Statement of Investment Policies and Procedures

University of Saskatchewan and Federated Colleges

Non-Academic Pension Plan

As of October 2018

APPROVED on this _____ day of ______________, 20____ on behalf of the Board of Governors

______________________________
Chair

______________________________
Secretary
# Contents

<table>
<thead>
<tr>
<th>Section 1—Overview</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.01 Definitions</td>
<td>1</td>
</tr>
<tr>
<td>1.02 Purpose of the Investment Policy</td>
<td>2</td>
</tr>
<tr>
<td>1.03 Background of the Plan</td>
<td>2</td>
</tr>
<tr>
<td>1.04 Nature of the Obligations Being Funded</td>
<td>3</td>
</tr>
<tr>
<td>1.05 Objective of the Plan</td>
<td>3</td>
</tr>
<tr>
<td>1.06 Investment and Risk Philosophy</td>
<td>3</td>
</tr>
<tr>
<td>1.07 Administration</td>
<td>4</td>
</tr>
<tr>
<td>Section 2—Asset Mix and Diversification Policy</td>
<td>5</td>
</tr>
<tr>
<td>2.01 Portfolio Return Expectations</td>
<td>5</td>
</tr>
<tr>
<td>2.02 Expected Volatility</td>
<td>5</td>
</tr>
<tr>
<td>2.03 Asset Mix</td>
<td>5</td>
</tr>
<tr>
<td>2.04 Management Structure</td>
<td>6</td>
</tr>
<tr>
<td>2.05 Asset Mix Ranges for the Active Investment Managers</td>
<td>7</td>
</tr>
<tr>
<td>Section 3—Permitted and Prohibited Investments</td>
<td>9</td>
</tr>
<tr>
<td>3.01 General Guidelines</td>
<td>9</td>
</tr>
<tr>
<td>3.02 Permitted Investments</td>
<td>9</td>
</tr>
<tr>
<td>3.03 Minimum Quality Requirements</td>
<td>11</td>
</tr>
<tr>
<td>3.04 Maximum Quantity Restrictions</td>
<td>11</td>
</tr>
<tr>
<td>3.05 Prior Permission Required</td>
<td>12</td>
</tr>
<tr>
<td>3.06 Prohibited Investments</td>
<td>12</td>
</tr>
<tr>
<td>3.07 Securities Lending</td>
<td>12</td>
</tr>
<tr>
<td>3.08 Borrowing</td>
<td>13</td>
</tr>
<tr>
<td>Section 4—Monitoring and Control</td>
<td>14</td>
</tr>
<tr>
<td>4.01 Delegation of Responsibilities</td>
<td>14</td>
</tr>
<tr>
<td>4.02 Performance Measurement</td>
<td>16</td>
</tr>
<tr>
<td>4.03 Monitoring and Rebalancing the Fund’s Asset Mix</td>
<td>17</td>
</tr>
<tr>
<td>4.04 Reporting by the Investment Managers</td>
<td>17</td>
</tr>
<tr>
<td>4.05 Standard of Professional Conduct</td>
<td>17</td>
</tr>
<tr>
<td>Section 5—Administration</td>
<td>18</td>
</tr>
<tr>
<td>5.01 Conflicts of Interest</td>
<td>18</td>
</tr>
</tbody>
</table>
5.02 Related Party Transactions 19
5.03 Valuation of Securities Not Regularly Traded 19
5.04 Voting Rights 20
5.05 Soft Dollars 20
5.06 Investment Policy Review 20

Section 6—Investment Managers 21
6.01 Selecting Investment Managers 21
6.02 Monitoring of Investment Managers 21
6.03 Reasons for Terminating an Investment Manager 21

Section 7—Investment Consultant 23
7.01 Selection & Termination Policy 23

Appendix A—Compliance Reports
Section 1—Overview

1.01 Definitions
For the purposes of this document the following words, phrases and abbreviations are assigned:

(a) Actuary
Actuarial firm hired by the Plan to provide actuarial valuations and other advice regarding Plan funding and contribution rates

(b) Administrator
As defined by The Pension Benefits Act, 1992, administrator means the employer, the University of Saskatchewan

(c) Board
Board of Governors of the University of Saskatchewan and its committees

(d) Custodian
Trust Company responsible for safekeeping of the assets, income collection, settlement of investment transactions, and accounting for the investment transactions

(e) Fund
Investment assets of the Plan

(f) Investment Consultant
Consulting firm retained by the Plan to provide strategic advice regarding the Plan’s investment policy, investment managers and investment performance issues.

(g) Investment Managers
Professional investment managers hired to manage the assets of the Fund

(h) NAPBC
Non-Academic Pension and Benefits Committee. This is a ‘governance committee’ established by the Board

(i) Plan
University of Saskatchewan and Federated Colleges Non-Academic Pension Plan
(j) Prudent Person Portfolio Approach  As defined by the Office of the Superintendent of Financial Institutions (OSFI), the Prudent Person Portfolio Approach requires the Board to establish, and the Fund to adhere to, “investment and lending policies, standards and procedures that a reasonable and prudent person would apply in respect of a portfolio of investments and loans to avoid undue risk of loss and obtain a reasonable return”.

(k) Related Party  "Related Party” is defined in section 1 of Schedule III to the Pension Benefits Standards Regulations, 1985 (Canada). A Related Party is a person who is the administrator of the Plan including any officer, director or employee of the administrator, or any person who is a member of the NAPBC. It also includes, the Investment Managers and Investment Consultant 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. A Related Party does not include government or a government agency.

1.02 Purpose of the Investment Policy

The purpose of this policy statement is to provide a framework for management of the Fund within levels of risk acceptable to the Non-Academic Pension and Benefits Committee (the NAPBC) and the University’s Board of Governors (the Board).

This policy statement provides the Investment Managers with a written statement of specific quality, quantity and rate of return standards for the Plan. A major goal of this policy statement is to establish ongoing communication between the NAPBC and the Investment Managers. Effective communication will contribute to management of the portfolio in a manner that is consistent with market conditions and with the objectives of the Plan. Consultation between the parties will take the form of regular meetings supplemented, from time to time, by informal contact requested by either party.

This policy is based on the ‘Prudent Person Portfolio Approach’ to ensure the prudent investment and administration of the assets of the Plan, subject to applicable legislation.

1.03 Background of the Plan

The Plan is registered under the Saskatchewan Pension Benefits Act and the Income Tax Act, and as a registered pension plan is required to prepare a Statement of Investment Policies and Procedures.
1.04 Nature of the Obligations Being Funded
The Plan is a contributory defined benefit pension plan.

The primary purpose of the Plan is to provide retirement and related benefits for members after retirement in respect of service as employees of the non-academic staff of the University of Saskatchewan.

Plan members are each required to contribute 8.5% of earnings as of January 1, 2012. The University contributions will, at a minimum, match the contributions made by the members.

Benefits are years of pensionable service times 2.0% of the average best four years’ regular earnings for pensionable service.

As per the December 31, 2017 interim Actuarial Valuation Report, the Plan had a going-concern unfunded liability (including 5% margin) of $6.4 million on assets of $379.0 million and liabilities of $385.4 million. The Plan’s funded ratio (including 5% margin) was 0.98 as of December 31, 2017. The Plan’s solvency ratio was 0.71 as of December 31, 2017.

Plan membership as of December 31, 2017 was 2,494; 1,345 actives, 927 pensioners and beneficiaries, and 222 other members.

1.05 Objective of the Plan
The purpose of the Plan is to provide for the accumulation of pension assets on behalf of the Plan’s participants and provide members of the Plan with retirement benefits prescribed under the terms thereof.

1.06 Investment and Risk Philosophy
(a) Investment Philosophy
Plan assets should be prudently managed to assist in managing funding volatility and excessive volatility in annual rates of return. The Plan uses a number of investment strategies to achieve the relative and absolute performance objectives set by the NAPBC.

The Plan employs a mix of active management styles. Active management provides the opportunity to outperform common market indices over the long-term, with minimum degree of excess risk. Specialty managers have been employed to achieve style offsets and diversification within asset classes, further mitigating risk.

(b) Risk Philosophy
In order to achieve the long-term investment goal, the Plan invests in assets that have uncertain returns, such as Canadian equities, foreign equities, real estate and non-government bonds. However, the Board, as recommended by the NAPBC, attempts to reduce the overall level of risk by diversifying the asset classes and further diversifying within each individual asset class.
The investment risk level is discussed and assessed by the NAPBC on an annual basis during the policy review. Factors considered include funded status, cash flow needs, risk and return of the capital markets and risk preference of the Board and NAPBC. Based on the assessment, the long-term investment goal and benchmark portfolio weights are set.

A number of factors suggest the Plan has an above-average tolerance for risk:

(i) The Plan remains open to new members and current membership is comprised of active members and inactive or deferred status members.

(ii) Active members have an average age of 46.9 years as of December 31, 2017.

(iii) Approximately 50% of liabilities are attributable to active members.

(iv) Considering mortality statistics, the average investment horizon of Plan members is very long.

(v) The Plan includes a margin of conservatism for adverse market experience as part of the valuation process.

(vi) The Plan’s asset mix generates investment income to supplement contributions in covering cash outflows.

Accordingly, the long-term policy asset mix for the Fund has a bias to equities.

1.07 Administration

The Board is responsible for investments of the University’s pension plans.

Day-to-day administration is provided by the Pensions Office of the University of Saskatchewan. Investment management and custody of the Plan’s assets have been delegated as set out in Section 4.01 of this policy.
Section 2—Asset Mix and Diversification Policy

2.01 Portfolio Return Expectations
The long-term investment goal of the Fund is to achieve an annualized rate of return of at least 3.75 percentage points in excess of the Canadian Consumer Price Index. This goal is consistent with the overall investment risk level that the Fund could assume in order to meet the pension obligations of the Plan, and normally will be assessed over longer time periods; i.e., over ten years or more.

2.02 Expected Volatility
To achieve the long-term investment goal, the Fund has adopted an asset mix that has a bias to equity investments. Risk is controlled by investing in a well-diversified portfolio of asset classes. Since the Investment Managers are not permitted to use leverage, the volatility of the Fund is expected to be similar to that of the benchmark portfolio.

2.03 Asset Mix
The following table presents the target asset mix and asset component ranges, based on market values. The benchmark is diversified among Canadian and global equities. An allocation to real estate has been included in the benchmark to enhance diversification.

<table>
<thead>
<tr>
<th>Target Asset Mix and Asset Component Ranges (at market value)</th>
<th>Minimum %</th>
<th>Target %</th>
<th>Maximum %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian equities</td>
<td>10</td>
<td>20</td>
<td>30</td>
</tr>
<tr>
<td>Global equities</td>
<td>20</td>
<td>40</td>
<td>60</td>
</tr>
<tr>
<td>Total Equities</td>
<td>40</td>
<td>60</td>
<td>70</td>
</tr>
<tr>
<td>Real Estate</td>
<td>0</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Fixed Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds and mortgages</td>
<td>25</td>
<td>33</td>
<td>50</td>
</tr>
<tr>
<td>Short term investments</td>
<td>0</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Total Fund</td>
<td></td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

The Target Asset Mix and Asset Component Ranges are effective May 1, 2012.
2.04 Management Structure
A specialist management structure has been adopted for management of Plan assets, consisting of:

- Two active Canadian equity managers;
- Two active global equity managers;
- An active fixed income manager; and
- An active real estate manager.

This structure employs active management. Active management provides the opportunity to outperform common market indices over the long-term, with minimum degree of excess risk. Specialty managers have been employed to achieve style offsets and diversification within asset classes, further mitigating risk.

(a) Investment Manager Rebalancing Guidelines and Procedures
The assets of the Plan are currently managed by several Investment Managers with different mandates. In order to ensure adequate diversification by both asset class and by manager, the NAPBC has established the following parameters to guide the allocation of assets to each of the Fund’s Investment Managers.

(i) Investment Manager Rebalancing Guidelines

<table>
<thead>
<tr>
<th>Investment Manager</th>
<th>Minimum %</th>
<th>Target %</th>
<th>Maximum %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian Equity Manager–Burgundy</td>
<td>5</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>Canadian Equity Manager–CC&amp;L</td>
<td>5</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>Global Equity Manager–Harding Loevner</td>
<td>10</td>
<td>20</td>
<td>30</td>
</tr>
<tr>
<td>Global Equity Manager–Sprucegrove</td>
<td>10</td>
<td>20</td>
<td>30</td>
</tr>
<tr>
<td>Fixed Income Manager–PH&amp;N</td>
<td>25</td>
<td>35</td>
<td>60</td>
</tr>
<tr>
<td>Real Estate Manager–Greystone</td>
<td>0</td>
<td>5</td>
<td>10</td>
</tr>
</tbody>
</table>

The Investment Manager Rebalancing Guidelines are effective May 1, 2012.

Implementation of the rebalancing is the responsibility of the Administrator and will be implemented with the assistance of the Investment Consultant.

(ii) Investment Manager Rebalancing Procedures
The rebalancing guidelines are intended to assist in managing the asset mix. Neither rebalancing for market fluctuations, nor allocation of new cash flow, will be used as a method to reward or express dissatisfaction with Investment Manager performance. Investment Manager performance is a long-term measure and will be dealt with during manager performance reviews.
The assets allocated to each Investment Manager will be determined following each calendar quarter. Should any Investment Manager's range be breached, the Investment Consultant will advise the Administrator who, with the assistance of the Investment Consultant, will rebalance the funds allocated to that manager to the target weight by transferring cash to (from) the other managers. The Administrator will determine the timing and amounts of the rebalancing with consideration to all relevant influencing factors, including upcoming Fund changes, liquidity of each asset class and cashflows. In most cases, the allocation to (from) the Investment Managers will be in order of greatest variance from the target, up to the manager's target level. All rebalancing activity will be reported to the NAPBC.

2.05 Asset Mix Ranges for the Active Investment Managers
The following tables present the asset mix policy at market value for the Investment Managers’ portfolios. These limits are necessary to ensure that the Combined Fund asset mix remains within the ranges established in Section 2.03 above.

**Canadian Equity Manager—Burgundy**

<table>
<thead>
<tr>
<th></th>
<th>Minimum %</th>
<th>Benchmark %</th>
<th>Maximum %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian equities</td>
<td>90</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Short term investments</td>
<td>0</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

(1) Investments in pooled funds are deemed to be fully invested in that pooled fund’s asset class even though the pooled fund may have cash reserves.

**Canadian Equity Manager—CC&L**

<table>
<thead>
<tr>
<th></th>
<th>Minimum %</th>
<th>Benchmark %</th>
<th>Maximum %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian equities</td>
<td>85</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Short term investments</td>
<td>0</td>
<td>0</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

(1) Investments in pooled funds are deemed to be fully invested in that pooled fund’s asset class even though the pooled fund may have cash reserves.

**Global Equity Manager—Harding Loevner**

<table>
<thead>
<tr>
<th></th>
<th>Minimum %</th>
<th>Benchmark %</th>
<th>Maximum %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global equities</td>
<td>90</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Short term investments</td>
<td>0</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

(1) Investments in pooled funds are deemed to be fully invested in that pooled fund’s asset class even though the pooled fund may have cash reserves.
<table>
<thead>
<tr>
<th><strong>Global Equity Manager – Sprucegrove</strong>&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Minimum %</th>
<th>Benchmark %</th>
<th>Maximum %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global equities</td>
<td>90</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Short term investments</td>
<td>0</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Investments in pooled funds are deemed to be fully invested in that pooled fund’s asset class even though the pooled fund may have cash reserves.

<table>
<thead>
<tr>
<th><strong>Fixed Income Manager – PH&amp;N</strong>&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Minimum %</th>
<th>Benchmark %</th>
<th>Maximum %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds and mortgages</td>
<td>75</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Short term investments</td>
<td>0</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Investments in pooled funds are deemed to be fully invested in that pooled fund’s asset class even though the pooled fund may have cash reserves.

<table>
<thead>
<tr>
<th><strong>Real Estate Manager – Greystone</strong>&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Minimum %</th>
<th>Benchmark %</th>
<th>Maximum %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real estate</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Investments in pooled funds are deemed to be fully invested in that pooled fund’s asset class even though the pooled fund may have cash reserves.
Section 3—Permitted and Prohibited Investments

3.01 General Guidelines
The investments of the Fund must comply with the requirements and restrictions imposed by the applicable legislation, including but not limited to the requirements of The Saskatchewan Pension Benefits Act, which refers to the federal Pension Benefits Standards Act on investment related issues, the Income Tax Act and Regulations, and all subsequent amendments.

In general and subject to the restrictions noted below, the Fund may invest in any of the following asset classes and investment instruments:

3.02 Permitted Investments
(a) Canadian and Foreign Equities
   (i) Common and convertible preferred stock, listed on a recognized exchange
   (ii) Debentures convertible into common or convertible preferred stock
   (iii) Rights, receipts, warrants and private placements of common and convertible preferred stock or other substitutes of equity ownership
   (iv) Installment receipts, American Depository Receipts, subscription receipts or other recognized depository receipts
   (v) Exchange traded index participation units (e.g., iShares and Standard & Poor’s Depository Receipts (SPDRs))
   (vi) Income Trusts, domiciled in jurisdictions that provide limited liability protection
   (vii) TSX exchange traded limited partnerships
(b) Fixed Income
   (i) Bonds, debentures, notes, non-convertible preferred stock and other evidence of indebtedness of Canadian or foreign issuers whether denominated and payable in Canadian dollars or a foreign currency
   (ii) First mortgages secured against Canadian real estate
   (iii) Asset-backed securities
   (iv) Infrastructure debt
   (v) Convertible bonds and loans
(c) Cash and Short Term Investments
   (i) Cash on hand and demand deposits
   (ii) Treasury bills issued by the federal and provincial governments and their agencies
   (iii) Mortgage-backed and asset-backed securities
   (iv) Obligations of trust companies and Canadian and foreign banks chartered to operate in Canada, including bankers’ acceptances
   (v) Commercial paper and term deposits
   (vi) U.S. government and corporate, U.S. dollar denominated issues of the above listed securities, except for asset-backed and mortgage backed securities, within a permissible pooled fund

(d) Real Estate
   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:
   (i) An institutional investment focus;
   (ii) A core style of real estate investing that is predominately focused on developed income-producing properties;
   (iii) A well-diversified portfolio by property type and by region; and
   (iv) Modest use of leverage, not to exceed 75% of the value of an individual property and 50% of the total pooled fund assets.

(e) Other Investments
   (i) Investments in open or closed-ended pooled funds, provided that the assets of such funds are permissible investments under the Policy
   (ii) Deposit accounts of the Custodian can be used to invest surplus cash holdings

(f) Derivatives
   The use of derivatives (such as options, futures and forward contracts) is permitted to protect against losses from changes in exchange rates, interest rates and market indices; and for non-hedging purposes, as a substitute for direct investment. Sufficient assets or cash must be held to cover commitments due to the derivatives transactions. No derivatives can be used for speculative trading or to create a portfolio with leverage.
(g) **Pooled Funds**

Investment in pooled funds is permissible. Pooled fund investments are governed by the policies and guidelines for each fund. The NAPBC shall, with the assistance of the Investment Consultant, review the policies and guidelines for all pooled funds to determine that they are appropriate. The following funds have been determined to be appropriate investment vehicles for a portion of the Plan assets:

- Burgundy Focus Canadian Equity Fund
- CC&L Canadian Equity Fund
- Sprucegrove Global Pooled Fund (Pension)
- PH&N Core Plus Bond Fund
- Greystone Real Estate Fund

Should there be pending changes to the policies or guidelines of any of the above listed pooled funds, the Investment Manager of the affected pooled fund will notify the NAPBC of the pending changes in writing at least 90 days in advance of the expected date of the changes.

Should there be a violation of the policies or guidelines of any of the above listed pooled funds, the Investment Manager of the affected pooled fund will notify the NAPBC of the violation as soon as possible. The notice period will not exceed 90 days after the date of the violation.

### 3.03 Minimum Quality Requirements

Refer to “Mandate Profile: PH&N Core Plus Bond Fund” in Appendix A – Compliance Statements.

### 3.04 Maximum Quantity Restrictions

**(a) Total Fund Level**

No one equity holding of a corporation and its associated or affiliated companies shall represent more than 10% of the total book value of the assets of the Plan.

**(b) Individual Investment Manager Level**

The Investment Managers shall adhere to the following restrictions:

**(i) Equities**

(A) No one equity holding shall represent more than 12% of the market value of the respective equity portfolio of any one Investment Manager within the Fund

(B) Within foreign equity portfolios, a maximum of 20% of the portfolio may be invested in stocks domiciled in non-MSCI World Index countries

**(ii) Bonds**

Refer to “Mandate Profile: PH&N Core Plus Bond Fund” in Appendix A – Compliance Reports.
(iii) **Real Estate**

No more than 50% of the market value of the real estate portfolio should be in any one property type (Retail, Residential, Industrial, Office or Mixed-Use).

(iv) **Pooled Fund Investments**

An investment by the Fund in a single pooled fund should not exceed 10% of the market value of that fund. The Fund may exceed the 10% limit if a provision has been made to transfer assets out of the fund “in kind”, excluding real estate and mortgage pooled funds.

### 3.05 Prior Permission Required

The following investments require prior permission from the NAPBC:

(a) Direct investments in resource properties;

(b) Direct investments in venture capital financing;

(c) Derivatives other than those otherwise permitted in Section 3.02(f) above; and

(d) Investments in any other securities not specifically referenced in this policy statement.

### 3.06 Prohibited Investments

The Investment Managers shall not:

(a) Invest in companies for the purpose of managing them;

(b) Purchase securities on margin or engage in short sales, except as allowed in Section 3.02(f); or,

(c) Make any investment not specifically permitted by this Policy.

### 3.07 Securities Lending

The securities of the Fund may be loaned, for the purpose of generating revenue subject to the provisions of the applicable legislation and provided that:

(a) The Custodian provides borrower default protection related to counterparty risk and collateral risk;

(b) The loans are secured by cash or readily marketable investments having a market value of between 102% and 105% of the market value of the securities loaned, reflecting best practices in the Canadian market;

(c) The loans are marked to market daily to ensure the collateral continues to have a market value of 102%, or 105% depending on the collateral, of the market value of the loaned asset; and

Investment in a pooled fund that permits securities lending is permissible. The pooled fund manager shall disclose whether the fund uses securities lending.
3.08 Borrowing
The Plan shall not borrow money, except to cover short-term contingency and the borrowing is for a period that does not exceed ninety days, subject to applicable legislation.
Section 4—Monitoring and Control

4.01 Delegation of Responsibilities
Responsibility for safekeeping of the assets, income collection, settlement of investment transactions, and accounting for the investment transactions has been delegated to a Custodian. Responsibility for investing the assets of the Fund has been delegated to Investment Managers. The Board has a fiduciary responsibility to manage the investments prudently. The Board has endorsed the formation of a governance committee (the NAPBC) to fulfill a number of duties required to operate the Non-Academic Pension Plan.

The duties of the NAPBC are to:

(a) Recommend a Statement of Investment Policies and Procedures to the Board;
(b) Recommend an appropriate investment management structure;
(c) Recommend appointment of the Investment Managers;
(d) Recommend appointment of the Custodian;
(e) Recommend appointment of the Actuary;
(f) Recommend appointment of the Investment Consultant;
(g) Monitor investment performance and provide periodic written reports to the Board as to the performance of the Fund and its Investment Managers;
(h) Liaise with the Investment Managers, Investment Consultant, Actuary and Custodian; and
(i) Recommend changes to investment policy for review and, to the extent acceptable, acceptance by the Board.

The NAPBC, with the assistance of the Investment Consultant, Actuary, Custodian and Investment Managers, is charged with monitoring conformity with legislation and advising the Board to the extent that the Plan does not conform to legislation and any recommended changes to ensure conformity.

In addition, it is acknowledged that the responsibilities of the Board and the NAPBC, as set forth herein, are general in nature and that a plan governance document was approved by the Board on July 1, 2008. The governance document provides a clear delineation of the duties and responsibilities in respect of the Board, the Administrator, the NAPBC and all agents of the Plan.
In completing the above duties a number of responsibilities have been delegated:

(a) The Investment Managers will:

(i) Invest the assets of the Fund in accordance with this Policy;

(ii) Meet with the NAPBC as required but at least annually and provide written quarterly reports regarding their past performance, their future strategies and other issues as requested;

(iii) Notify the NAPBC, in writing, of any legal or regulatory proceedings or charges of which the Investment Manager may be aware, against the Investment Manager’s firm or investment personnel, or sub-advisors or that firm’s investment personnel; and

(iv) File quarterly compliance reports (see Section 4.04).

(b) The Custodian will:

(i) Maintain safe custody over the assets of the Fund;

(ii) Execute the instructions of the NAPBC, as delegated to any Investment Manager appointed to manage the assets of the Fund; and

(iii) Record income and provide monthly financial statements as required.

(c) The Actuary will:

(i) Provide actuarial valuations of the Plan as required; and

(ii) Provide recommendations to the NAPBC with respect to any matters relating to Plan funding and contribution rates.

(d) The Investment Consultant will:

(i) Assist in the development and implementation of this policy and provide related research;

(ii) Monitor the investment performance of the Fund and the Investment Managers on a quarterly basis;

(iii) Advise the Administrator when rebalancing is required;

(iv) Support the NAPBC on matters relating to investment management and administration of the Fund; and

(v) Meet with the NAPBC as required.
4.02 Performance Measurement

The performance of the Fund shall be measured quarterly and return calculations shall be as follows:

- Time weighted rates of return; and
- Total returns, including realized and unrealized gains and losses and income from all sources.

Measurement against performance objectives for the Investment Managers will normally be assessed over rolling four-year periods.

(a) Combined Fund Benchmark

The primary objective for the Fund is to earn a rate of return that exceeds the rate of return earned on a benchmark portfolio. The benchmark consists of the following market index total returns weighted as indicated:

<table>
<thead>
<tr>
<th>Combined Fund Benchmark</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P/TSX Capped Composite Total Return Index</td>
<td>20</td>
</tr>
<tr>
<td>MSCI World Net Total Return Index (Cdn. $)</td>
<td>40</td>
</tr>
<tr>
<td>REALpac/IPD Canada Property Fund Index</td>
<td>5</td>
</tr>
<tr>
<td>FTSE Canada Universe Bond Index</td>
<td>33</td>
</tr>
<tr>
<td>FTSE Canada 91 Day TBills Index</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The Combined Fund Benchmark is effective October 1, 2018.

(b) Investment Manager Objectives

The benchmark performance objectives for the Investment Managers are tailored to the specific mandate established for each Investment Manager. Accordingly, the performance objectives may change over time. Currently, the objectives are to exceed, net of fees, the following indices with a level of volatility consistent with the investment mandate provided to the Investment Manager:

Canadian equities = S&P/TSX Capped Composite Total Return Index
Global equities = MSCI World Net Total Return Index (Cdn. $)
Real estate = REALpac/IPD Canada Property Fund Index
Bonds = FTSE Canada Universe Bond Index
Short term investments = FTSE Canada 91 Day TBills Index

The market indices referred to in this section may be changed by the NAPBC to match the specific investment mandates for the Investment Managers selected to manage the portfolio, recognizing that at all times the Fund must be managed in accordance with the asset mix guidelines and permitted and prohibited investments set out in Sections 2 and 3 above.
4.03 Monitoring and Rebalancing the Fund’s Asset Mix
In order to ensure that the Fund operates within the guidelines stated in this Policy, the Administrator, with the assistance of the Investment Consultant, shall monitor the asset mix on a quarterly basis. In the event that the Fund falls outside of asset mix and/or rebalancing guidelines, the Investment Consultant will advise the Administrator who will rebalance the portfolio as outlined in Section 2.04(a)(i) Investment Manager Rebalancing Procedures.

4.04 Reporting by the Investment Managers
On a calendar quarterly basis, each Investment Manager will provide a performance report, and a strategy review for the portfolio under management. The report should discuss any changes in the Investment Manager’s investment personnel, style, process or philosophy.

Also, each Investment Manager is required to complete and sign a compliance report each quarter. The compliance report should indicate whether or not the Investment Manager’s portfolio was in compliance during the quarter with this Policy and/or, should the Plan’s investment with an Investment Manager be invested in pooled funds, with the policy of the pooled funds. Copies of the compliance reports must be sent to the NAPBC, and to the Plan’s Investment Consultant. (Suggested report formats for the compliance reports are included under the appendix.)

In the event that an Investment Manager is not in compliance with this Policy, the Investment Manager is required to advise the NAPBC immediately, detailing the nature of the non-compliance and recommending an appropriate course of action to remedy the situation. If it is in the best interests of the Fund, the NAPBC may permit the Investment Manager, on a temporary basis, to be outside of the guidelines.

If an Investment Manager believes the Asset Mix Guidelines are inappropriate for anticipated economic conditions, the Investment Manager is responsible for advising the NAPBC that a change in guidelines is desirable and the reasons therefore.

The Fund invests in pooled funds, which have separate investment policies and guidelines. Should a conflict arise between the provisions of this Policy, and the provisions of the pooled fund’s investment policy, the Investment Manager is required to notify the NAPBC immediately in writing, detailing the nature of the conflict and the Investment Manager’s recommended course of action.

4.05 Standard of Professional Conduct
The Investment Managers 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.

The Investment Managers will manage the assets with the care, diligence and skill that a prudent person skilled as a professional investment manager would use in dealing with pension plan assets. The Investment Managers will also use all relevant knowledge and skill that it possesses or ought to possess as a prudent investment manager.
Section 5—Administration

5.01 Conflicts of Interest

(a) Responsibilities

This standard applies to the Board, members of the NAPBC and any employees of the University who have responsibilities in administration of the Plan, as well as to all agents employed by them, in the execution of their responsibilities to the Fund (the “Affected Persons”).

An “agent” is defined to mean a company, organization, association or individual, as well as its employees, who are retained by the NAPBC to provide specific services with respect to the investment, administration and management of the Fund.

In carrying out their fiduciary responsibilities, these parties must act at all times in the best interest of the Fund.

(b) Disclosure

In the execution of their duties, the Affected Persons shall disclose any material conflict of interest relating to them, or any material ownership of securities, which would appear to a reasonable person to impair their ability to render unbiased advice, or to make unbiased decisions, affecting the administration of the Fund.

Further, it is expected that no Affected Person shall make any personal financial gain (direct or indirect) because of his or her fiduciary position. However, normal and reasonable fees and expenses incurred in the discharge or their responsibilities are permitted if documented and approved by the NAPBC.

No Affected Person shall accept a gift or gratuity or other personal favor, other than one of nominal value, from a person with whom the individual deals in the course of performance of his or her duties and responsibilities for the NAPBC.

It is incumbent on any Affected Person who believes that he/she may have a conflict of interest, or who is aware of any conflict of interest, to disclose full details of the situation to the attention of the NAPBC immediately. The NAPBC, in turn, will decide what action is appropriate under the circumstances but, at a minimum, will have the matter tabled and recorded in the minutes of the next regular meeting of the NAPBC.

No Affected Person who has or is required to make a disclosure which is determined to be in conflict as contemplated in this Policy shall participate in any discussion, decision or vote relating to any proposed investment or transaction in respect of which he or she has made or is required to make disclosure.
5.02 Related Party Transactions
Without prior approval of the NAPBC the Administrator may not enter into a transaction with a Related Party unless:

(a) The transaction is required for the operation or administration of the Plan (not including loans or investments) and the terms and conditions of the transaction are not less favourable to the Plan than market terms and conditions; or

(b) The investment is in an investment fund in which other investors may invest and that complies with the regulations governing the investments in a plan or in member choice accounts; or

(c) The investment is in a unallocated general fund of an authorized Canadian life insurance company; or

(d) The investment is in securities issued by or fully guaranteed by the Government of Canada, the government of a province, or an agency of either of these governments; or

(e) The investment is in a fund composed of mortgage-backed securities that are fully backed by the Government of Canada, the government of a province, or an agency of either of these governments;

(f) The investment is in a fund that replicates the composition of a broad class of securities traded at a marketplace; or

(g) The investment involves the purchase of a contract or agreement under which the return is based on the performance of a widely recognized index of a broad class of securities traded at a marketplace.

Under the conflict of interest guidelines, any person who becomes aware of a conflict of interest shall notify the NAPBC. Such conflict includes transactions with a Related Party.

5.03 Valuation of Securities Not Regularly Traded
The following principles will apply for the valuation of investments that are not traded regularly:

(a) Equities, last available trade price, unless otherwise instructed by the client;

(b) Bonds, same as for equities;

(c) Mortgages, at fair market value;

(d) Real estate, a certified written appraisal from a qualified independent appraiser at least every year; and

(e) Securities that are not publicly traded are valued at cost unless there is an external transaction or other evidence that indicates market value is different from cost.
5.04 Voting Rights
The Board has delegated voting rights acquired through pension Fund investments to the Custodian, to be exercised in accordance with the Investment Managers’ instructions. Investment Managers are expected to vote all proxies in the best interests of the beneficiaries of the Fund.

The Board, however, may take back voting rights for specific situations. The NAPBC, as a result of its meetings with the Investment Managers, may wish to make recommendations to the Board in respect of specific situations when it may be appropriate for the Board to assume voting rights in respect of specific securities.

For private placements, voting rights will be delegated to the Investment Manager, or voted directly by a representative, as appointed by the Board.

The Investment Managers shall disclose their proxy voting policies, and any changes thereto, and report quarterly in the compliance report on (1) whether all eligible proxies were voted on the Fund's behalf and (2) if the proxy guidelines were followed and report on any deviations.

5.05 Soft Dollars
Soft dollars are the costs of commissions paid in excess of the cost of execution.

A variety of brokers may be used in order to gain maximum utilization of the services available. It is the responsibility of the Investment Manager to ensure that the commission distribution is representative of the services rendered.

Investment Managers may use soft dollars to pay for research and other investment-related services with annual disclosure to the NAPBC, provided they comply with the Soft Dollar Standards promulgated by the CFA Institute.

5.06 Investment Policy Review
This Policy may be reviewed and revised at any time, but must be formally reviewed by the NAPBC at least once in every calendar year and to the extent changes are necessary, the NAPBC shall make recommendations to the Board as to changes in the policy.
6.01 Selecting Investment Managers
In the event that a new Investment Manager must be selected or additional Investment Manager(s) added to the existing Investment Managers, the NAPBC will undertake an Investment Manager search. The criteria used for selecting an Investment Manager will be consistent with the investment and risk philosophy set out in Section 1.06 (Investment and Risk Philosophy).

As responsible corporate behaviour with respect to environmental, social and governance (ESG) factors is recognized to have a positive influence on long-term shareholder value, the NAPBC may consider a manager’s approach to ESG and sustainability practices when selecting the Investment Managers.

6.02 Monitoring of Investment Managers
To enable the NAPBC to fulfill its responsibility of monitoring and reviewing the Investment Managers, the Investment Consultant will assist the NAPBC, on an ongoing basis, in considering:

(a) Investment Manager’s staff turnover, consistency of style and record of service;

(b) Investment Manager’s current economic outlook and investment strategies;

(c) Investment Manager’s compliance with this Policy or, if applicable, its pooled fund, where a manager is required to complete and sign a compliance report;

(d) Investment Manager’s performance in relation to the rate of return expectations outlined in this Policy; and

(e) Investment Manager’s approach to ESG and sustainability practices.

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

(a) Performance results, which over a reasonable period of time, are below the stated performance benchmarks;

(b) Changes in the overall structure of the Fund such that the Investment Manager’s services are no longer required;

(c) Legal or regulatory proceedings against the Investment Manager or its investment personnel, or any sub-advisor firm or that firm’s investment personnel;
(d) Change in personnel, firm structure and investment philosophy, style or approach which might adversely affect the potential return and/or risk level of the portfolio; and/or

(e) Failure to adhere to the Policy.
Section 7—Investment Consultant

7.01 Selection & Termination Policy

(a) Selection
The NAPBC shall consider the following criteria when selecting an Investment Consultant to monitor the investment performance of the Plan;

(i) Investment Consultant has established a reputation for expertise in the issues and laws governing pension plans in Canada

(ii) Investment Consultant has established a reputation for proactive advice to governance committees

(iii) Investment Consultant has established a reputation for quality client servicing. The criteria for judging this quality include clear, accurate and complete reporting, both orally and in writing

(iv) Investment Consultant fees shall be competitive

(b) Termination
Reasons for considering the termination of the services of an Investment Consultant include, but are not limited to, not meeting the selection criteria cited above.

- End -
Appendix A—Compliance Reports
Burgundy Focus Canadian Equity Portfolio

Key Features

The Burgundy Focus Canadian Equity Portfolio was established in May 1999 as a vehicle for sophisticated investors seeking long-term capital growth. The Canadian Large Cap Equity mandate provides our clients with an opportunity to invest in a portfolio of high quality, larger capitalization companies, which are mainly listed on the Canadian stock exchanges.

The portfolio’s key features are:

- The portfolio is managed in accordance with Burgundy’s long-term “value” investment philosophy, which is to purchase good companies with strong economics and managements, whose shares are selling well below our estimate of intrinsic value;
- Investments will normally be made in publicly traded equity securities of companies in Canada;
- At the time of initial purchase, investee companies will have a minimum market capitalization of CA$1 billion;
- The number of holdings will normally range between 20 – 35 companies to ensure adequate diversification;
- Equity holdings in any one sector will be limited to a maximum of 40% of the market value of the portfolio;
- Existing positions in any one company will not exceed ten percent (10%) of the market value of the portfolio; and
- Under normal market conditions, cash positions will not exceed ten percent (10%) of the portfolio (except for temporary transactional cash).

Index:

- The portfolio will be measured against the S&P/TSX 60 Index.

November 2012

The Burgundy Focus Canadian Equity Portfolio is currently soft closed.
To the best of our knowledge, the portfolio is in compliance with the Key Features of the Burgundy Focus Canadian Equity Fund, updated November 2012.

__________________________  ____________________________________________
Signature and Title  Company Name

__________________________
Date
CC&L CANADIAN EQUITY FUND

OBJECTIVES

- Generate returns equal to the return of the S&P/TSX Capped Composite Index (the “Benchmark”) plus 2% 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 may hold equity securities which are either issued by Canadian entities listed or approved for listing on a recognized exchange or by entities that are either listed or approved for listing on recognized Canadian exchanges, at time of purchase. Equity securities include common or preferred shares, units of limited partnerships, royalty trusts, income trusts or real estate investment trusts, subscription receipts, rights and warrants. The Fund may acquire equity securities as part of an initial public offering or on a private placement basis and may hold cash and cash equivalents, and derivatives 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

   Sector constraints

   Holdings are diversified among the Benchmark industry sectors. Investment in a single sector may range within the Benchmark sector weighting plus or minus 10 percentage points. The maximum weighting for sectors comprising greater than 30% of the Index will be the sector’s weighting plus 5 percentage points.

   Security constraints

   No less than 30 stocks may be held in the Fund. Investment in a single stock may not exceed 10% of the Fund. Investments in private placements and other illiquid securities shall be limited to a maximum of 5% of the Fund.

   Cash may represent up to 15% of the Fund for a maximum of four consecutive quarters. Cash weightings of over 15% are only allowed following client approval. Investments in cash or money market instruments should not exceed 5% of the Fund on an ongoing basis.
University of Saskatchewan and Federated Colleges  
Non-Academic Pension Plan  
Canadian Equity Management – CC&L  
Compliance Report For The Period From _____ to _____  
(date) (date)

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.
To the best of our knowledge, the portfolio is in compliance with the Statement of Investment Policies & Procedures of
the CC&L Canadian Equity Fund, updated April 1, 2018.

__________________________  ______________________________
Signature and Title                                      Company Name

____________________________________________
Date
University of Saskatchewan and Federated Colleges  
Non-Academic Pension Plan  
Global Equity Management – Harding Loevner  
Compliance Report For The Period From ___ to ___  
(date) (date)

<table>
<thead>
<tr>
<th>Asset Mix (at Market Value)</th>
<th>Guidelines</th>
<th>Policy Complied With</th>
<th>Yes/No*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td></td>
<td>Guideline</td>
<td></td>
</tr>
<tr>
<td>Global Equities</td>
<td>90-100</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Short Term and Cash</td>
<td>0-10</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Constraints</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Short-Term Investments</td>
</tr>
<tr>
<td>Derivatives</td>
</tr>
<tr>
<td>Pooled Funds</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Conflicts of Interest</td>
</tr>
<tr>
<td>CFA Institute Code of Ethics and Standards of Professional Conduct</td>
</tr>
<tr>
<td>Proxy Voting</td>
</tr>
</tbody>
</table>

* Provide actual weight or range where appropriate. If policy not complied with, comment on specifics.

I believe this to be a factual representation of compliance with the Statement of Investment Policies and Objectives throughout the reporting period.

_________________________  
Signature and Title  

_________________________  
Company Name  

_________________________  
Date
## Non-Academic Pension Plan

**Global Equity Management – Sprucegrove**

### Compliance Report For The Period From ___________ to ___________ (date) (date)

#### Asset Mix (at Market Value)

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Guidelines</th>
<th>Policy Complied With</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>Global Equities</td>
<td>90-100</td>
</tr>
<tr>
<td>Short Term and Cash</td>
<td>0-10</td>
<td></td>
</tr>
</tbody>
</table>

#### Constraints

<table>
<thead>
<tr>
<th>Constraint</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>- Publicly traded on recognized securities market</td>
</tr>
<tr>
<td></td>
<td>- Diversification Max 12% of the market value of the portfolio in any single holding. Max 20% in non MSCI World Index countries</td>
</tr>
<tr>
<td></td>
<td>- Liquidity Max 10% of the market value of any pooled fund</td>
</tr>
<tr>
<td>Short-Term Investments</td>
<td>- Quality Short-term investments must have a credit rating of at least &quot;R-1 Low&quot; or equivalent</td>
</tr>
<tr>
<td>Derivatives</td>
<td>Limited to equity index futures, currency futures and forward currency exchange contracts for defensive purposes</td>
</tr>
<tr>
<td>Pooled Funds</td>
<td>- Compliance Compliance with pooled fund investment policy for all pooled funds</td>
</tr>
<tr>
<td>Other</td>
<td>- Statutory Requirements Must meet requirements for eligible investments outlined in The Pension Benefits Act. Must meet requirements for eligible investments outlined in the Income Tax Act</td>
</tr>
<tr>
<td>Conflicts of Interest</td>
<td>- Disclosure Conflicts of interest disclosed to the NAPBC</td>
</tr>
<tr>
<td></td>
<td>CFA Institute Code of Ethics and Standards of Professional Conduct</td>
</tr>
<tr>
<td></td>
<td>- Compliance CFA Institute Code of Ethics and Standards of Professional Conduct complied with</td>
</tr>
<tr>
<td>Proxy Voting</td>
<td>- Compliance All proxies voted in compliance with disclosed proxy voting policy</td>
</tr>
</tbody>
</table>

* Provide actual weight or range where appropriate. If policy not complied with, comment on specifics.

I believe this to be a factual representation of compliance with the Statement of Investment Policies and Objectives throughout the reporting period.

__________________________

Signature and Title

__________________________

Company Name

__________________________

Date
University of Saskatchewan and Federated Colleges  
Non-Academic Pension Plan  
Fixed Income Management – PH&N  
Compliance Report For The Period From _______ to _______  
(date) (date)

Mandate Profile:  
PH&N Core Plus Bond Fund  
PHILLIPS, HAGER & NORTH  
Investment Management

<table>
<thead>
<tr>
<th>Fund type</th>
<th>Canadian fixed income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of inception</td>
<td>Series O - June 30, 2013</td>
</tr>
<tr>
<td>Manager &amp; principal portfolio adviser</td>
<td>Phillips, Hager &amp; North Investment Management</td>
</tr>
<tr>
<td>Benchmark</td>
<td>FTSE TMX Canada Universe Bond Index</td>
</tr>
</tbody>
</table>

**Investment objectives**  
The fund seeks to provide relatively high yields and stability of capital by investing primarily in a diversified portfolio of fixed income securities issued by Canadian governments and corporations and similar securities outside of Canada. The fund targets to outperform the performance benchmark by 125 basis points over a market cycle.

**Strategies & approach**  
To achieve its investment objective, the fund will utilize “core” fixed income instruments found in the FTSE TMX Canada Universe Bond Index, as well as contain a significant allocation to non-benchmark securities, including mortgages, international and high yield bonds.

<table>
<thead>
<tr>
<th>Asset mix policy</th>
<th>Target ranges:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and equivalents</td>
<td>0% - 25%</td>
</tr>
<tr>
<td>Fixed income investments</td>
<td>75% - 100%</td>
</tr>
</tbody>
</table>

**Investment guidelines**  
The fund complies with investment restrictions set out in the federal Pension Benefit Standards Act, for registered Canadian pension plans.

**Permissible investments**
- Canadian, U.S. and foreign government and corporate fixed income securities;
- Asset-backed securities;
- Infrastructure debt;
- First mortgages;
- Derivatives, such as, but not limited to, swaps, options, credit-linked notes, futures, and forwards;
- Convertible bonds, loans.

**Sector concentration**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian Federal and Provincial Government Debt</td>
<td>100%</td>
</tr>
<tr>
<td>Cash</td>
<td>25%</td>
</tr>
<tr>
<td>Investment Grade Corporates</td>
<td>80%</td>
</tr>
<tr>
<td>Mortgages</td>
<td>20%</td>
</tr>
<tr>
<td>High Yield Corporate Bonds</td>
<td>20%</td>
</tr>
<tr>
<td>Emerging Market Debt</td>
<td>20%</td>
</tr>
<tr>
<td>Convertible Bonds and Bonds with Warrants</td>
<td>5%</td>
</tr>
<tr>
<td>Common Equity, Preferred Shares, REITs and Income Trusts</td>
<td>5%</td>
</tr>
<tr>
<td>Non-Canadian securities</td>
<td>30%</td>
</tr>
<tr>
<td>Non-hedged currency exposure</td>
<td>15%</td>
</tr>
</tbody>
</table>

**Single-issuer limits**

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government of Canada</td>
<td>100%</td>
</tr>
<tr>
<td>Provincials</td>
<td>40%</td>
</tr>
<tr>
<td>U.S. Treasuries</td>
<td>10%</td>
</tr>
<tr>
<td>Foreign Sovereigns (non-U.S.)/Agencies/Supranationalss</td>
<td>10%</td>
</tr>
<tr>
<td>AA- and above</td>
<td>10%</td>
</tr>
<tr>
<td>A+ and below follow corporate credit maximums</td>
<td>10%</td>
</tr>
<tr>
<td>Municipals and Corporates</td>
<td></td>
</tr>
<tr>
<td>BBB- and above</td>
<td>5%</td>
</tr>
<tr>
<td>B- to BB+</td>
<td>2%</td>
</tr>
<tr>
<td>CCC+ and below</td>
<td>1%</td>
</tr>
<tr>
<td>Guaranteed Mortgages</td>
<td>2%</td>
</tr>
<tr>
<td>Conventional Mortgages</td>
<td>1%</td>
</tr>
</tbody>
</table>
University of Saskatchewan and Federated Colleges  
Non-Academic Pension Plan  
Fixed Income Management – PH&N  
Compliance Report For The Period From ___________ to ___________ (date) (date)

To the best of our knowledge, the portfolio is in compliance with the Mandate Profile: PH&N Core Plus Bond Fund, updated July 22, 2016.

<table>
<thead>
<tr>
<th>Credit Quality</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBB and above</td>
<td>100%</td>
</tr>
<tr>
<td>BS+ and below</td>
<td>25%</td>
</tr>
<tr>
<td>CCC+ and below</td>
<td>5%</td>
</tr>
<tr>
<td>Unrated</td>
<td>5%</td>
</tr>
</tbody>
</table>

Interest Rates: FTSE TMX Canada Universe Bond Index +/- 2 year duration.

Key Risks: The principal risks are associated with interest rate, credit, liquidity, currency and foreign markets. The fund is suitable for investors with moderate tolerance for risk. Please see the fund’s offering document for details.

Currency Hedging: The fund will take on foreign exchange exposure through investments in international bonds, as a portfolio risk management tool or tactical lever where appropriate. The fund’s maximum non-hedged currency exposure is 15%.

Securities Lending: The fund may enter into securities-lending, repurchase and reverse-repurchase transactions to generate additional income and/or as a short-term cash-management tool.

Derivatives: Derivatives counterparty credit risk: counterparties must maintain a minimum “A” rating. In the case of underlying BlueBay Funds, the same minimum rating applies, unless otherwise agreed to in writing by RBC GAM. The fund may use derivatives, such as, but not limited to, swaps, options, credit-linked notes, futures, and forwards for:
- 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
- non-hedging purposes, including as a substitute for direct investment.

Distributions: A distribution of net income is made in March, June and September. The remaining net income and net realized capital gains are distributed in December. We automatically reinvest all distributions in additional units of the fund unless explicitly instructed to distribute in cash.

Custodian & Trustee: RBC Investor Services Trust

Disclosures: The full name of this fund is “Phillips, Hager & North Core Plus Bond Fund”.

Signature and Title

Company Name

Date
Greystone Real Estate Fund Inc. Investment Policy

Policy effective as of April 1, 2018

The Greystone Real Estate Fund Inc. (the “Fund”) is a separate, incorporated entity managed by Greystone Managed Investments Inc. (“Greystone”) and owned by shareholders permitted to own shares in a corporation that is tax-exempt under Section 149(1)(c.2) of the Income Tax Act (Canada). Eligible shareholders include registered pension plans, Her Majesty in right of a province, workers’ compensation boards, trusts (all the beneficiaries of which are registered pension plans), and certain tax-exempt corporations (all of the shareholders of which are one of the previously mentioned entities).

Objective

The investment objective of the Fund is to seek superior long-term total returns by investing in a diversified Canadian real estate portfolio that complies with the risk controls set forth herein.

The performance objective of the Fund is to outperform the Fund’s benchmark return by 1% annually over a moving four-year period.

Based on historic returns, this should allow for shareholders to achieve a rate of return equal to the annualized change in the Consumer Price Index plus 4%-6%; an absolute return that should be measured over a period of 5-10 years.

Investment Strategy

The Fund invests in a diversified portfolio of Canadian real estate investments and other investments permitted by Section 149(1)(c.2) of the Income Tax Act (Canada). The Fund is actively managed to enhance returns and control risks.

To meet the investment objective, the Fund follows an income/income growth investment strategy. The portfolio management process is focused on deriving income/income growth from investments that offer reliable rental revenue from a stable tenant base with the potential to increase that revenue stream over time. Capital appreciation also generally accompanies income growth. Emphasis is placed on income quality and financial strength. The strategy of the Fund is to protect, grow and build the income profile of the portfolio.

Performance Benchmark

The performance benchmark index for the Fund is the REALpac/IPD Canada Annual Property Benchmark. For further clarity, the benchmark shall include actively managed standing investments, transactions and developments in the REALpac/IPD index.
Allowable Investments

The assets of the Fund may include equity interests in, and mortgages of, Canadian real estate. In addition, the assets of the Fund may also be invested in securities or bonds issued by a tax exempt real estate corporation or a pension corporation, or other issuers permitted under pension legislation where the asset underlying the security or bond is a mortgage or real estate equity.

In addition, in order to meet liquidity needs, the Fund may hold cash or short-term investments such as notes, investment certificates, term deposits, treasury bills or similar investments, including the Greystone Money Market Fund.

The Fund will invest only in assets that are allowable investments under all applicable Canadian pension legislation and Section 149(1)(o.2) of the Income Tax Act (Canada).

Asset Guidelines

Based on net market value, investment classes will be within the following ranges:

<table>
<thead>
<tr>
<th>Investment Class</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate Investments</td>
<td>90%</td>
<td>100%</td>
</tr>
<tr>
<td>Cash and Short-term Investments</td>
<td>0%</td>
<td>10%</td>
</tr>
</tbody>
</table>

(1) Cash and short-term investments are primarily used to facilitate portfolio operational requirements.

Risk Controls

PROPERTY TYPE
The Fund will own a portfolio that is prudently diversified in terms of property type. The following chart indicates the discretionary ranges applicable to each property type. The ranges have been established to provide Greystone the flexibility to rebalance the portfolio mix subject to market conditions and property availability. The percentages are based on net market values.

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>10%</td>
<td>45%</td>
</tr>
<tr>
<td>Retail</td>
<td>10%</td>
<td>45%</td>
</tr>
<tr>
<td>Industrial</td>
<td>10%</td>
<td>45%</td>
</tr>
<tr>
<td>Multi-unit Residential</td>
<td>0%</td>
<td>45%</td>
</tr>
<tr>
<td>Mixed use</td>
<td>0%</td>
<td>20%</td>
</tr>
</tbody>
</table>
University of Saskatchewan and Federated Colleges
Non-Academic Pension Plan
Real Estate Management – Greystone
Compliance Report For The Period From ___________ to ___________
(date) (date)

THE POWER OF DISCIPLINED INVESTING®

GEOGRAPHICAL LOCATION
The Fund will own a portfolio that is prudently diversified in terms of geographical location. The following chart indicates the discretionary ranges applicable to location. The ranges have been established to provide Greystone the flexibility to rebalance the portfolio mix subject to market conditions and property availability. The percentages are based on net market values.

<table>
<thead>
<tr>
<th>Region</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ontario</td>
<td>25%</td>
<td>60%</td>
</tr>
<tr>
<td>Quebec</td>
<td>0%</td>
<td>25%</td>
</tr>
<tr>
<td>British Columbia</td>
<td>5%</td>
<td>35%</td>
</tr>
<tr>
<td>Alberta</td>
<td>10%</td>
<td>40%</td>
</tr>
<tr>
<td>Prairies</td>
<td>0%</td>
<td>20%</td>
</tr>
<tr>
<td>Atlantic Canada</td>
<td>0%</td>
<td>20%</td>
</tr>
</tbody>
</table>

RISK STRATEGY
The Fund will own a portfolio that is prudently diversified in terms of risk strategy. The following chart indicates the discretionary ranges applicable to each risk strategy. The ranges have been established to provide Greystone the flexibility to rebalance the portfolio mix subject to market conditions and property availability. The percentages are based on net market values.

<table>
<thead>
<tr>
<th>Risk Strategy</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core</td>
<td>60%</td>
<td>100%</td>
</tr>
<tr>
<td>Value-Add</td>
<td>0%</td>
<td>30%</td>
</tr>
<tr>
<td>Opportunity</td>
<td>0%</td>
<td>20%</td>
</tr>
<tr>
<td>Transition</td>
<td>0%</td>
<td>20%</td>
</tr>
</tbody>
</table>

PROPERTY MANAGER DIVERSIFICATION
The Fund is diversified by property manager given consideration to the positioning and strategy of the property within the portfolio and the expertise of the property manager to achieve the strategic objective of the property.

LIQUIDITY POSITION
Greystone will attempt to keep the Fund’s liquidity position to a minimum level given the operational requirements of the Fund. To that end, Greystone will not allow new client deposits to enter the Fund if the Liquidity Available for Investment is greater than 10% of the gross market value of the assets of the Fund (excluding cash and short-term investments) without deduction for any indebtedness attributable to the underlying assets.

“Total Liquidity” is defined as cash plus short-term investments.

“Liquidity Obligations” is a negative or positive number representing a conservative estimate made by Greystone of the net of projected and known cash flows of the Fund over a five-year projection period, including but not limited to projected property income, projected investment income, client redemption requests, cash requirements on properties, ongoing development commitments, debt obligations committed to be discharged, real estate acquisition commitments and real estate dispositions.

“Liquidity Available for Investment” is calculated as Total Liquidity plus Liquidity Obligations. Greystone may from time to time modify this formula as conditions warrant.
University of Saskatchewan and Federated Colleges
Non-Academic Pension Plan
Real Estate Management – Greystone
Compliance Report For The Period From ________ to ________
(date) (date)

THE POWER OF DISCIPLINED INVESTING®

INVESTMENT POLICY

SHORT-TERM INVESTMENTS
Short-term investments made by the Fund, either directly or indirectly through the Greystone Money Market Fund, must have a minimum rating of ‘R-1’ or equivalent as rated by a recognized rating service, and must have maturity dates of no longer than 365 days from the date of purchase.

LEVERAGE
The Fund’s portfolio shall not be leveraged more than 50% in aggregate (based on gross market value) and the maximum leverage on any one investment shall not be greater than 75% (based on gross market value when the debt is placed or assumed).

Temporary debt and term debt committed to be discharged are excluded from these requirements.

No debt shall be permitted to have recourse to the shareholders of the Fund.

SINGLE ASSET RESTRICTION
Greystone will not invest more than 10% of the net market value of the Fund in any one real estate entity, based on book value of the asset at the time of investment.

NON-INCOME-PRODUCING PROPERTIES
Greystone will not invest more than 20% of the net market value of the Fund in non-income-producing properties, based on book value of the asset at the time of investment. Non-income producing properties may include developments and land with a clearly stated development plan.

Best Execution
Greystone strives to achieve “best execution” on all acquisitions, dispositions and management of properties and other investments on behalf of the Fund.

Greystone, in carrying out its fiduciary duties to the Fund, seeks to obtain the most favourable terms reasonably available under the circumstances for every Fund transaction.

In seeking the most favourable terms, Greystone considers the full range and quality of real estate services, including among other things, the value of research provided as well as execution capability, fees charged, financial stability and responsiveness to Greystone.

The determinative factor is not necessarily the lowest possible cost, but whether the transaction represents the best qualitative execution for the Fund, in light of the above circumstances.

Conflicts of Interest
Disclosure procedures and guidelines for conduct are in place to identify, manage and disclose conflicts of interest.

General Policy
Greystone shall exercise the care, diligence and skill in making investment decisions at the level that a person knowledgeable in real estate of ordinary prudence would exercise in dealing with the property of another person.

Prohibited Dealings
The Fund is prohibited from engaging in any activity that could reasonably be expected to result in a liability with recourse to the shareholders of the Fund.
University of Saskatchewan and Federated Colleges
Non-Academic Pension Plan
Real Estate Management – Greystone
Compliance Report For The Period From (date) to (date)

THE POWER OF DISCIPLINED INVESTING®

Performance Measurement
Greystone measures investment performance of the Fund and provides it to shareholders on a monthly basis.

Related Parties
Greystone is a private company. Except for any asset management services performed by Greystone (or one or more of its wholly-owned subsidiaries) as described below, Greystone is not associated with, nor related to, any parties providing services, including property management, development, appraisal, brokerage and custody services.

Asset management services for real estate properties in which the Fund is invested may (but will not necessarily) be performed by Greystone (or by one or more wholly-owned subsidiaries of Greystone formed for such purposes) pursuant to a separate service agreement between the applicable property level investment entity and Greystone (or a wholly-owned subsidiary of Greystone). Fees payable to Greystone (or one or more of its wholly-owned subsidiaries) by the applicable investment entity for asset management services will be reasonable and reflect prevailing real estate market conditions.

Greystone’s employee pension plan may hold shares in the Fund from time to time.

Valuation
Greystone will use an independent arm’s length appraisal process to establish the fair market value of the real estate investments of the Fund. This process utilizes external firms to determine the fair market value of the real estate investments.

The Fund will be audited by an independent accounting firm on an annual basis. The audit process will include a review of the valuation process and the appropriateness of the values used in the financial statements of the Fund. Annual audited financial statements will be distributed to the shareholders of the Fund.

Greystone shall maintain an objective of quarterly valuations for each property investment of the Fund. The valuation process, including the duration between each appraisal, shall be in compliance with all standards set by the Appraisal Institute of Canada, and all Canadian pension legislation that may be applicable to the Fund or its shareholders.

Non-compliance
The Fund will adhere to the guidelines contained in this document. In the event that a situation arises that would require a material deviation from the policy, Greystone may make such an investment, provided the Investment falls within the General Policy and Greystone subsequently advises in writing, the shareholders of the Fund. This advisement will include a rationale for the non-compliance action, as well as a plan to correct the non-compliance item.

Amendments to the Investment Policy
From time to time, this Investment Policy will be reviewed and revised by the Board of Directors of the Fund, if necessary, and as required by legislation. The amendments will become Policy three months following written notification to shareholders, or such earlier date as may be required by changes to legislation or regulations. All amendments must be in compliance with all applicable Canadian pension legislation and Section 149 (1)(c.2) of the Income Tax Act (Canada).
To the best of our knowledge, the portfolio is in compliance with the Greystone Real Estate Fund Inc. Investment Policy, effective April 1, 2018.

Signature and Title

Company Name

Date