

Investment Policy for Assets of the Retirement Plan of Laurentian University of Sudbury And Its Federated and Affiliated Universities

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| Office of Administration: | Office of Vice-President, Administration |
| Approval Authority: | Board of Governors |
| Approval Date: | June 17, 2016 |
| Next Review: | April 2018 |
| Review History: | December 13, 2013 |

1. Purpose

1.1 This Policy ("the Policy") applies to the assets held in the Retirement Plan of Laurentian University of Sudbury And Its Federated and Affiliated Universities (the "Plan"). It contains investment objectives, investment guidelines, and monitoring responsibilities.

1.1.1 The Fund will be managed in accordance with all applicable legal requirements notwithstanding any indication to the contrary which might be construed from the Policy.

1.1.2 The basic purpose underlying the establishment of this Policy is to ensure that the assets of the Pension Plan, together with the expected contribution revenue, shall be invested in a prudent manner so that they will be sufficient to meet the obligations of the plan as they fall due. The general objective of the investment of the Fund is to optimize the rate of the fund through the maintenance of a well-diversified and balanced portfolio, without taking undue risk of loss or impairment.

2. Scope

2.1 The responsibility for the investment of the Fund lies with the Board of Governors, which delegates oversight to the Finance Committee.

2.2 The Board of Governors may delegate some of its responsibilities with respect to the investment of the Fund to the University Administration and agents and advisors.

In particular, the services of a custodian ("the Custodian") and one or more money managers ("the Manager") are retained. The Finance Committee maintains an active role with respect to the following:

- a. Formulation and approval of the SIPP and manager mandates.
- b. Appointment and monitoring of agents and advisors.
- c. Evaluation of investment performance relative to benchmarks.

2.3 Any person or organization to whom the Board of Governors delegates responsibilities with respect to the investment of the Fund must adhere to the provisions of the Policy.

3. Definitions/Principles:

3.1 The primary purpose of the Plan is to provide funding for the payment of retirement obligations for the Retirement Plan of Laurentian University of Sudbury And Its Federated and Affiliated Universities.

3.2 Conflict of Interest:

- a. Where an officer of the investment management firm, or any other person, is aware of any actual or perceived conflict of interest which would conflict with or impair that individual's or the investment management firm's ability to select or manage the investments of the plan, the situation shall be disclosed immediately to the Vice-President, Finance and Administration.
- b. The Vice---President, Finance and Administration shall investigate the situation and report to the Pension Committee in writing on the procedures that will be implemented to deal with the conflict of interest.

4. Policy Statement

4.1 Until further notice, the assets of the Fund, will be allocated to the investment managers as follows:

| Investment Manager | Mandate | Minimum | Target | Maximum |
|-----------------------------|-----------------|---------|--------|---------|
| Manulife | Global Balanced | 30.00% | 37.75% | 45.00% |
| Mawer Investment Management | Global Balanced | 30.00% | 37.75% | 45.00% |
| Greystone | Real Estate | 0.00% | 10.00% | 15.00% |
| JP Morgan | Infrastructure | 0.00% | 5.00% | 10.00% |
| Macquarie | Infrastructure | 0.00% | 5.00% | 10.00% |
| Addenda | Mortgages | 0.00% | 4.50% | 10.00% |
| | | | 100% | |

- 4.2 The Pension Committee will allow each investment manager to determine the allocation of their portion of the pension fund to fixed income and equity investments provided that the total allocation to all equity investments:
- (i) be not less than 20%; and
 - (ii) not more than 70%
- of the market value of their portion of the pension fund. The Pension Committee will consider exceptions to these restrictions subject to advance consultation with the investment manager.

In general, it is expected that the assets of the Fund will be invested within the following guidelines:

Percentage of Fund at Market Value

| Asset Class | Index | Minimum | Normal | Maximum |
|---------------------------|-------------------------------------|----------------|---------------|----------------|
| Fixed Income | | | | |
| Universe Bonds | FTSE TMX Canada Universe Bond Index | 15% | 30.5% | 45.0% |
| Mortgages | FTSE TMX Canada Universe | 0% | 4.5% | 10.0% |
| Cash | DEX 91 Day T---Bills | 0% | 0.0% | 10.0% |
| Total Fixed Income | | 25.0% | 35.0% | 60.0% |
| Equities | | | | |
| Canadian Equities | FTSE S&P/TSX Composite | 15% | 22.5% | 35% |
| Global Equities | MSCI ACWI (\$C) | 15% | 22.5% | 35% |
| Total Equities | | 20% | 45.0% | 60% |
| Alternatives | | | | |
| Real Estate | CPI+ 4% | 0.0% | 10.0% | 15.0% |
| Infrastructure | CPI + 5% | 0.0% | 10.0% | 15.0% |
| Total Alternatives | CPI + 4.5% | 0.0% | 20.0% | 40.0% |