-2019	0.00%
2019	17.79%	8.23%	2.23%	136.4	2.2%	2.20%	0.00%	01-Jul-2020	0.03%
2020	13.51%	9.60%	3.60%	137.4	0.7%	0.70%	0.00%	01-Jul-2021	2.90%
2021	12.97%	10.08%	4.08%	144.0	4.8%	4.08%	0.00%	01-Jul-2022	0.00%
2022	*-12.67%*	*7.17%*	*1.17%*	*153.1*	*6.3%*	*1.17%*	*0.00%*	*01-Jul-2023*	*0.00%*
*2023**	*11.93%*	*5.81%*	*0%*	*158.3*	*3.4%*	*0%*	*0.00%*	*01-Jul-2024*	*0.00%*
2024 breakeven	***14.33%***	***6.00%***						***01-Jul-2025***	

* *Preliminary net investment return based on draft financial statement provided by the University.*

2023 Funding Projection & Estimated Funded Status

Going-concern – Estimated Dec. 31, 2023 Valuation Results

($'000s)	5.50% Dec. 31, 2023	5.50% Dec. 31, 2022
Going concern surplus / (unfunded liability)	$25,829	$24,022
	2024	**2023**
Estimated University current service cost	$3,894	$3,407
Estimated minimum special payment for the unfunded liability	$0	$0
Estimated University additional contribution	$0	$0
Total Est. University Contribution before applying surplus	$3,894	$3,407
Use of Available Actuarial Surplus	($21)	($20)
Net University Contribution	$3,873	$3,387