University of New Brunswick
Investments Committee
Statement of Investment Objectives and Policy
Long-term Investment Fund

University of New Brunswick
Statement of Investment Objectives and Policy
Reviewed by Investments Committee: April 6, 2023
Approved by the Board of Governors: April 20, 2023
Supersedes: August 8, 2022
Mandated Review: 2024

TABLE OF CONTENTS

1. INTRODUCTION AND PURPOSE

a) The Board of Governors (the "Board") of the University of New Brunswick (the "University"), through its Investments Committee (the "Committee"), is responsible for the management of the University's investment portfolio assets. The assets are pooled for investment purposes to provide opportunities for diversification, risk management, and economies of scale. The Long-Term Investment Fund ("Fund") is the pooled fund which serves as the investment vehicle for University endowment accounts and non-endowed trust accounts that have a long-term spending and investment horizon.

Trust accounts which have a shorter spending and investment horizon are invested in the Short-term Investment Fund established for investment of the University's operating cash balances. The Short-term Investment Fund is invested in accordance with the Statement of Investment Objectives and Policy for the Short-term Investment Fund.

b) The Committee has adopted this Statement of Investment Objectives and Policy (the "Policy") for the Fund. The Policy's purpose is to:
   - i) Define and assign the responsibilities of all involved parties;
   - ii) Establish investment principles and guidelines that are appropriate to the University's needs and objectives;
   - iii) To set out the structure for the management of the Fund;
   - iv) Establish a basis of evaluating investments results of the Fund; and
   - v) Establish the procedures for monitoring investment performance.

2. GOALS AND OBJECTIVES

a) The University's objectives for the management of its endowment accounts are to maintain a reasonably stable, competitive, inflation-adjusted spending rate, and to maintain an acceptable funding level so that the initial donations, adjusted for inflation, are available in perpetuity to the University.

b) In support of these objectives*, the* Fund has a long-term investment horizon. The investment objective for the Fund is to provide a dependable and increasing source of income to the University by maximizing total return (including interest, dividends and both realized and unrealized capital appreciation) on a long-term basis while ensuring the safety of the principal.

3. GENERAL

a) The underlying principle of this Policy is that the Committee, the University Administration, and the Managers, shall ensure that the Fund is always invested in a prudent and diversified manner, which avoids a level of risk that would expose the University to an unacceptable level of loss under any plausible scenario.

b) The Committee and the Managers shall be responsible to ensure that:

   - i) All investments satisfy the requirements of applicable laws and regulations;

   - ii) No part of the Fund is invested in any category of investment that is not specifically permitted by this Policy; and

   - iii) Investments satisfy the requirements of any trust or donor restrictions placed upon the University and the University is to advise the Managers of these restrictions, if applicable.

c) This Policy only addresses the Fund (as defined in Subsection 1(a)). Other short-term assets (e.g., accounts receivable) and long-term assets (e.g., deferred charges, real estate holdings, investments in subsidiary companies or operations) of the University are not covered by this Policy.

d) The Managers shall comply with the requirements of this Policy and may exercise discretion only as provided in this Policy. All individual investment decisions shall be made so that there is a reasonable expectation of fair return or appreciation, given the nature of the investment, without undue risk of loss or impairment.

4. DESCRIPTION OF BUSINESS AND ASSET BASE

a) The University provides higher educational opportunities and carries out research-based programs principally on its Fredericton and Saint John, New Brunswick campuses.

b) The University is a registered charity and is exempt from corporate income taxes.

c) The financial position of the University is set out in its annual audited financial statements.

5. ROLES AND RESPONSIBILITIES

This section sets out roles and responsibilities with respect to the Fund:

a) The Board is responsible for approving the overall investment objectives and investment and spending policies.

b) The Committee is responsible for:
   - i) Development of Investment Principles and Beliefs;
   - ii) Development of recommendations with respect to investment and spending policies for approval by the Board;
   - iii) Oversight of investment strategy including risk framework and strategic asset allocation;
   - iv) Appointment of one or more investment managers ("Manager" or "Managers") to carry out the management of the Fund in accordance with this Policy;
   - v) Development of an investment mandate ("Mandate") for each Manager which will outline the terms under which the Manager will operate as agreed to and acknowledged by the Manager;
   - vi) Causing the performance of the Managers to be monitored and measured against the terms of their respective Mandates; and
   - vii) Development of the overall business model for the management of the Fund.

c) University Management is responsible for:
   - i) Execution of investment strategy;
   - ii) Oversight of Managers;
   - iii) Monitoring of Fund and Manager performance, risks and compliance;
   - iv) Supporting the information needs of the Committee;
   - v) Rebalancing in accordance with this Policy, and cash flow administration; and
   - vi) Advising the Committee on policy matters and assisting in the drafting of policies.

d) Managers are responsible for:
   - i) Day to day management and execution of investment decisions as determined by the Mandate and contract;
   - ii) Providing performance and compliance reporting to University Management and the Committee;
   - iii) Voting proxies on behalf of the Fund and communicating such voting records on a timely basis;

iv) Informing the University Management of any qualitative changes in the managers organization such as changes in portfolio management personnel ownership structures, investment philosophy;
v) Complying with the Code of Ethics and Standards of Professional Conduct adopted by the Institute of Chartered Financial Analysts;
vi) Communicating any major changes to economic outlook, investment strategy, or any other factors which affect implementation of the investment process or the progress towards the investment objective of the Fund;
vii) Completing the Responsible Investing Questionnaire on an annual basis; and
viii) Providing any additional information outlined in section 3 of the Policy on Investment Manager Selection, Monitoring and Dismissal.

e) The Custodian is responsible for:
i) The handling and safekeeping of the Funds invested securities and assets. The Custodian will physically or electronically (or through agreement with a sub-custodian) maintain possession of securities owned by the Fund, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales; and
ii) The Custodian may also perform regular accounting of all assets, owned, purchased, or sold as well as movement of assets into and out of the Funds accounts.

f) Performance Measurement Consultant is responsible for:
i) providing total fund, individual Manager and asset class return on a monthly basis; and
ii) providing quarterly performance reports that include risk measurements, market indexes, asset class summary by class and Manager, returns over selective time periods by class and Manager, returns attribution analysis, and comparative analysis measurement for active Managers.

g) The Committee and Univesity Management may from time to time retain investment management consultants (the "Consultants") who will:
i) Provide analysis, written reports and recommendations in support of review and renewal of investment policies and strategies;
ii) Assist in the search, screening, review and interview of new Investment Manager candidates, and prepare selection recommendation reports;
iii) Assist in the preparation of investment management agreements for new and revised mandates and/or
iv) Advise on governance issues and structure, and on regulatory developments.

h) All of the aforementioned parties (Investments Committee, Management, Investment Manager, Custodian and Performance Measurement Consultant) are to be considered fiduciaries of the Fund, and as such, shall exercise such discretion with the care, skill and diligence that a prudent person would exercise in dealing with the property of others, and shall use all relevant knowledge and skill that they possess, or by reason of that person's profession, business or calling, ought to possess.

6. ANALYSIS OF FUND BALANCES

a) An analysis of the nature of the fund balances related to the Fund is necessary to discern the investment policy and strategy to be followed. University fund balances fall into three broad categories, namely:

_ Endowed Funds that are intended to provide support to projects and activities such as Scholarships and Chairs in perpetuity, and similar long-term trust funds.

_ Mid-Term Funds that will be built up over a period of approximately one to five years and then spent on specific projects such as buildings, equipment and other special projects.

- Short-term Funds that will likely be utilized by the University within a time frame shorter than one year.

b) Endowments and long-term trust funds generally comprise approximately 95% of fund balances while mid-term funds and short-term funds generally amount to approximately 5% of fund balances. Endowed and similar long-term funds are invested in the Fund and are subject to this Policy. Short-term and mid-term funds are currently invested in the Short-term Investment Fund for the University's operating cash balances.

7. SPENDING RATE AND LIQUIDITY NEEDS

a) In addition to investment and administrative fees, earnings equal to approximately 4.0% of the moving 48-month average market value of the assets can be expected to be withdrawn from the Fund each fiscal year to support University spending requirements. The University's fiscal year is from May 1st to April 30th. The moving 48-month average market value used to calculate spending for a fiscal year is determined as at December 31 of the previous calendar year. This spending rate will be reviewed for appropriateness and established by the Committee at least annually.

b) The ability to provide a consistent spending rate from year to year is mainly due to the establishment of endowment spending reserves. In years where investment returns are in excess of what is required to meet spending requirements, inflation protection and administrative costs, the excess is considered a "reserve". The reserves are drawn down in years when investment returns are less than what it required to meet those same requirements

c) There is also an expectation that there will be additional cash inflow from various funding sources to be added to the Fund on an annual basis. There is, therefore, no current anticipated need for non-routine withdrawals of capital from the Fund. If such a need should arise, then the Managers will be notified as required.

8. RATE OF RETURN OBJECTIVES

a) Primary Objective – The primary rate of return objective is to achieve an annual rate of return on the total Fund equal to approximately 4.0% in excess of the percentage change in the Consumer Price Index (all items Canada) over moving four-year periods and net of investment management and administrative fees.

b) Secondary Objective - The secondary rate of return objective is to earn an annual rate of return on the total Fund, net of fees, over moving-four-year periods which exceeds the aggregate return of the passive investment benchmarks as defined in Paragraph 20(f) (iii).

c) The benchmark and value-added performance objective for each external investment manager are tailored to the specific mandate established and are approved by the Investments Committee.

9. RISK TOLERANCE

a) The required real rate of return over time can only be achieved by accepting a level of volatility in returns from quarter to quarter and from year to year. The current expected asset mix policy return on the portfolio is 6.6% and the expected standard deviation of returns is 10.0%. As a result, we expect that annual policy returns will fall within a range of minus 3.4% to plus 16.6% about 67% of the time and that annual returns will fall outside of this range about 33% of the time.

10. ASSET MIX CONSIDERATIONS FOR ENDOWED FUNDS

a) A large portion of the Fund represents long-term endowment type funds that require a predictable long-term earnings rate while maintaining protection of the capital from the effects of inflation, and providing, if possible, for real long-term growth in capital value.

b) Liquidity of the total Fund is currently not a major consideration in the determination of asset mix**.** Regular cash flow needs will tend to be met by additional inflows from funding sources.

c) The basic investment strategy should be to include a commitment of a portion of the Fund to fixed income securities, to protect the portfolio in times of stress and provide some liquidity. The portfolio asset mix ("Asset Mix") should, however, also include a significant portion of equities to provide appropriate diversification and to obtain the higher long-term returns and inflation protection traditionally obtained through equity investments. Finally, Real Assets are expected to protect the Fund from high or unexpected inflation.

d) Accordingly, the Asset Mix range for the Fund (based on market value) is:

Category	Minimum	Maximum	Long-Term Target
Cash & Short-term Equivalents	0%	20%	**0%**
Fixed Income*	20%	30%	**25%**
Public Equities:			
Canadian	10%	20%	**15%**
Non-Canadian	20%	30%	**25%**
Emerging Market	5%	15%	**10%**
Total Public Equities	35%	65%	**50%**
Minimum Volatility Equity:			
Non-Canadian	10%	20%	**15%**
Real Estate	5%	15%	**10%**

*The Fixed Income exposure will be obtained through an investment in a Core Plus strategy which provides tactically managed allocations to Canadian and U.S. government and investment grade bonds, global high yield bonds, Canadian commercial mortgages, and Emerging Market Debt.

The maximum sector concentration in the Core Plus Pooled Fund is as follows:

Canadian Federal and Provincial Government Debt	100%
Investment Grade Corporates	80%
High Yield Corporate Bonds	20%
Canadian Commercial Mortgages	20%
Emerging Market Debt	20%

11. REBALANCING GUIDELINES

a) The actual asset mix will vary from the long-term target allocation as a result of the relative performance of capital markets and managers.

b) Asset mix will be rebalanced by management within the following framework:

i) On a quarterly basis, compare the actual asset mix to the policy asset allocation in Section 9 of this Policy and determine deviations;

ii) If the market weight of any asset class falls outside of the minimum or maximum weight established by the Policy, rebalance to bring the market weight to the long-term target weight per 9(d);

iii) When transferring funds from an asset class whose actual weight is above the maximum weight established by the Policy, funds will be distributed on a rational and systematic basis to those asset classes whose actual weight is below the long-term target weight per 9(d); and

iv) When transferring funds to an asset class whose actual weight is below the minimum weight established by the Policy, funds will be distributed on a rational and systematic basis from those asset classes whose actual weight is above the long-term target weight per 9(d).

Notwithstanding the standard re-balancing guidelines above, the Investments Committee may at any time rebalance the distribution of assets for risk management purposes within the minimum and maximum guidelines for each asset class.

12. CATEGORIES OF INVESTMENTS / ASSET CLASSES ELIGIBLE FOR INVESTMENT

a) Investments may be made in any of the following asset categories (provided the asset class is listed under section 9d)), and that the investments are permitted investments under the prudent person rules adopted by the Office of the Superintendent of Financial Institutions, and satisfy the criteria established therein:

i) bonds, debentures, mortgages, notes or other debt instruments of governments, government agencies, corporations or trusts, including private placement debt securities;

ii) guaranteed investment certificates, or equivalents, of the Major Canadian Chartered Banks or other eligible issuers insured by the Canada Deposit Insurance Corporation, or funds which primarily invest in such instruments;

iii) term deposits or similar instruments of the Major Canadian Chartered Banks;

iv) cash or money market securities issued by governments or corporations. No short-term investments should be made in instruments where the issuer has a credit rating of less than "R-1";

v) publicly traded common and preferred equities, convertible debentures and convertible preferred securities. Preferred equities should have a credit rating of at least P2;

vi) a Hedge Fund of Funds which has received the approval of the Committee under Section 13;

vii) real estate, defined as real property, held through open or closed pool funds, shares of corporations or partnerships formed for institutional funds to invest in real estate or publicly traded real estate investment trusts; and

viii) infrastructure, defined as tangible assets that provide key services to an economy and that are expected to provide long-term stable cash flows. Infrastructure investments shall be held through open or closed-end pooled funds structured as shares of corporations or partnerships formed for institutional funds to invest in infrastructure.

b) All investments shall be denominated in Canadian dollars, with the exception of:

   i) Global (Non-Canadian) Equity investments; and

   ii) maximum of thirty percent of the total market value of bonds held by a manager which may be invested by that Manager in non-Canadian securities, with a maximum of fifteen percent in unhedged currency exposure.

c) Subject to the Asset Mix guidelines, Global (Non-Canadian) Equities should primarily be investments in equity securities of companies listed on stock exchanges of any nation other than Canada. These securities shall be reasonably liquid and be well-diversified through investments in a cross-section of countries, regions and industries.

d) The Fund may use derivatives, such as, but not limited to, swaps, options, credit-linked notes, futures, and forwards for:

   i) hedging purposes, including to protect against fluctuations in the value of foreign currency relative to the Canadian dollar, and to offset exposures to interest rates; and

   ii) non-hedging purposes, including as a substitute for direct investment.

13. PORTFOLIO DIVERSIFICATION AND CONSTRAINTS

a) All investments should exhibit a reasonable level of liquidity and, where appropriate, investments should be well-diversified by sector, industry and issuer.

b) All investments shall be made through an external investment manager as part of a written mandate for a pool of capital.

c) Without the written consent of the Committee, the Fund shall be managed, and the Mandates shall be written and applied so that:

   i) the total market value of the equity, debt and other securities of a single issuer, do not exceed 5% of the total Fund; provided, however, that the securities of the Government of Canada or U.S. Treasuries are not subject to such limit and the securities of any one of the Canadian Provincial Governments are subject to a 10% limit;

   ii) the Fund is not unduly comprised of the securities of a limited number of issuers;

   iii) securities are not purchased on margin or sold short; and

   iv) Fund assets are not used to borrow money, pledged or otherwise encumbered.

14. INDEX, MUTUAL AND POOLED FUNDS

a) Notwithstanding Sections 11 and 12, Index, mutual and pooled funds that may not conform to the aforementioned guidelines may be held in the Portfolio with the understanding that the guidelines in the Fund's offering memorandum will supersede the aforementioned guidelines. While such funds will be managed in keeping with their own investment policies, these policies must be consistent with the spirit of this Investment Policy Statement. If there are any substantive inconsistencies between the provisions of this Policy and the policies applicable to a fund that a manager wishes to employ in the Portfolio, the Committee must provide written approval for investing in the fund before any such investment is made. These funds will be categorized as cash equivalents, fixed income investments or equities as appropriate given their underlying securities or the capital markets to which they are intended to provide exposure.

b) In the event that a Manager plans to make a material change to the mandate or investment policy of one or more of the Manager's index, mutual or pooled funds held in the Portfolio, the Manager must provide the Committee with prior notice of the revision. This notification must be provided to the Committee at least one month in advance of the proposed revision.

15. CALCULATION OF RATES OF RETURN

Investment returns for the investment objectives will be calculated after inclusion of dividends, interest, realized and unrealized gains or losses and transaction costs (i.e., on a Total Return basis) but before inclusion of investment management fees.

16. INVESTMENT MANAGER STRUCTURE

a) The Committee shall appoint professional investment managers after being satisfied as to their suitability and competence to act in that capacity.

b) For an investment management firm to be considered for appointment, the firm must have professional investment staff with relevant experience and expertise, should be financially sound, have experienced low turnover of key personnel, demonstrate an acceptable level of performance over at least the last four consecutive years and have the capacity to undertake the Mandate.

c) The Committee shall agree with each Manager upon a Mandate which will be a set of written guidelines within which the Manager is expected to operate. Each Mandate shall be consistent with this Policy.

d) No Manager shall be allocated more than 50% of the market value of the Fund. It is recognized that a manager's asset allocation may temporarily exceed this 50% limit due to market related changes in asset values. However, if a Manager's allocation exceeds 55% of the Fund, or exceeds 50% of the Fund for a period of more than 12 months, steps shall be taken by the Committee to rebalance the portfolio within the Asset Mix guidelines.

17. CONFLICTS OF INTEREST

a) Notwithstanding any other University policy, this section applies to members of the Investments Committee, management, as well as to all agents employed by the Investments Committee and/or management, in the execution of their fiduciary responsibilities.

An Agent is defined to mean a company, organization, association, or individual, as well as its employees, retained by the Investments Committee or University to provide specific services with respect to the administration and management of the Fund.

b) Investments Committee members, management and agents should be guided by the following general rule:

If a member or agent finds himself or herself in a conflict of interest or has a situation where s/he believes that others may perceive that s/he has a conflict of interest, s/he must immediately advise the Investments Committee, so that action can be taken to resolve the situation.

c) No officer or employee of the University and no member of the Committee involved with the administration of the Fund, may accept or be the beneficiary, either directly or indirectly, of any fee, brokerage, commission, gift or other consideration for or on account of any investment, purchase, sale, payment, or exchange made by or on behalf of the University. Individuals who are appointed as non-voting Advisors to the Committee are exempt from this provision.

d) The Committee shall be satisfied that an appropriate policy regarding conflicts of interest exists and is applied within each Manager. As a minimum, the Code of Ethics and Standards of Professional Conduct adopted by the Institute of Chartered Financial Analysts shall be expected to apply to each Manager. The following types of activities must be disclosed by the Manager to the Committee, in writing:

    i) Any material conflict of interest or any material beneficial ownership by the Manager of investments held by the University, which could reasonably be expected to impair the Manager's ability to render unbiased and objective advice. These disclosures shall be made whenever the Manager wishes to buy, hold or sell for the account of the University any investment in which the Manager has a material beneficial interest or perceived conflict; and

    ii) Any special compensation arrangements within the Manager or for its principals, employees or other related parties, that might place the Manager in a conflict position, such as bonuses based on short-term performance criteria.

e) The Managers shall have the discretion to execute securities transactions with brokerage firms of their choosing; however, this selection shall be based on the quality of execution rendered, the value of research information provided, the financial health and integrity of the brokerage firm, and the overall efficiency in executing the transaction. It is expected that brokerage commissions will be competitive in both price and execution for the specific transaction.

18. LENDING OF CASH OR SECURITIES

a) Other than investment in eligible debt investments, as described in Section 9 of this Policy, no loans of cash are permitted.

b) For the Fund's segregated assets, the lending of securities may be undertaken from time to time by the Custodian of the assets, as appointed by the University, under a program of securities lending approved by the Committee, subject to applicable legislation.

    i) The amount of collateral taken for securities lending should reflect best practices in each local market but at a minimum, collateral coverage, in the form of cash or high-quality, liquid securities, as required under applicable legislation, should be at least 102% of the market value of bonds and equities lent; and

    ii) Both loaned and collateral securities must be marked to market daily to cover changes in the market value of the securities loaned and/or the collateral.

c) The lending of securities in pooled funds may be undertaken by the Custodian appointed by the external manager(s), in accordance with applicable legislation.

19. VOTING RIGHTS

a) The Managers shall have the sole and exclusive right to vote any and all proxies solicited in connection with securities comprising the Fund. The Managers shall furnish the Committee with their written proxy voting policy statement and shall maintain reports with respect to its voting decisions and submit a report on request to the Committee summarizing votes cast. The report shall also disclose any ESG issues that may have arisen and how this ESG issue has impacted positively or negatively the exercise of any proxy vote.

20. PERFORMANCE MONITORING AND REVIEW

a) Management shall hold formal performance review meetings and/or conference calls on a regular basis with all Managers.

b) At each meeting with a Manager, Management shall:

   i) review the Manager's investment holdings and investment process;

   ii) discuss with the Manager the investment process and rationale for holdings;

   iii) discuss the shorter and longer term economic and investment outlook and the investment strategy to be followed and the prospects of meeting investment objectives;

   iv) review the risks of the investment holdings in relation to the returns;

   v) assess the performance of the Manager; and

   vi) review any changes or turnover of key personnel and any other developments within the Manager.

c) Following each meeting with a Manager, management will prepare a written assessment of the Manager. The assessment will be prepared using an agreed assessment framework document which will serve as a mechanism for consistently documenting and communicating information on key assessment factors to the Committee.

d) The Committee may request a meeting with a Manager at any time either to discuss and review the Manager's performance, or to receive a presentation on the Manager's outlook for the economy and capital markets to inform the Committee's strategy discussions.

e) The Committee shall cause the investment performance of each Manager, and of the total Fund to be measured, monitored and reviewed no less frequently than every three months. The performance of each the Manager shall be reviewed in the context of the Manager's Mandate.

f) A comprehensive review and analysis of investment performance shall be undertaken by the Committee at least once each year. This shall include:

   i) absolute and relative performance returns measured against objective for each major asset class and the total portfolio s ;

   ii) returns against benchmarks which for the total Fund shall be the return that could have been achieved by passive investment in the various market indices using the long-term target asset mix, as set out in Subsection 9(d) above and for the individual asset classes shall be the appropriate market index, as summarized below:

Asset Class	Market Index
Short-term	Three-Month Treasury Bill Return Index
Fixed Income Securities	FTSE Canada Universe Bond Index
Canadian Equities	S&P/TSX Comp. Index Capped @ 10%
Global Equities	MSCI World Index (ex-Canada) C$
Emerging Market Equities	MSCI Emerging Markets Index (C$)
Real Estate	CPI + 4%

iii) the value added or lost as a result of actual asset mix deviating from the long-term average asset mix.

g) A detailed outline of how each managers' performance will be reviewed is included in the Policy on Investment Manager Selection, Monitoring and Dismissal.

21. Valuation of Investments

a) Investment in publicly traded securities shall be valued by the Custodian for the Endowment Funds no less frequently than monthly at their market value.

b) Investment in pooled funds comprising publicly traded securities shall be valued according to the unit values calculated at least monthly by the Custodian of the pooled funds. The Custodian shall be responsible for requesting and recording the unit values on a monthly basis.

c) If a market valuation of an investment is not readily available, an estimate of fair value shall be supplied by the Custodian with input from the Managers no less frequently than quarterly. Such fair value may be determined by reference to the most recent independent expert appraisal or by other means such as risk-adjusted discounted cash flows or comparison with similar assets which are publicly traded. In all cases the methodology should be applied consistently over time.

22. Related Party Transactions

a) The assets of the Fund shall not be used to invest in securities of Related Parties or lent to any Related Parties unless such securities are publicly traded and selected by a Manager acting independently on behalf of all that Manager's discretionary accounts or pooled funds having mandates similar to that of the Fund's.

b) Where applicable, a Manager shall provide the Investments Committee with its internal guidelines on purchasing securities of the members of the Manager's organization or affiliates.

c) Notwithstanding the above, the assets of the Fund shall not be invested in any securities of the University or an affiliate of the University unless such securities are publicly traded, held within a pooled fund, and selected by a Manager acting independently.

d) Any other transactions with a Related Party can only be undertaken if the transaction is required for the operation or administration of the Fund and must be on terms and conditions that are not less favourable to the Fund than the then market terms and conditions.

e) A "related party" is defined to mean the Board or any member of the Board, any officer, director or employee of the University, or any member of the Committee. It also includes the Investment Manager and their employees, 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 government or a government agency, or a bank, trust company or other financial institution that holds the assets of the Fund(s), where that person is not the administrator of the Fund(s).

23. RESPONSIBLE INVESTMENT

a) The Committee believes that environmental, social and governance (ESG) issues are a set of factors to be considered along with the assessment of business, management and financial metrics when making investment decisions. Over the long-term, companies that exhibit responsible corporate behaviour with respect to ESG factors will have a positive impact on long-term financial performance.

b) The Investments Committee has a fiduciary obligation to invest funds for the benefit of the University in the interest of endowment funds/donors.

c) The University's Statement on Sustainable Investing provides a framework to guide the application of sustainable investments to the management of the University's investments.

24. POLICY REVIEW

a) The Committee, in conjunction with University Management, shall review and reassess this Policy at least annually or whenever changes in conditions warrant a review. Factors that may necessitate a review include:

i) a major change in the funds supported by the investment portfolio;

ii) a significant shift in market conditions, the long-term relationship of returns between major asset classes or other socio-economic and political factors that may have an impact on investment returns; or

iii) a request from a Manager to do so.

b) Any amendments shall be promptly communicated to the Managers.

c) Any material changes to this Policy require the approval of the Board of Governors.

25. BREACH OF POLICY AND PROCEDURES

If there is a material intentional or unintentional breach of this Policy, then upon its discovery, the Managers and the University Administration must promptly inform each other and the members of the Committee of the breach.