



**Brandon University Retirement Plan  
Board of Trustees  
Wednesday, April 22, 2026 @ 1:00 p.m.  
Clark Hall Room 104 & via Teams**

## AGENDA

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**1.0 Call to Order**

**2.0 Approval of Agenda and Minutes**

- 2.1 Approval of Minutes February 11, 2026
- 2.2 Approval of Agenda of April 22, 2026

**3.0 New Business**

- 3.1 Appointment of one additional signatory
- 3.2 Succession planning discussion: New chair candidates

**4.0 Continuing Business**

- 4.1 Update on review of draft Trust Agreement between Brandon University and the Pension Trustees
- 4.2 Approval and adoption of updated Statement of Investment Policies & Procedures (A. Kulyk)
- 4.3 Asset Class Positioning and Fundamental Canadian Equity question (D. Taylor)

**5.0 Correspondence**

- 5.1 CIBC Mellon Custodial Fees – Invoices

Invoice #	Duration	Amount
342879	Jan 1 – 31, 2026	\$14,497.18
344135	Feb 1 – 28, 2026	\$15,192.35

**6.0 Upcoming Meeting Dates**

- Tuesday, June 9, 2026, 1:00 – 4:00 p.m. Clark Hall Room 104
- Wednesday, November 18, 2026, 1:00 – 4:00 p.m. Clark Hall Room 104



**Brandon University Retirement Plan  
Pension Trustees  
Wednesday, February 11, 2026  
MEETING MINUTES**

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Present: David Taylor (BUFA)  
Doug Pickering (BUFA) (via Teams)  
Greg Misener (MGEU) (via Teams)  
Jan Chaboyer (Retiree)  
Peter Hickey (Board of Governors)  
Allison Noto (Exempt)  
Nicky Kreshewski, HR (via Teams)

Guest: Andrew Kulyk, Eckler  
Emmanuel Petroulakis, Eckler (via Teams)  
Lizanne Ross Onder, CC&L  
Peter Muldowney, CC&L (via Teams)  
Johan Maccess, BDO (via Teams)

Regrets: Quintin Pearce (Board of Governors)  
Becky Lane (MGEU)  
Brian Parley (IUOE-A)  
Oksana Bihdan (IUOE-D)

Recording Secretary: Carey Pod

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**1.0 CALL TO ORDER**

The meeting was called to order at 1:07 p.m. The Chair acknowledged the traditional lands on which the Brandon University campuses are located.

**2.0 APPROVAL OF AGENDA AND MINUTES**

**2.1 Approval of minutes of November 19, 2025**

Motion: Moved and Seconded (J Chaboyer/P Hickey)

BE IT RESOLVED THAT THE minutes from the November 19, 2025 meeting of the Brandon University Retirement Plan Pension Trustees be approved as presented.

CARRIED

**2.2 Approval of agenda for February 11, 2026**

Motion: Moved and Seconded (A. Noto/G. Misener)

BE IT RESOLVED THAT THE agenda for the February 11, 2026 meeting of the Brandon University Retirement Plan Pension Trustees be approved as presented.

CARRIED

### 3.0 New Business

#### 3.1 BDO Audit Plan (Johan Maccès)

- Johan Maccès, CPA, CA from BDO gave a presentation on BDO's audit planning communication and highlighted their process.
- Audit Timeline
- Auditor's responsibilities: financial statements and fraud
- Significant risks and planned responses
- Materiality
- Using the work of others

#### 3.2 Connor, Clark & Lunn Investment Management Ltd (L Ross Onder and P Muldowney)

##### Investment Performance Review

- L Ross Onder noted that CC&L will be reviewing the results for the fourth quarter of 2025 as well as the overall of the calendar year for the Retirement Plan and the SIPP Review.

##### Dashboard

- As of the end of December, the Plan's assets were over \$291.5 million. That is a growth of almost \$6 million in the fourth quarter of 2025.
- The performance of the Plan over the fourth quarter was 2.1%, 0.2% more than the benchmark of 1.9%; the YTD was 14.5%, 0.6% less than benchmark of 15.1%, and in the 4-year period on an annualized basis; the Plan was up 7.0% the same as the benchmark.
- L Ross Onder noted the portfolio repositioning executed in December which added second international equity fund, reduced stand-alone allocations in emerging markets, and rebalanced real estate and infrastructure portion to gradually increased those within the portfolio. Current asset mix does not reflect these changes yet.
- CC&L Investment Management was named 2025 Best Asset Manager for Institutional Investors in Canada by Coalition Greenwich
- The current asset mix is Global Equity – 40.9%, Fixed Income – 20.2%, Canadian Equity – 19.5%, Emerging Markets – 5.6%, Real Estate – 7.8%, and Infrastructure – 5.9%. This current asset mix does not reflect the capital call for real estate completed at the end of October.

##### Market Review Q4 2025

- The fourth quarter of 2025, global markets showed slowing economic growth but still positive.
- Both the Bank of Canada and US Federal Reserve delivered rate cuts in October. US Federal Reserve delivered a rate cut in December.
- Equities rallied broadly as strength in information technology in July expanded into cyclical and small-cap gains by August, with both the S&P 500 and S&P/TSX reaching record highs by quarter end.
- Gold experienced a 65% gain over the course of 2025 lending further support to Canadian equities and emerging markets. US and International stock market lagged Canada and emerging markets.

- Bonds yields ended the quarter higher, resulting in negative returns for universe and long bonds.

#### **Investment Returns Q4 2025**

- The Plan's added value has performed a bit softer in the shorter terms but there was added value in the longer-term periods. The Plan well ahead of other Canadian defined pension plans.

#### **Investment Returns – Total Plan**

- Performing well beyond expectations but that performance is not expected to continue at the same rate.
- For the month of December, the new international equity fund was up 1.9%, which is ahead of the benchmark of 1.7%.

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#### **Market Review – Canadian Equities**

- Despite trade uncertainties, Canadian equities delivered strongest annual return since 2009.
- The return of S&P/TSX was up 32% over December 2024.

#### **Canadian Equity – Performance Attribution**

- SRA Canadian Equity Fund: Q4 return of 6.0%, 0.2% under the index; YTD return was 23.9%, which is 7.8% under the index.
- PCJ Canadian Equity Fund: Q4 return of 6.4%, 0.2 above the index; YTD return was 28.9%, which is 1.8% below the index.
- CC & L Q Canadian Equity Extension Fund: Q4 was 9.3%, which is 2.9% above the index; YTD return was 40.2% which is over the index by 8.5%.

#### **International Equity -Performance Attribution**

- NS Partners International Equity Fund: Q4 return of 0.4%, 3% under the index; YTD return was 11.8%, which is 13.9% under the index.
- CC & L Q International Equity fund: Q4 return of 4.3%, 0.8% over the index; YTD return was 32.1%, which is 5.9% over the index.
- December 17-31, 2025, the fund was at 1.9%, over the index by 0.2%.
- January 2026 the fund was up 6.7%, 2.0% ahead of the index.

#### **US Equity -Performance Attribution**

- CC & L Q US Equity fund: Q4 return of 3%, 1.9% over the index; YTD return was 17.2%, which is 5.1% over the index.
- CC & L Q Emerging Markets Equity fund: Q4 return of 3.8%, 0.6% over the index; YTD return was 30.6%, which is 3.3% over the index.

#### **Fixed Income – Market Review**

- Decent economic data, delays in US data releases, government shutdowns, no big movement, sharper increases in December based on stronger employment report release in Canada. This changed the expectations of investors, and we are likely to see future cuts from the Bank of Canada.
- Shorter term yields were up less than longer term yields in the quarter.

- Provincial and corporate spreads (premium above government rates) that must be offered to investors to hold their bonds.
- Provincial spread came down in the first quarter of 2025, supply/demand story.
- Canadian and provincial levels are the closest they have been to equal since 2007.

#### **Fixed Income – Performance Attribution**

- CC & L Long Bond fund: Q4 was -1.4%, equal to the index; YTD was -0.3%, less than the index of -0.7%.

#### **Canadian Commercial Real Estate**

- Downtown office market summary: trophy building (brand new builds) showing the lowest vacancy rate at about 10%. Class B and C showing the highest at 25% in 2025. National average is about 18%.
- It is important to use the metric of net absorption which is space that is occupied minus vacant space. Positive net absorption shows strong demand and vacancies are declining. In 2025 the new supply was lower than net absorption which is a positive single for the sector.
- 2025 was the second year that there was positive net absorption with a return to office trend. No new supply with office buildings. Space for sub-leasing has fallen more than any other year since 2005.
- Office buildings in the portfolio are Rose Rock Place in Toronto, Arthur Erickson Place in Vancouver and a building in Calgary with the main tenant as government. Both have seen an increase in occupancy rates in 2025 due to enhancements.

#### **CC & L Infrastructure**

- We must actively manage these projects which include having a dedicated asset management team. The team is involved from day one.
- Asset management is important to infrastructure projects for improved performance, better risk management, and stable long-term returns.

#### **Economic Picture & Outlook**

- Expecting to see lower growth but still positive contingent on the state of labour markets.
- Possible inflation resurges mid-year as a risk which could impede central bankers from bringing down interest rates.
- Economic growth has stabilized and the last quarter of 2025 had a softer landing.
- Global unemployment rates are low and global inflation to be an immediate focus and bottom line is 2%.

#### **Asset Class Positioning**

- Fixed income strategy remains positioned for a steeper yield curve, with caution toward corporate bonds due to tight credit spreads.
- Systematic equity strategies (Canadian, U.S., International, Emerging Markets) are operating at modestly lower risk levels, creating favourable conditions to add value without increasing risk.
- Canadian value manager expects returns to normalize toward long-term TSX averages (8–10%) and sees opportunity in disciplined stock selection over momentum-driven investing.
- Growth manager maintains a balanced approach, combining cyclical exposure with defensive growth holdings.

- International equity strategy continues to focus on high-quality, resilient companies with durable competitive advantages.
- Real estate strategy remains selective, favouring high-quality urban Canadian properties, particularly given evolving office sector conditions.
- Infrastructure portfolio maintains a strong pipeline of new opportunities and continues to optimize existing assets for long-term growth.
- Retirement plan assets increased to approximately \$303 million, representing growth of over \$12 million YTD.

### **3.1.2 CC&L SIPP Review & Portfolio Re-Alignment**

- Lizanne confirmed that the re-alignment is complete and results of the re-alignment have been positive so far.
- Andrew noted that a regulatory filing is required.

\*\*\*At this time E. Petroulakis joined to talk about item 4.3.\*\*\*

### **3.3 Estimated financial position and maximum pension for 2027 (A. Kulyk)**

- A valuation was completed a year early due to market uncertainty, showing a positive financial position and resetting the three-year cycle, so no valuation is required this year.
- An updated financial position is being prepared to support governance and plan changes, including pension indexing; estimates are preliminary and based on custodian data, pending audit.
- The fund earned a 13.8% net return; asset smoothing recognizes 7.4%, deferring about \$30M in gains, leaving market-based assets about \$30M higher than the smoothed value.
- Inflation is near target, and higher bond yields support a stronger funded position despite short-term volatility.
- Extrapolated to Dec 31, 2025, the plan is 109.9% funded with a \$23.7M surplus; market basis is about 122%, reflecting deferred gains from smoothing.
- Automatic pension indexing requires greater than 105% funding; increases apply for 2026 and are expected for 2027.
- Asset smoothing is at the 10% cap, balancing stability with market alignment.
- Next year's return will likely be capped by inflation in 2025.

### **3.4 Cost of Living Increases (A. Kulyk)**

- The plan provides an automatic cost-of-living adjustment (COLA) based on the average investment return over a four-year period.
- For the current year, the fund achieved a net return of 13.8%, resulting in a four-year average return of 6.28%.
- The four-year average continues to be dampened by the negative return in 2022, which remains part of the calculation.
- As the four-year average exceeds the plan's threshold, an automatic COLA of 0.28% will be applied.
- The COLA will be effective July 1 and applies to retirees and deferred members.
- No board decision is required, as the increase is mandated by the plan provisions.
- Based on current return trends, it is highly likely that COLA will continue in future years, barring significant market declines.
- Pension increases will be implemented by the custodian in advance of the July 1 effective date.

**3.5 Trustee Chair service expiry:** This item was for information purposes only and for the Trustees to start bringing names forward.

**3.6 Appointment of one additional signatory:** This item was tabled for the next meeting.

#### **4.0 Continuing Business**

##### **4.1. Update on review of Trust Agreement between Brandon University and the Pension Trustees:**

This item was tabled to the next meeting.

- David stated that the idea is to have a current updated clean copy with all regulatory and legislative requirements.
- Andrew made a few comments noting that:
  - The List of Pension Trustees on Page 1 needs to be current.
  - On Page 5 it was suggested that this information needs to be validated; in Article VI Amendment and Termination, there is a provision in the governance oversight of this Plan (BUFA Collective Agreement) that states that any amendment to the Plan needs to be approved by BUFA and the University. This point needs to be discussed in more detail by the Trustees.
  - There is no clause requiring the Trustees to disclose a conflict of interest. In the second last paragraph on Section 2.01 of Article II – Establishment of Fund only states that ‘No person shall have any financial interest in or right to the Fund or any part thereof; except as expressly provided in the Plan.’ This does not address conflict of interest. It would be commonplace for the Pension Trustees to have a Conflict-of-Interest policy.
  - On Page 10, Section 3.16 needs to be updated to include video conferencing (i.e. Zoom, Teams, etc.)
  - Suggestion to add a provision for electronic execution of documents and signatures.
  - There is no reference to data privacy or protection.
- On Page 8, Section 3.06 (a) that states using registered mail should be updated.

**ACTION: A draft overview and revamp of the Trust Agreement will be brought to the next Trustees meeting for review and approval.**

##### **4.2 Brandon University Policy Review**

- This item was part of item 3.2.1
- CC & L to make updates and provide at April meeting.

##### **4.3 ESG provisions for investment policy (E. Petroulakis, Eckler)**

- As part of the SIP review, the committee considered whether to formally incorporate an ESG position, noting that additional context and discussion were needed before drafting policy language.
- ESG (Environmental, Social, and Governance) integration is now standardized across the investment industry, originating from the UN Principles for Responsible Investment (UN PRI).

- ESG has evolved from ethical and socially responsible investing into a defined framework used in investment analysis, company engagement, disclosure, and reporting.
- ESG factors are applied to assess and differentiate investments, with relevance varying by company, sector, and asset class.
- Governance, social, and environmental considerations are investment-specific and assessed relative to industry peers.
- ESG considerations are already embedded within existing manager mandates across asset classes, with differing emphasis (e.g., environment in infrastructure and real estate; human rights in emerging markets).
- The plan has effectively implemented ESG at the manager level; the key remaining step is to articulate the committee's ESG beliefs and purpose within the investment policy.
- Key policy considerations include defining purpose and scope, clarifying delegation of ESG responsibilities to managers, and determining the level of oversight and reporting.
- Most investment managers are UN PRI signatories and maintain ESG policies, making policy presence largely consistent across managers.
- A proposed starting approach would acknowledge ESG as an important consideration, delegate responsibility to managers, and emphasize ongoing education and transparency for the committee.
- The committee was invited to provide feedback on the proposed approach and consider next steps.
- There was a discussion regarding how involved the trustees want/should be. Eckler explained that ESG is not exclusionary, it is having an overarching policy.
- Sample wording: "The Trustees believe ESG factors are an important consideration for Plan investment. The investment managers are responsible for ESG factors and will provide the Trustees with associated policies along with supporting periodic education."

**ACTION: Eckler to provide updated draft sample wording two weeks before the April meeting for review and adoption by the board at the April meeting.**

#### **4.4 Asset Class Positioning and Fundamental Canadian Equity Item Tabled for the next meeting**

- A question was raised on Asset Class Positioning, Fundamental Canadian Equity, under Growth ...reducing exposure to financials and real estate, which appears to be very separate from the next category which is Real Estate. As far as it is understood, the Real Estate under Canadian Equity is REITS. Is the Plan in any danger of exceeding its 10% Real Estate target, by not combining these two categories? A further question is what exactly counts as Real Estate.

**ACTION: David confirmed that CC&L will be contacted to get answers to questions raised and the answer will be circulated to the Trustees.**

## **5.0 CORRESPONDENCE**

### **5.1 CIBC Mellon Custodial Fees – Invoices**

Motion: Moved and Seconded (J Chaboyer/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 5.1 through 5.4.

CARRIED

**6.0 UPCOMING MEETING DATES**

Wednesday, April 22, 2026	1:00 – 4:00 p.m.	Clark Hall Room 104
Tuesday, June 9, 2026	1:00 – 4:00 p.m.	Clark Hall Room 104
Wednesday, November 18, 2026	1:00 – 4:00 p.m.	Clark Hall Room 104

**7.0 ADJOURNMENT**

Motion: Moved and Seconded (A. Noto)

BE IT RESOLVED THAT THE Brandon University Retirement Plan Pension Trustees approved adjournment of the meeting at 3:24 p.m.

CARRIED

# **Statement of Investment Policies & Procedures**

Brandon University Retirement Plan

Approved and adopted effective April 23, 2026

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## **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) Contributions

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

#### b) Administration

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) Regulation

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)

- 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 Trustee 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 Part 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.
- g) Environmental, Social and Governance (ESG) factors are important considerations. Investment Managers should maintain a policy on how ESG factors are included in the investment process, provide education on the policy, and notify the Trustees of any material changes.

## **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 25-50<sup>th</sup> 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

<b>Assets</b>	<b>Minium %</b>	<b>Benchmark %</b>	<b>Maximum %</b>
<b>Equity</b>	<b>35.0</b>	<b>63.0</b>	<b>70.0</b>
Canadian Equity		18.0	
International Equity		22.0	
U.S Equity		18.5	
Emerging Markets Equity		4.5	
<b>Fixed Income</b>	<b>10.0</b>	<b>20.0</b>	<b>30.0</b>
Long Bonds		20.0	
<b>Cash*</b>	<b>0.0</b>	<b>0.0</b>	<b>5.0</b>
<b>Real Estate</b>	<b>0.0</b>	<b>10.0</b>	<b>20.0</b>
<b>Infrastructure</b>	<b>0.0</b>	<b>7.0</b>	<b>9.0</b>

### 5.2 Monitoring of Asset Mix

The Trustees shall monitor the asset mix for compliance with the guidelines stated in this SIPP. The Investment Manager shall monitor the asset mix and ensure the portfolio operates within the minimum and maximum guidelines stated in this SIPP. The Investment Manager will be responsible for rebalancing the Portfolio on an ongoing basis.

## **6. PERMITTED AND PROHIBITED INVESTMENTS**

### **6.1 Regulations**

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

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:

<b>Assets</b>	<b>Benchmark</b>	<b>Target %</b>
Canadian Equity	S&P/TSX Composite Index	18.0
International Equity	MSCI EAFE Index (net) (CAD)	11
	MSCI ACWI ex US Index (net) (CAD)	11
U.S Equity	S&P 500 Index (net 15%) (CAD)	18.5
Emerging Markets Equity	MSCI Emerging Markets Index (net) (CAD)	4.5
Long Bonds	FTSE Canada Long Term Overall Bond Index	20.0
Real Estate	Canada CPI + 4%	10.0
Infrastructure*	Canada CPI + 5%	7.0

\* 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 25-50<sup>th</sup> 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.

<b>Pooled Funds</b>	<b>Pooled Funds' Performance Objectives*</b>
PCJ Canadian Equity Fund	<ul style="list-style-type: none"> <li>• S&amp;P/TSX Composite Index +2% over rolling four-year periods.</li> <li>• Obtain a 33<sup>rd</sup> Percentile Performance ranking over rolling four-year periods, as measured by a nationally recognized service.</li> </ul>
Scheer, Rowlett & Associates Canadian Equity Fund	<ul style="list-style-type: none"> <li>• CPI +3% over long-term**.</li> <li>• Annualized return of benchmark +2% over a business cycle**.</li> <li>• Obtain above median performance over rolling four-year periods, for similar mandates, as measured by a nationally recognized service.</li> </ul>
CC&L Q Equity Extension Fund	<ul style="list-style-type: none"> <li>• S&amp;P/TSX Composite Index +5% per annum over a market cycle.</li> </ul>
NS Partners International Equity Fund	<ul style="list-style-type: none"> <li>• MSCI EAFE Index (net) (CAD) +3% over a market cycle**.</li> </ul>
CC&L Q International Equity Fund	<ul style="list-style-type: none"> <li>• MSCI ACWI ex-US Index (net) (CAD) +2.5% per annum over a market cycle.</li> </ul>
CC&L Q US Equity Extension Fund	<ul style="list-style-type: none"> <li>• S&amp;P 500 Index (net 15%) (CAD) +4.5% per annum over a market cycle.</li> </ul>
CC&L Q Emerging Markets Equity Fund	<ul style="list-style-type: none"> <li>• MSCI Emerging Markets Index (CAD) (net) +3% per annum over a market cycle**.</li> </ul>
CC&L Long Bond Fund	<ul style="list-style-type: none"> <li>• FTSE Canada Long Term Overall Bond Index +0.5% per annum over a market cycle**.</li> </ul>
Crestpoint Institutional Real Estate Trust	<ul style="list-style-type: none"> <li>• Gross annualized returns of 8-11% over time</li> </ul>
CC&L Institutional Infrastructure Fund	<ul style="list-style-type: none"> <li>• Net annualized returns of 8-11% over time***.</li> </ul>
CC&L Group Money Market Fund	<ul style="list-style-type: none"> <li>• FTSE Canada 91 Day T-Bill Index over a market cycle**.</li> </ul>

\*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 and 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-**

## **APPENDIX A: PCJ CANADIAN EQUITY FUND**

## PCJ CANADIAN EQUITY FUND

### OBJECTIVES

1. Maximize long-term total return through prudent selection of investments.
2. Target returns equal to the return of the S&P/TSX Composite Index or the TSX Composite Index, plus 2% over rolling four-year periods.
3. Obtain a 33rd percentile performance ranking over rolling four-year periods as measured by a nationally recognized service.

### INVESTMENT GUIDELINES

#### 1. Permitted Investments

The class/Fund holds primarily Canadian equities traded on recognized Canadian exchanges, rights, warrants, cash and cash equivalents, and derivatives as outlined elsewhere in this Schedule. The class/Fund may also hold income oriented equity unit trust securities, so long as such securities are listed on a recognized exchange. These holdings may be effected through participation in PCJ pooled investment funds or through the purchase of individual securities.

#### 2. Diversification

Holdings are diversified among at least 7 of the 10 S&P/TSX Composite industry sectors. Maximum sector weights are the lesser of four times the Index sector weight and 40%. If an Index sector weight is 1% or less, a maximum sector weight of 4% will apply. No fewer than 25 stocks may be held in the portfolio. The maximum weight of a single position is 10% of Canadian equities. Cash and cash equivalents may range from 0 to 5%.

### PENSION LEGISLATION (WHERE APPLICABLE)

Investments of a registered pension plan must comply with the investment rules under the respective federal or provincial Pension Benefits Act.

### DERIVATIVES

Derivative instruments will only be used in ways that are consistent with the fund's and the investor's investment objectives. They will not be used to add leverage to the fund. Counterparty risk arising from derivative transactions will be limited to credits rated "A" or better. Instruments used may include but are not limited to futures, options, swaps and structured notes.

## VALUATION OF NON-MARKETABLE SECURITIES

In the 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 from time to time determines.

## SECURITIES LENDING / VOTING RIGHTS

The guidelines for the authorization to vote are contained in the Managed Account Authorization. The pooled fund is not permitted to carry out securities lending but clients may authorize the lending of securities for their own portfolios.

## CODE OF ETHICS

Investment activities are conducted in a manner consistent with the Code of Ethics and Standards of Professional Conduct adopted by the CFA Institute.

The managers and financial analysts of PCJ Investment Counsel Ltd., when making investment decisions or taking investment actions shall not knowingly permit their interest to conflict with their duties or powers relating to the Fund. Conduct of these individuals is subject to the applicable Standards of Personal Conduct Policy of their firm. Any conflicts of interest must be reported immediately to the board of directors of PCJ Investment Counsel Ltd.

**APPENDIX B: SCHEER, ROWLETT & ASSOCIATES  
CANADIAN EQUITY FUND**

## SCHEER ROWLETT & ASSOCIATES – CANADIAN EQUITY FUND

### OBJECTIVES

1. Maximize long-term total return while protecting the capital value of the fund from major market fluctuations through diversification and selection of investments as described below. Execution of portfolio management responsibilities will be carried out in accordance with the prudent expert rules as dictated by the CFA Institute.
2. Maintain current purchasing power of monies placed in the fund plus a real incremental return of 2 to 4% with an average over time of 3% (i.e., longer term returns should equal inflation, as measured by the CPI, plus 3%).
3. Obtain, over a business cycle, an annualized return that is 2.0% above the benchmark portfolio of the Fund.
4. Obtain above median performance over rolling four-year periods, for similar mandates, as measured by a nationally recognized service

### ASSET MIX RANGES AND BENCHMARK

Asset category	Minimum (%)	Reference (%)	Maximum (%)	Reference Indices*
Short Term	0	0	10	FTSE TMX Canada 91 day T-Bill Index
Canadian Equities	90	100	100	S&P/TSX Composite
Foreign Securities	0		10	

\*All indices are on a total return basis.

### PERMITTED INVESTMENTS

#### Short-term:

Cash, demand deposits, treasury bills, short-term bills, bank acceptances, term deposits, guaranteed investment certificates, commercial paper, bonds, debentures with maturities of less than one year, pooled funds and mutual funds.

#### Equities :

Common shares, rights, warrants, receipts, unit trusts, securities convertible into common shares, pooled funds, mutual funds, option contracts and futures contracts.

### INVESTMENT LIMITS

#### Short-term:

The minimum quality standard at time of purchase is R1, or equivalent, as measured by a recognized Canadian bond-rating service.

**Canadian Equities:**Sector constraints

Holdings are diversified among at least 7 of the 11 TSX Composite Index industry sectors. Investment weight in any one sector may range  $\pm 25\%$  of that sector's weight in the TSX Composite Index or an absolute weight of  $\pm 7\%$ , whichever is greater.

Security constraints

The portfolio will generally not hold less than 35 securities with the typical number of securities between 35 and 55 stocks, and will not hold more than 10% of the market value of the Trust in the securities of any one issuer.

**DERIVATIVES**

The portfolios may invest in derivatives for hedging purposes, or other non-speculative purposes such as market exposure. The underlying cash value of any derivative exposures will fully respect all portfolio constraints. These funds may also invest in rights and warrants provided the Investment Manager complies with all regulatory requirements. No leveraged investments are permitted.

**MISCELLANEOUS****Lending of Securities**

It is acknowledged that securities lending may be permitted in the portfolios.

**DELEGATION OF VOTING RIGHTS**

The Investment Manager is delegated the responsibility of exercising all voting rights acquired through the Investment Manager's investments. The investment manager will carry out the voting activity in the best interests of the underlying portfolio participants.

**VALUATION OF INVESTMENTS**

It is expected that the securities held in the portfolios will have an active market and, therefore, valuation of the securities will be based on their market values.

If a security held in the pooled fund does not have an active market, then it will be valued at least annually by the fund custodian using a discount rate composed of an estimate of the risk-free rate of return, an estimate of expected inflation, and a risk premium commensurate with the uncertainty of the investment's future income stream.

Alternatively, at the fund custodian's discretion, an appraisal of the value of such securities may be obtained at least annually from an independent appraiser who is qualified to appraise the value of the asset.

The value determined by the custodian shall be deemed final.

**CODE OF ETHICS**

Investment activities are conducted in a manner consistent with the Code of Ethics and Standards of Professional Conduct adopted by the CFA Institute.

## **APPENDIX C: CC&L Q EQUITY EXTENSION FUND**

# STATEMENT OF INVESTMENT POLICIES AND PROCEDURES

## CC&L Q EQUITY EXTENSION FUND

### OBJECTIVES

- Generate gross of fees returns equal to the return of the S&P/TSX Composite Index (the “Benchmark”) plus 5.0 % per annum over a market cycle.
- Maximize long-term total return while prudently managing investment risk relative to the Benchmark.

### INVESTMENT STRATEGY

The Fund will invest in both long and short equity positions. The Fund will assess specific investment opportunities through the disciplined application of a quantitative process which evaluates specific securities using a variety of factors.

### INVESTMENT GUIDELINES

- 1. Strategy.** The Fund’s strategy is to invest in long and short equity positions. The aggregate market value of long positions less the aggregate market value of short positions (net equity exposure) will generally be equal to the Net Asset Value of the Fund.
- 2. Permitted Investments.** The Fund invests primarily in equity securities including, but not limited to, common shares, limited partnerships, royalty trusts, income trusts, subscription receipts and real estate investment trusts that are traded on recognized exchanges, rights, warrants, cash and cash equivalents, and derivatives as outlined elsewhere in this Schedule. The holdings may be effected through participation in CC&L pooled investment funds or through the purchase of individual securities.
- 3. Leverage.** The Fund intends to employ a degree of leverage as the Investment Manager will sell short securities in amounts up to 65% of the Net Asset Value of the Fund, and the Manager will then invest those short proceeds into further long security positions. On average, for every one hundred dollars invested in the Fund, the Fund may sell short securities with a value of sixty dollars, and purchase long security positions with a value of one hundred and sixty dollars.
- 4. Sector Diversification.** Holdings are diversified among the Benchmark industry sectors. The net market value of the Fund invested in a sector shall range between +/- 8 percentage points of that sector's weight in the Benchmark.
- 5. Stock Diversification.** Investment in a single Benchmark stock may range between the Benchmark weight plus 5% and the Benchmark weight minus 5%. The Fund will hold not less than 50 securities at any time.
- 6.** The Fund will be fully invested on an ongoing basis with minimum net long equity notional exposure of 95%.

## ABILITY TO BORROW SECURITIES AND USE LEVERAGE

The Fund, in making investments, will engage in short selling, borrow securities and use leverage.

## PENSION LEGISLATION

Investments of the Fund will comply with the investment rules under the respective Federal or provincial Pension Benefits Act.

## DERIVATIVES

Derivative instruments will only be used in ways that are consistent with the Fund's investment objectives. The underlying exposures facilitated through the use of derivatives will be incorporated into the Fund's constraints detailed above. Counterparty risk arising from derivative transactions will be limited to credits rated "A-" or better. Instruments used may include but are not limited to futures, forwards, options, swaps and structured notes.

## VALUATION OF NON-MARKETABLE SECURITIES

In the 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 from time to time determines.

## VOTING RIGHTS / SECURITIES LENDING

The guidelines for the authorization to vote are contained in the Managed Account Agreement. The Fund is permitted to carry out securities lending.

## CODE OF ETHICS

CC&L's investment activities are conducted in a manner consistent with the Code of Ethics and Standards of Professional Conduct adopted by the CFA Institute.

The managers and financial analysts of CC&L, when making investment decisions or taking investment actions shall not knowingly permit their interest to conflict with their duties or powers relating to the Fund. Conduct of these individuals is subject to the CC&L Standards of Personal Conduct Policy. Any conflicts of interest must be reported immediately to the board of directors of CC&L.

## **APPENDIX D: NS PARTNERS INTERNATIONAL EQUITY FUND**

## NS PARTNERS INTERNATIONAL EQUITY FUND

### OBJECTIVES

1. Maximize long-term total return while protecting the capital value of the Fund from major market fluctuations through prudent selection of investments.
2. Generate returns equal to the return of the MSCI EAFE Index (net) (C\$) (the “Benchmark) plus 3% over a market cycle.

### INVESTMENT GUIDELINES

#### 1. Permitted Investments

The Fund holds primarily non-North American equities traded on recognized international exchanges, rights, warrants, cash and cash equivalents, and derivatives. These holdings may be effected through participation in CC&L pooled investment funds or through the purchase of individual securities.

#### 2. Diversification

The investment manager diversifies investments and controls currencies in the Fund. Country and currency allocations are allowed to vary within a controlled band around the country’s weight within the Benchmark. Country and currency limits are set in absolute terms in relation to the weight in the Benchmark:

Country Weightings (% of Total Portfolio) Benchmark Level + / -			
Austria	10%	Spain	10%
Belgium	10%	Sweden	10%
Denmark	10%	Switzerland	10%
Finland	10%	United Kingdom	15%
France	15%	Australia	10%
Germany	15%	New Zealand	10%
Ireland	10%	Hong Kong	10%
Italy	10%	Japan	15%
Netherlands	10%	Malaysia	10%
Norway	10%	Singapore	10%
Portugal	10%		

For example, if Japan’s weight in the Benchmark were 35%, the minimum country weighting permitted in the Fund would be 20% and the maximum weight would be 50%. Country weights are not permitted to be negative.

The weight of countries not in the Benchmark is limited to 20% of the market value of the Fund. Emerging market equities may be included up to a maximum of 20% of the market value of the Fund. The maximum weight of a single equity position is 5% of the market value of the Fund. No investment at the time of purchase will have a

market capitalization less than C\$2.5 billion. Cash and cash equivalents may range from 0% to 20% of the market value of the Fund except in temporary circumstances of large applications or redemptions.

### 3. Currency Management

Currency allocation has two components: equity position exposure and hedging strategy.

Currency exposure from the equity position - A currency position is generated when investing in a foreign country's stock market. This maximum currency exposure from an equity position is equal to the Fund's equity exposure in a particular country.

Currency hedging strategy exposure – NS Partners uses the following destination currencies for hedging purposes: Euro, Japanese Yen, U.K. Pound and Australian Dollar. NS Partners will not invest in a currency above its Benchmark weighting for hedging purposes, except for the Euro which may be used as a proxy for continental Europe.

The Canadian Dollar is the base currency of the Fund. Hedging back into the base currency will occur only under exceptional circumstances in order to preserve capital during a period when the Canadian Dollar is likely to appreciate strongly.

## PENSION LEGISLATION

Investments of the Portfolio will comply with the investment rules under the respective federal or provincial Pension Benefits Act.

## VALUATION OF INVESTMENT

It is expected that the securities held in the Fund will have an active market and, therefore, valuation of the securities will be based on their market values. All securities are valued daily at market prices from independent sources. For securities where no price is available (illiquid securities), the average of the last recorded bid and ask price (mid-price), or the price determined by using such other method as agreed between the Custodian in consultation with the Investment Manager will determine what the most appropriate valuation method

## CODE OF ETHICS

The managers and financial analysts of NS Partners Ltd, when making investment decisions or taking investment actions shall not knowingly permit their interest to conflict with their duties or powers relating to the Fund. Conduct of these individuals is subject to the NS Partners Ltd Standards of Personal Conduct Policy. Any conflicts of interest must be reported immediately to the board of directors of NS Partners Ltd.

## **APPENDIX E: CONNOR, CLARK & LUNN INTERNATIONAL EQUITY FUND**

# STATEMENT OF INVESTMENT POLICIES AND PROCEDURES

## CC&L Q INTERNATIONAL EQUITY FUND

### OBJECTIVES

- Generate returns equal to the return of the MSCI ACWI ex-USA Index (CAD) (net) (the “Benchmark”) plus 2.5% per annum over a market cycle.
- Maximize long-term total return while prudently managing investment risk relative to the Benchmark.

### INVESTMENT GUIDELINES

The investment approach involves investing in a diversified, market-oriented non-US equity portfolio. In carrying out the investment mandate, a structured investment process is used that attempts to add value relative to the benchmark. This involves identifying opportunities across companies, sectors and countries by evaluating a diverse set of fundamental and market-based predictive factors. Portfolios are constructed through the use of a proprietary risk model and optimizer.

Foreign exchange contracts may be used to hedge currency exposure so that the currency exposure of the Fund is similar to that of the benchmark. Active currency positions are only taken in those countries where it is prohibitively expensive to hedge.

#### 1. Permitted Investments

The Fund invests primarily in equity securities issued by publicly-trade entities located or active in developed and emerging market countries, excluding the United States. The Fund may also hold cash, cash equivalents, collective investment vehicles including pooled funds, closed-end funds, exchange traded funds (such as i-shares) and foreign currency exchange contracts for hedging purposes. The Fund is permitted to invest in countries not included in the Benchmark.

#### 2. Diversification

##### Country constraints

The market value of the Fund invested in a country shall range within +/- 10 percentage points of that country's weight in the Benchmark, but shall not fall below 0 percentage points. The weight of countries not in the Index is limited to an aggregate of 20%.

##### Sector constraints

The market value of the Fund invested in a sector shall range within +/- 15 percentage points of that sector's weight in the Benchmark, but shall not fall below 0 percentage points.

### Security constraints

Investment in any stock may not exceed 10% of the market value of the Fund.

Cash and cash equivalents may range from 0 to 10% of the Fund.

## DERIVATIVES

Derivative instruments will only be used in ways that are consistent with the Fund's investment objectives. The underlying exposures facilitated through the use of derivatives will be incorporated into the Fund's constraints detailed above. Counterparty risk arising from derivative transactions will be limited to credits rated "A-" or better. Instruments used may include but are not limited to futures, forwards, options, swaps and structured notes. Derivatives cannot be used to facilitate or effect the borrowing of money.

## PENSION LEGISLATION

Investments of the Fund will comply with the investment rules under the respective federal or provincial Pension Benefits Act

## VALUATION OF NON-MARKETABLE SECURITIES

In the 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 from time to time determines.

## VOTING RIGHTS / SECURITIES LENDING

The guidelines for the authorization to vote are contained in the Managed Account Agreement. The Fund is permitted to carry out securities lending.

## CODE OF ETHICS

CC&L's investment activities are conducted in a manner consistent with the Code of Ethics and Standards of Professional Conduct adopted by the CFA Institute.

The managers and financial analysts of CC&L, when making investment decisions or taking investment actions, shall not knowingly permit their interest to conflict with their duties or powers relating to the Fund. Conduct of these individuals is subject to the CC&L Standards of Personal Conduct Policy. Any conflicts of interest must be reported immediately to the board of directors of CC&L.

## **APPENDIX F: CC&L US EQUITY EXTENSION FUND**

# STATEMENT OF INVESTMENT POLICIES AND PROCEDURES

## CC&L Q US EQUITY EXTENSION FUND

### Objectives

- Generate gross of fees returns equal to the return of the S&P 500 Index (net 15%) (C\$) (the “Benchmark”) plus 4.5% per annum over a market cycle.
- Maximize long-term total return while prudently managing investment risk relative to the Benchmark.

### INVESTMENT STRATEGY

The Fund will invest in both long and short security positions. The Fund will assess specific investment opportunities through the disciplined application of a quantitative process which evaluates specific securities using a variety of factors.

### INVESTMENT GUIDELINES

- 1. Strategy.** The Fund’s strategy is to invest in long and short security positions in global equity markets. The aggregate market value of long positions less the aggregate market value of short positions (net equity exposure) will generally be equal to the Net Asset Value of the Fund. The net equity exposure of the Fund is generally expected to be approximately 100% long US equities.
- 2. Permitted Investments.** The Fund invests primarily in equity securities including, but not limited to, common shares, limited partnerships, royalty trusts, income trusts, subscription receipts and real estate investment trusts that are traded on recognized exchanges, rights, warrants, cash and cash equivalents, and derivatives as outlined elsewhere in this Schedule. The holdings may be effected through participation in CC&L pooled investment funds or through the purchase of individual securities.
- 3. Leverage.** The Fund intends to employ a degree of leverage as the Investment Manager will sell short securities in amounts up to a maximum of 65% of the Net Asset Value of the Fund, and the Manager will then invest those short proceeds into further long security positions. On average, for every one hundred dollars invested in the Fund, the Fund may sell short securities with a value of sixty dollars, and purchase long security positions with a value of one hundred and sixty dollars.
- 4. Sector Diversification.** Holdings are diversified among the Benchmark industry sectors. The net market value of the Fund invested in a sector shall range between +/- 8 percentage points of that sector's weight in the Benchmark.
- 5. Stock Diversification.** Investment in a single stock may range between the Benchmark weight plus 5% and the Benchmark weight minus 5%. The Fund will hold not less than 150 securities at any time.
- 6.** The Fund will be fully invested on an ongoing basis with minimum net long equity notional exposure of 95%.

### ABILITY TO BORROW SECURITIES AND USE LEVERAGE

The Fund, in making investments, will engage in short selling, borrow securities and use leverage.

## PENSION LEGISLATION

Investments of the Fund will comply with the investment rules under the respective Federal or provincial Pension Benefits Act.

## DERIVATIVES

Derivative instruments will only be used in ways that are consistent with the Fund's investment objectives. The underlying exposures facilitated through the use of derivatives will be incorporated into the Fund's constraints detailed above. Counterparty risk arising from derivative transactions will be limited to credits rated "A-" or better. Instruments used may include but are not limited to futures, forwards, options and swaps.

## VALUATION OF NON-MARKETABLE SECURITIES

In the 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 from time to time determines.

## VOTING RIGHTS / SECURITIES LENDING

The guidelines for the authorization to vote are contained in the Managed Account Agreement. The Fund is permitted to carry out securities lending.

## CODE OF ETHICS

CC&L's investment activities are conducted in a manner consistent with the Code of Ethics and Standards of Professional Conduct adopted by the CFA Institute.

The managers and financial analysts of CC&L, when making investment decisions or taking investment actions shall not knowingly permit their interest to conflict with their duties or powers relating to the Fund. Conduct of these individuals is subject to the CC&L Standards of Personal Conduct Policy. Any conflicts of interest must be reported immediately to the board of directors of CC&L.

## **APPENDIX G: CC&L Q EMERGING MARKETS EQUITY FUND**

## CC&L Q EMERGING MARKETS EQUITY FUND

### OBJECTIVES

- Generate returns equal to the return of the MSCI Emerging Markets Index (CAD) (net) (the “Benchmark”) plus 3% per annum over a market cycle.
- Maximize long-term total return while prudently managing investment risk relative to the Benchmark.

### INVESTMENT GUIDELINES

The investment approach involves investing in a diversified, market-oriented emerging markets equity portfolio. In carrying out the investment mandate, a structured investment process is used that attempts to add value relative to the benchmark. This involves identifying opportunities across companies, sectors and countries by evaluating a diverse set of fundamental and market-based predictive factors. The Fund is constructed through the use of a proprietary risk model and optimizer.

Foreign exchange contracts may be used to hedge currency exposure so that the currency exposure of the Fund is similar to that of the benchmark. Active currency positions are only taken in those countries where it is prohibitively expensive to hedge.

#### 1. Permitted Investments

The Fund invests primarily in equity securities issued by publicly-traded entities located or active in emerging market countries. The Fund may also hold cash, cash equivalents, collective investment vehicles including pooled funds, closed-end funds, exchange traded funds (such as i-shares) and derivatives as outlined elsewhere in this Schedule. The Fund is permitted to invest in countries not included in the Benchmark

#### 2. Diversification

##### Country constraints

The market value of the Fund invested in a country shall range within +/- 10 percentage points of that country's weight in the Benchmark, but shall not fall below 0 percentage points. The weight of countries not in the Index is limited to an aggregate of 20%.

##### Sector constraints

The market value of the Fund invested in a sector shall range within +/- 15 percentage points of that sector's weight in the Benchmark, but shall not fall below 0 percentage points.

##### Security constraints

Investment in any issuer may range within +/- 3 percentage points of that issuer's weight in the Benchmark, but shall not fall below 0 percentage points.

Cash and cash equivalents may range from 0 to 10% of the Fund.

## DERIVATIVES

Derivative instruments will only be used in ways that are consistent with the Fund's investment objectives. The underlying exposures facilitated through the use of derivatives will be incorporated into the Fund's constraints detailed above. Counterparty risk arising from derivative transactions will be limited to credits rated "A-" or better. Instruments used may include but are not limited to futures, forwards, options, swaps and structured notes. Derivatives cannot be used to facilitate or effect the borrowing of money.

## VALUATION OF NON-MARKETABLE SECURITIES

In the 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 from time to time determines.

## VOTING RIGHTS / SECURITIES LENDING

The guidelines for the authorization to vote are contained in the Managed Account Agreement. The Fund is permitted to carry out securities lending.

## CODE OF ETHICS

CC&L's investment activities are conducted in a manner consistent with the Code of Ethics and Standards of Professional Conduct adopted by the CFA Institute.

The managers and financial analysts of CC&L, when making investment decisions or taking investment actions, shall not knowingly permit their interest to conflict with their duties or powers relating to the Fund. Conduct of these individuals is subject to the CC&L Standards of Personal Conduct Policy. Any conflicts of interest must be reported immediately to the board of directors of CC&L.

## **APPENDIX H: CC&L LONG BOND FUND**

# STATEMENT OF INVESTMENT POLICIES AND PROCEDURES

## CC&L LONG BOND FUND

### OBJECTIVES

- Generate returns equal to the return of the FTSE Canada Long Term Overall Bond Index (the “Benchmark”) plus 0.50% per annum over a market cycle.
- Maximize long-term total return while prudently managing investment risk relative to the Benchmark.

### INVESTMENT GUIDELINES

#### 1. Permitted Investments

The Fund holds primarily 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. Derivatives are permitted as outlined elsewhere in this Schedule. These holdings may be effected through participation in CC&L pooled investment funds or through the purchase of individual securities.

#### 2. Diversification and Quality Restrictions

The investment manager diversifies investments in the Fund within the following ranges:

	Market Value Maximum
<b><u>Government Bonds (3)</u></b>	
Sovereign and Sovereign Guarantees	100%
Provincials	80%
Municipals	10%
<b><u>Overall Non-Government Bonds (1,2,3)</u></b>	
Mortgage-Backed and Commercial Mortgage-Backed Securities	25%
Asset-Backed Securities and Other Securitized Debt	25%
Corporate Bonds	45%
BBB Rated Corporate Bonds	30%
Foreign Pay Bonds – Currency Hedged	30%
Foreign Pay Bonds – Unhedged	0%
Cash and Cash Equivalents (4)	25%

## Notes:

1. The maximum exposure to any one non-government issuer is 5% of the market value of the Fund excluding Schedule I banks. The maximum exposure to any one Schedule I bank is 10% of the market value of the Fund.
2. The Fund may at times have exposure to an investment grade credit default swap index, which consists of issuers with at least a BBB- rating, at the time of series initiation. From time to time, issuers may be downgraded, which may result in the Fund having exposures to issuers rated less than BBB-. The maximum exposure to credit default swap indices is 10% of the Fund.
3. Debt securities of governments and corporations must carry a minimum BBB- rating by either DBRS or S&P credit rating agencies, or other rating agencies where applicable, at time of purchase. In the event of one or more ratings differing from the others, the majority rating will prevail. In the event that there are only two ratings available, the most conservative rating will prevail. The average credit quality of the overall bond portfolio holdings will be at least 'A-' rated. Non-rated securities will be permitted at the time of purchase, provided that in the opinion of the manager, they would be rated A- or higher if one of Moody's, S&P, DBRS or other rating agencies were to rate them.
4. Cash and cash equivalents may range from 0% to 25% of the Fund excluding any cash designated to collateralize derivatives exposure.

### 3. Duration Management

The duration of the Fund will generally vary within a range of +/-10% of the duration of the Benchmark.

### DERIVATIVES

Derivative instruments will only be used in ways that are consistent with the Fund's investment objectives. The underlying exposures facilitated through the use of derivatives will be incorporated into the portfolio's constraints detailed above. Counterparty risk arising from derivative transactions will be limited to credits rated "A-" or better. Instruments used may include but are not limited to futures, forwards, options and swaps. Derivatives cannot be used to facilitate or effect the borrowing of money.

### PENSION LEGISLATION

Investments of the Fund will comply with the investment rules under the respective federal or provincial Pension Benefits Act.

### VALUATION OF NON-MARKETABLE SECURITIES

In the 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 from time to time determines.

### VOTING RIGHTS / SECURITIES LENDING

The guidelines for the authorization to vote are contained in the Managed Account Agreement. The Fund is permitted to carry out securities lending.

## CODE OF ETHICS

CC&L's investment activities are conducted in a manner consistent with the Code of Ethics and Standards of Professional Conduct adopted by the CFA Institute.

The managers and financial analysts of CC&L, when making investment decisions or taking investment actions shall not knowingly permit their interest to conflict with their duties or powers relating to the Fund. Conduct of these individuals is subject to the CC&L Standards of Personal Conduct Policy. Any conflicts of interest must be reported immediately to the board of directors of CC&L.

## **APPENDIX I: CRESTPOINT INSTITUTIONAL REAL ESTATE TRUST**

# STATEMENT OF INVESTMENT POLICIES AND PROCEDURES



## CRESTPOINT INSTITUTIONAL REAL ESTATE TRUST

### Overview

The primary investment objective of the Crestpoint Institutional Real Estate Trust (the “Institutional Trust”), an investment trust established under the laws of the Province of British Columbia is to invest primarily into the units of the Crestpoint Real Estate Investments Limited Partnership (the “Partnership”, a limited partnership established under the laws of the Province of Ontario). RBC Investor Services is the trustee of the Institutional Trust and Crestpoint Asset Management Ltd. is the manager (the “Institutional Manager”) of the Institutional Trust.

### Investment Objectives & Strategy

1. The Institutional Trust invests primarily in the units of the Partnership managed by Crestpoint Real Estate Investments Inc. (“Crestpoint Inc.”)
2. The investment objective of the Institutional Trust is to, indirectly through the Partnership or other vehicles with similar investment objectives as the Partnership, gain exposure to a portfolio of income producing commercial real estate properties including without limitation, office, retail, industrial and multi-unit residential properties, development projects, as well as real estate related securities and mortgages with long term, stable, cash flow characteristics. It is currently only invested in the Partnership. In addition, the Partnership may engage in such activities as Crestpoint Inc. deems necessary or advisable, convenient or incidental in order to achieve the foregoing investment objectives, including partnering with other real estate developers to develop or acquire assets.
3. The Partnership invests in Canadian urban and select tertiary markets with the objective of generating stable cash returns for investors together with longer term capital appreciation. The Partnership may also invest in cash, money market and short term debt instruments as appropriate.
4. The strategy strives to generate target gross annualized returns in the 8 – 11% range over time.

### Investment Guidelines

#### Asset Size

- The Partnership invests in properties by making equity investments that typically range in size from \$20-\$100 million dollars. It is the intention of Crestpoint Inc. that no single asset represents more than 25% of the market value of the Partnership.

#### Leverage

- Individual properties will typically be financed with debt between 40 and 60% of the market value of the property.
- In aggregate the Partnership leverage cannot exceed 65% of the market value of the Partnership at the time the money is borrowed. In the event that leverage does exceed 65% of the value of the total assets of the Partnership, then additional investments will be limited to leverage of 50% of the value of the investments until such time as overall leverage is less than 65%.

- No single investment may be financed in an amount representing more than 80% of its market value at the time of acquisition.

### **Geographical Diversification**

- The Partnership is geographically diversified across Canada by region including significant allocations to Ontario, Alberta, British Columbia and Quebec.

### **Property Type Diversification**

- The Partnership is diversified by property type including allocations to office, retail, industrial and multi-unit residential properties and some development projects.

### **Liquidity**

- While redemptions are permitted, monthly redemptions are at a discount and may be satisfied by issuing a note (“Note”) of a British Columbian Trust (the “Redemption Trust”) to the redeeming unitholder. Quarterly redemptions, while not subject to a discount, will only be paid out as and when cash is available.
- While redemptions are permitted, the assets of the Partnership are illiquid and there can be no assurance that investors in either the Partnership or the Institutional Trust will be able to realize on their respective investments in a timely manner or at all.

### **Valuation**

The net asset value (“NAV”) of the Institutional Trust is the value of the Institutional Trust’s assets less its liabilities. The NAV of the Institutional Trust is based on the NAV of the Partnership because the Institutional Trust owns Partnership units. The NAV of the Partnership is based on the value of the Partnership’s properties and assets less its liabilities. The NAV of the Partnership is generally determined at the end of every fiscal quarter or more frequently based on the requirement to issue or redeem units.

An independent appraisal firm is retained to complete an external valuation of the Partnership portfolio investments a minimum of once per annum. The independent Advisory Committee reviews the determination of NAV at the end of every fiscal quarter or more frequently based on the requirement to issue or redeem units.

### **Pension Legislation (where applicable)**

Investments of a registered pension plan must comply with the investment rules under the respective Federal or provincial Pension Benefits Standards Act. Investments by a pension plan in the Institutional Trust must be allowed under the Statement of Investment Policies and Procedures for the pension plan.

### **Derivatives**

Derivative instruments will only be used in ways that are consistent with the Partnership’s investment objectives. Counterparty risk arising from derivative transactions will be limited to credits rated “A” or better. Instruments used may include but are not limited to futures, forwards, options, swaps and structured notes.

### **Code of Ethics**

Investment activities are conducted in a manner consistent with the Code of Ethics and Standards of Professional Conduct adopted by Crestpoint Inc.

The managers and financial analysts of Crestpoint Inc., when making investment decisions or taking investment actions, shall not knowingly permit their interest to conflict with their duties or powers relating to the Institutional Trust or the Partnership. Any conflicts of interest must be reported immediately to the Board of Directors of Crestpoint Inc. or to the independent advisory committee appointed for the Partnership.

## **APPENDIX J: CC&L INSTITUTIONAL INFRASTRUCTURE FUND**

## CONNOR, CLARK & LUNN INSTITUTIONAL INFRASTRUCTURE FUND

### OVERVIEW

The Connor, Clark & Lunn Institutional Infrastructure Fund (the “Fund”) is an investment trust established under the laws of the Province of British Columbia. The Fund invests in units of various limited partnerships (individually, a “Partnership” and together, the “Partnerships”) created and managed by Connor, Clark & Lunn Infrastructure. RBC Investor Services is the trustee of the Fund and Connor, Clark & Lunn Funds Inc. is the investment fund manager of the Fund.

### OBJECTIVES

- The investment objective of the Fund is to gain exposure to a portfolio of illiquid infrastructure investments with long-term, stable cash flow characteristics in North America and other markets with regulatory regimes that encourage investment in such projects.
- The investment strategy strives to generate target net returns in the 8-11% range over time.<sup>1</sup>

### INVESTMENT STRATEGY

The Fund will invest primarily in the units of Partnerships managed by Connor, Clark & Lunn Infrastructure.

The Partnerships will invest in development, construction and operating stage infrastructure assets that generally fall in two broad categories: (i) energy infrastructure assets, including but not limited to power generation (hydroelectric, wind, solar, co-generation, etc.), electricity transmission, district heating/cooling, energy conservation or transition, and other projects, and (ii) traditional infrastructure assets, including but not limited to roads, schools, bridges, hospitals, water distribution and treatment, and other projects.

### INVESTMENT GUIDELINES

#### **Asset Size**

The Fund, indirectly through the Partnerships, will invest in projects that generally range in size from \$50 up to \$1 billion of enterprise value.

#### **Indebtedness**

The Fund, directly or indirectly through the Partnerships, may borrow an amount not exceeding 10% of Fund net asset value (“NAV”) in order to provide some measure of flexibility for cash management purposes including in funding its expenses, subscriptions in one or more Partnerships and redemptions of units.

1. Net of fees and expenses. These are target returns only. There is no guarantee that such returns will be achieved.

### Liquidity

The assets of the Fund and the Partnerships are illiquid and there can be no assurance that the Fund or the Partnerships will be able to realize on their respective investments in a timely manner or at all.

### ABILITY TO BORROW SECURITIES AND USE LEVERAGE

The Partnerships will use high levels of leverage to finance their infrastructure investments. Infrastructure investments are customarily financed with leverage levels in the range of 70 to 90%+.

### PENSION LEGISLATION (WHERE APPLICABLE)

Investments of a registered pension plan must comply with the investment rules under the respective Federal or provincial Pension Benefits Standards Act. Investments by a pension plan in the Fund must be allowed under the Statement of Investment Policies and Procedures for the pension plan. The Fund does not comply with the concentration restrictions set out in Schedule III to the Federal Pension Benefits Standards Act.

### DERIVATIVES

Consistent with the Fund's and the client's investment objectives, the Partnerships may invest in and use derivatives including, without limitation, options, swaps, forwards or futures on or in respect of equities, interest rates or currencies.

### VALUATION OF NON-MARKETABLE SECURITIES

The NAV of the Fund will be the value of the Fund's assets less its liabilities. Given that the Fund's assets consist of Partnership units, the value of the Fund's assets is based on the NAV of the Partnerships. Each Partnership's NAV will be based on the value of its assets less its liabilities and will be determined at the end of every calendar quarter or more frequently at the discretion of the general partner. The Partnership's NAV will be reviewed by the Partnership's Advisory Committee and an independent valuation firm, retained by a Partnership's Advisory Committee, will perform an external assessment of the Partnership's investments on an annual basis.

### CODE OF ETHICS

Investment activities are conducted in a manner consistent with the Standards of Professional Conduct adopted by Connor, Clark & Lunn Infrastructure.

The managers and financial analysts of Connor, Clark & Lunn Infrastructure, when making investment decisions or taking investment actions, shall not knowingly permit their interest to conflict with their duties or powers relating to the Fund. Conduct of these individuals is subject to the applicable Standards of Professional Conduct Policy. When identified, conflicts of interest must be reported immediately to the management committee of Connor, Clark & Lunn Infrastructure or to the independent advisory committee appointed for a Partnership.

## **APPENDIX K: CC&L GROUP MONEY MARKET FUND**

## CC&L GROUP MONEY MARKET FUND

### OBJECTIVES

- Generate returns equal to the return of the FTSE Canada 91 Day T-Bill Index over a market cycle.
- Maximize current income while preserving the capital value of the Fund and maintaining adequate liquidity.

### INVESTMENT GUIDELINES

#### 1. Permitted Investments

The Fund holds primarily cash and short-term Canadian debt securities as outlined elsewhere in this Schedule.

#### 2. Diversification

The investment manager diversifies investments in the Fund within the following ranges:

	Minimum	Maximum
Government and government guarantees	30%	100%
Floating rate notes	0%	30%
Corporate debt securities	0%	70%

#### 3. Quality Restriction

The minimum quality standard at time of purchase is R1 (low), or equivalent, as measured by at least two recognized bond-rating agencies. In instances where two money market ratings are not available, an equivalent bond rating of the same issuer will be used.

#### 4. Issuer Concentration

The exposure allocated to any one issuer must fall within the following ranges:

	Minimum	Maximum
Schedule I Banks	0%	10%
Corporates (excluding Schedule I Banks)	0%	7%

#### 5. Term

The maximum term to maturity for money market securities is 1 year, except for Floating Rate Notes (FRNs) whose term to maturity may be longer than 1 year. In managing FRNs, the “effective term to maturity” is considered, where the maximum term is 3 months.

## PENSION LEGISLATION

Investments of the Fund will comply with the investment rules under the respective federal or provincial Pension Benefits Act.

## VALUATION OF NON-MARKETABLE SECURITIES

In the 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 from time to time determines.

## VOTING RIGHTS / SECURITIES LENDING

The guidelines for the authorization to vote are contained in the Managed Account Agreement. The Fund is permitted to carry out securities lending.

## CODE OF ETHICS

CC&L's investment activities are conducted in a manner consistent with the Code of Ethics and Standards of Professional Conduct adopted by the CFA Institute.

The managers and financial analysts of CC&L, when making investment decisions or taking investment actions shall not knowingly permit their interest to conflict with their duties or powers relating to the Fund. Conduct of these individuals is subject to the CC&L Standards of Personal Conduct Policy. Any conflicts of interest must be reported immediately to the board of directors of CC&L.