Statement of Investment Policies and Procedures

Canadian Blood Services
Defined Benefit Pension Plan

Registration No. 1048800

Effective December 31, 2016

APPROVED on this 29th day of November, 2016

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On behalf of the Board of Trustees

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On behalf of the Board of Trustees

Replaces previous version which was last revised and approved on: November 30, 2015

Previously revised on December 5, 2014

Contents

Section 1—Overview

1.01 Purpose of Statement

This Statement of Investment Policies and Procedures (the “Policy”) provides the framework for the investment of the assets of the Canadian Blood Services Defined Benefit Pension Plan, registration number 1048800 (the “Plan”). The administrator of the Plan is the Canadian Blood Services Defined Benefit Pension Plan Board of Trustees (the “Board”).

This Policy is based on the “prudent person portfolio approach” to ensure the prudent investment and administration of the assets of the Plan (the “Fund”). The Plan will be managed in accordance with the parameters set out in the *Income Tax Act* and the *Pension Benefits Act* (Ontario), including their respective Regulations and all subsequent amendments, and any other applicable federal or provincial legislation and regulations governing the investment of pension funds, including Schedule III to the *Pension Benefits Standards Regulation, 1985* (Canada).

Prior to the introduction of the FSCO filing requirements in 2016, the Board reviewed the Policy on an annual basis and would arrange to have the final Policy posted on the Canadian Blood Services intranet site.

1.02 Background of the Plan

The Plan is a Jointly Sponsored Pension Plan under the Pension Benefits Act. The Plan is a defined benefit plan requiring both employer and member contributions. In addition, members used to contribute to a money purchase option within the plan. Contributions to this voluntary contribution component of the Plan ended in 2004. However, contribution balances continue to earn interest in the plan until members leave the plan.

The Plan is open to both unionized and non-unionized employees. The Plan was established effective September 28, 1998, and since this date, all contributions have been made to the Plan. The pension assets and entitlements for active Canadian Blood Services employees that were earned prior to September 28, 1998 were transferred from the Red Cross Pension Plan to the Plan on June 13, 2003. In addition, the Plan assumed responsibility for the liability of any member who has retired or terminated with a deferred defined benefit entitlement since November 1, 1997. The liability for Red Cross Pension Plan members who retired prior to this date has remained with that plan.

Throughout this investment policy, the total assets comprised of the defined benefit component and the voluntary contribution component of the plan shall be referred to as the “Fund”.

1.03 Plan Profile

i) ***Eligibility***

Employees who were members of the DB component of the Canadian Red Cross Society (“CRCS”) Plan are automatically enrolled in the Plan. Regular full-time employees may join after 3 months of continuous service, and must join after two years of continuous service unless they join the Canadian Blood Services Defined Contribution Pension Plan. Employees other than regular full-time employees may join the Plan after three months of continuous service.

ii) ***Contributions***

Contributions to the defined benefit component of the Plan are as follows:

	Employee	Employer	Total
Effective date Jan. 1, 2012	5.90%	7.90%	13.80%

Members could contribute up to 2% of pay to the voluntary money purchase component of the Plan until November 30, 2004. The Employer matched 50% of the employee contributions. These contributions are invested in the Fund, and provide additional benefits on a money purchase basis.

iii) ***Benefits***

The Plan provides a pension, at age 65, equal to 2.0% times the member's best five consecutive years' earnings for each year of pensionable service to November 1, 1997 plus 1.6% times the member's best five consecutive years' earnings for each year of pensionable service since November 1, 1997. If the member retires early, the pension amount will be reduced. Other benefits are paid from the Plan, based on this formula, upon the death or termination of a plan member.

Pensions in payment are increased each year to 75% of the increase in the Consumer Price Index (CPI) in excess of 2%, subject to a maximum increase of 5.5%.

In addition, the pensions in pay have been periodically increased on an ad hoc basis to bring total indexing to 100% of the increase in the CPI since retirement, when the financial situation of the Plan allowed it.

Members who contributed to the money purchase component of the plan will, at retirement, termination or death, be entitled to the accumulated contributions and associated investment earnings. This balance can be used to purchase a pension from an insurance company or transferred to an approved investment vehicle.

iv) ***Liabilities***

As of the most recent actuarial valuation of the Plan as at December 31, 2013, the going-concern funding target of the Plan was $252.7 million compared to the actuarial value of smoothed assets of $247.1 million. The market value of the assets was $262.7 million. Slightly over 68% of the accrued going-concern liability related to active members, with the balance allocated to retirees and deferred vested members.

CBS does not bear the risk of market fluctuations for the contributions made to the voluntary money purchase component of the Plan.

1.04 Objective of the Plan

The objective of the Plan is to provide members of the Plan with retirement benefits prescribed under the terms of the plan text.

1.05 Investment and Risk Philosophy

The purpose of investing the Fund is to grow the asset base and to generate a cash flow to help satisfy the Plan's current and future pension payment obligations. As such, understanding the nature and variability of the Plan's liabilities is critical to devising an appropriate investment strategy.

The Board recognizes that, based on historical data, the asset classes most likely to produce the greatest return in excess of inflation over time are also likely to exhibit the most volatility. Conversely, the asset classes likely to be the least volatile are likely to produce the lowest returns over time. Therefore, the investment philosophies and strategies must take into account both return and risk objectives.

Based on the following considerations, the Board can tolerate a moderate amount of risk while striving to achieve investment objectives (i.e. a minimum return of CPI +3.5% (net of expenses)):

(i) The Board will address the responsibilities for financing any unfunded liabilities emerging because of poor investment returns. Therefore, the Board has direct exposure to investment risk. While it is important to avoid excessive volatility in investment returns, the Board can tolerate some volatility risk.

(ii) The Employer (Canadian Blood Services) and plan members contribute to the Plan at a level sufficient to finance the defined benefits. The Board will establish these contributions based on the advice of an actuary. However, periodic increases in pension contributions, to finance unfunded liabilities emerging from poorer than expected investment performance, should not significantly affect Canadian Blood Services' overall cash flow. Therefore, the Board can tolerate some volatility of investment returns.

(iii) The Plan is managed on a going concern basis, including management of the assets. In the foreseeable future, it is unlikely that there will be any special liquidity demands on the Plan. Thus, short-term fluctuations in security values will not have a significant adverse impact on the financial stability of the Plan. Therefore, the Board can tolerate some volatility of investment returns.

1.06 Implementation Issues

Following a consultation with the investment consultant, the Board recognizes that the asset mix strategy and management structure outlined in this Policy has yet to be fully achieved. The Board estimates that the long-term asset mix and manager structure will take approximately 12 months to be fully adopted.

1.07 Administration

The Board of Trustees ("the Board") is the legal administrator of the Plan and is therefore responsible for all matters relating to the administration, interpretation and application of the Plan. Without limiting the foregoing, the Board is also responsible for:

(a) formulating general investment objectives and developing this written statement of investment policies and procedures

(b) setting the long-term asset allocation and investment guidelines for the assets;

(c) selecting, appointing, monitoring and dismissing investment managers, custodians, consultants and others, as required to carry out the administration of the Plan;

(d) monitoring the compliance of the investment managers, including investment results, within the mandates provided;

(e) reviewing this Policy at least annually and making amendments as appropriate; and

(f) ensuring the accuracy and completeness of the Plan's financial information through dealings with the investment manager(s), custodian/trustee, actuary, auditor, investment consultant and other involved parties.

1.08 Environmental, Social and Governance Factors

The Board is cognizant of its primary responsibility to make decisions in the best interests of the Plan beneficiaries. This responsibility requires that there be an appropriate balance between the need to seek long-term investment returns to help secure promised pensions for all beneficiaries of the Plan and the need for those returns to be delivered in as stable a manner as possible to limit downward impact (given the nature and behaviour of the investment markets).

In keeping with the foregoing and having regard to the size of the Plan and the Fund, the Board does not actively take environmental, social or governance factors (“ESG factors”) into account when making investment decisions. The Board searches and selects the best investment managers for investing the assets of the Plan considering relevant factors, including but not limited to business, staff, historical performance and investment process, since the Board believes that those factors will contribute to higher investment returns in the long run and to the management of risk. The Board neither favours nor avoids asset managers based on the integration of ESG factors in their management style. However, the Board believes asset managers may take account of ESG factors to the extent that these are relevant in meeting the above goals.

Section 2—Asset Mix and Diversification Policy

2.01 Portfolio Return Expectations

The investment manager(s) appointed by the Board to arrange the investment of part or all of the Fund is directed to achieve a satisfactory long-term real rate of return through a diversified portfolio, consistent with acceptable risks and prudent management. The long-term investment objective of the Fund is to achieve a minimum rate of return, net of all expenses, of 3.5% greater than the annual increase in the Consumer Price Index, measured over ten-year cycles. A long-term asset mix policy has been established in order to provide a reference for long-term return requirements which are consistent with the actuarial valuation assumptions at a risk level acceptable to the Board.

2.02 Expected Volatility

The volatility of the assets is directly related to its asset mix, specifically, the balance between Canadian bonds, Canadian equities and foreign equities. Since the investment managers do not have the authority to make any type of leveraged investment on behalf of the Fund, the volatility of the Fund should be similar to the volatility of the Benchmark Portfolio set out in Section 4.02 (Performance Measurement).

2.03 Asset Mix

Taking into consideration the investment and risk philosophy of the Plan, the following asset mix has been established effective November 30, 2015:

Assets	Minimum %	Maximum %	Target Mix %
Canadian Equities	**10**	**25**	**13**
Active	10	25	13
Foreign Equity	**22**	**53**	**41**
U.S.	12	22	17
Non-North American Active	14	25	20
Emerging Markets Equity	0	6	4
Real Estate Assets	**0**	**8**	**6**
Fixed Income	**30**	**50**	**40**
Canadian Extra Long Bonds	5	13	10
Canadian Long Bonds	25	37	30
Short Term Investments	**0**	**12**	**0**

The Board recognizes that the new target asset mix will take an estimated 12 months to fully implement. In the interim, the above Minimum and Maximum Percentages around the

For purpose of the total asset mix described above, the investment managers' asset class pooled funds are deemed to be 100% invested, even though these funds may contain a portion held in cash & cash equivalent instruments.

The Fund is being actively managed, and therefore the asset mix may deviate from the above mix, within the limits prescribed in the Policy.

2.04 Investment Manager Structure

The Board will select the most appropriate investment manager or managers for each asset class of the Fund. The investment managers may manage the assets either as a segregated fund or by investing in one or more pooled or mutual funds.

The Board may add or change investment managers as assets or circumstances change.

A hybrid management structure has been adopted for the Plan consisting of:

(i) Two active Canadian equity managers;
(ii) One extra-long liability-sensitive bond manager;
(iii) Up to two active foreign equity managers;
(iv) An index manager; and
(v) A real estate manager.

The Fund employs a mix of active and passive management styles. Active management has been adopted for a portion of the assets as it provides the opportunity to outperform common market indices over the long-term, with minimum degree of excess risk. Passive management has been adopted for a portion of the assets as it minimizes the risk of underperformance relative to a benchmark index and is generally less expensive than active management.

Specialty managers have been employed as it is difficult for an investment management firm to maintain expertise in all asset classes.

The Balanced Manager mandates were eliminated in 2011 and replaced with: two Canadian equity mandates (pooled funds) and a liability-sensitive bond portfolio with a current duration of approximately 12 years managed on a segregated basis. The index long bonds, index U.S. equities, emerging markets equities and non-North American equities are held in pooled funds. The real estate manager has yet to be selected.

The table below presents the normal allocation by market value of the assets, as well as maximums and minimums.

Manager Mandate	Minimum	Normal	Maximum
Canadian Equity*	10%	13%	25%
U.S. Equity	12%	17%	22%
Non-North American Equity	14%	20%	25%
Emerging Markets Equity	0%	4%	6%
Real Estate	0%	6%	8%
Segregated Bond	5%	10%	13%
Bond Index	25%	30%	37%

*Canadian equities to be allocated equally between the two active Canadian equity managers.

The guidelines are based on the market values of the assets. Should the investment managers wish to deviate from or revise these guidelines, a written request should be forwarded to the Co-Chairs of the Board of Trustees who will report recommendations to the Board of Trustees as soon as possible.

As part of its ongoing monitoring process, the Board will consider the appropriateness of the current management structure as set out in the above section.

Section 3—Permitted and Prohibited Investments

3.01 General Guidelines

The investments of the Plan's assets must comply with the requirements and restrictions set out in the *Income Tax Act* and the *Pension Benefits Act* (Ontario) and their respective Regulations.

3.02 Permitted Investments

In general, and subject to the restrictions in this Section 3, an investment manager may invest in any of the following asset classes and in any of the investment instruments listed below:

(a) **Canadian and Foreign Equities**

(i) Common and convertible preferred stock;

(ii) Debentures convertible into common or convertible preferred stock;

(iii) Rights, warrants and special warrants for common convertible preferred stock;

(iv) Instalment receipts, American Depository Receipts and Global Depository Receipts;

(v) Units of real estate investment trusts (REITs);

(vi) Exchange traded index-participation units (i.e iUnits, and SPDRs).

(b) **Bonds**

(i) Bonds, debentures, notes, non-convertible preferred stock and other evidence of indebtedness of Canadian issuers or developed market foreign issuers whether denominated and payable in Canadian dollars or a foreign currency, provided such instruments are traded on a recognized public exchange or through established investment dealers, subject to Section 3.04 below;

(ii) Federal real return bonds;

(iii) Mortgages secured against Canadian real estate subject to Section 3.05 below;

(iv) Mortgage-backed securities, guaranteed under the *National Housing Act*;

(v) Term deposits and guaranteed investment certificates; and

(vi) Private placements of bonds subject to Section 3.03 below.

(c) **Cash and Short Term Investments**

(i) Cash on hand and demand deposits;

(ii) Canadian and U.S. Treasury bills and bonds (with remaining maturities not exceeding 365 days) issued by the federal and provincial governments and their agencies;

(iii) Obligations of trust companies and Canadian and foreign banks chartered to operate in Canada, including bankers' acceptances; and

(iv) Commercial paper and term deposits.

(d) **Other Investments**

(i) Deposit accounts of the custodian used to invest surplus cash holdings;

(ii) Currency forward and future contracts; and

(iii) Exchange-traded S&P Index futures contracts.

(e) **Derivatives**

Financial instruments that derive their value from other financial instruments, economic or financial indicators, including but not limited to derivatives of equity, fixed-income or currency-related investments, futures and/or forward contracts, swaps, options, warrants, depository receipts, rights or other similar instruments are all permitted for any of the following purposes:

a. to provide an additional source of return;

b. to hedge (i.e., reduce), fully or partly, any investment risk, including market, interest rate, credit, liquidity, and currency risk;

c. to replicate direct investments in the underlying assets or groups of assets (e.g., indices) so as to achieve some advantage of lower cost, transactional ease, or market exposure;

d. to improve liquidity; or

e. to manage allocations to asset classes or strategies, including, but not limited to, rebalancing.

The use of derivative instruments constructed on a leveraged basis is strictly prohibited.

The Plan does not invest directly in derivatives.

The pooled funds in which the Plan invests may invest directly in derivatives to create synthetic exposures, or for hedging purposes, if their objectives and strategies permit, and if the exposure to derivatives is subject to limits based on the intended use and strategies for derivatives and the risks associated with them. Derivatives may not be used for speculative trading or to create a portfolio with leverage. Investment funds that invest in derivatives must comply with all applicable statutory provisions.

(f) **Pooled Funds and Other Manager Mandates**

Investments in open-ended or closed-ended pooled funds are allowed provided that the assets of such funds are permissible investments under this Policy. The Board will thoroughly vet the investment guidelines of any pooled fund under consideration prior to making an investment, including with respect to such pooled fund's derivatives practices, and the Board will regularly monitor the investment.

While the guidelines in this Policy are intended to guide the management of the Fund, it is recognized that, due to the use of pooled funds, there may be instances where there is a conflict between this Policy and the investment policy of a pooled fund. In that case, the pooled fund policy shall dominate. In addition, the investment manager(s) will ensure that the Board has received a copy of the most recent versions of the pooled fund policy/guidelines and of any amendments made to the pooled fund policy/guidelines. These policies/guidelines and amendments will be attached to this Policy in Appendix A.

3.03 Minimum Quality Requirements

(a) **Quality Standards**

Within the investment restrictions for individual portfolios, all portfolios should hold a prudently diversified exposure to the intended market.

(i) The minimum quality standard for managed individual bonds and debentures is 'BBB' or equivalent as rated by at least two of the three Recognised Bond Rating Agencies operating in Canada, at the time of purchase.

(ii) The minimum quality standard for individual short term investments is 'R-1' or equivalent as rated by at least two of the three Recognised Bond Rating Agencies operating in Canada at the time of purchase.

(iii) The minimum quality standard for individual preferred shares is 'P-1' or equivalent as rated by at least two of the three Recognised Bond Rating Agencies operating in Canada at the time of purchase.

(iv) All investments shall be reasonably liquid (i.e. in normal circumstances they should be capable of liquidation within 3 months).

(b) **Downgrades in Credit Quality**

An investment manager will take the following steps in the event of a downgrade in the credit rating of a portfolio asset by a Recognized Rating Agency to below the purchase standards set out in Section 3.03 (a) Quality Standards:

(i) The client will be notified of the downgrade by telephone at the earliest possible opportunity;

(ii) Within ten business days of the downgrade, the Manager will advise the Client in writing of the course of action taken or to be taken by the Manager, and its rationale; and

(iii) Immediately upon downgrade, the Manager will place the asset on a Watch List subject to monthly review by the Manager with the Client until such time as the security matures, is sold or until it is upgraded to a level consistent with the purchase quality standards as expressed in the above guidelines.

(c) **Split Ratings**

In cases where the Recognized Bond Rating Agencies do not agree on the credit rating, the bond will be classified according to the methodology used by Scotia Capital, which states:

(i) If two agencies rate a security, use the lower of the two ratings;

(ii) If three agencies rate a security, use the most common; and

(iii) If all three agencies disagree, use the middle rating.

(d) **Rating Agencies**

For the purposes of this Policy, the following rating agencies shall be considered to be 'Recognized Bond Rating Agencies':

(i) Dominion Bond Rating Service (Canadian issuers only);

(ii) Standard and Poor's;

(iii) Moody's Investors Service; and

(iv) Fitch Ratings (foreign issuers only).

(e) **Private Placement Bonds**
Private placement bonds and asset-backed securities are permitted subject to **all** of the following conditions:

(i) The issues acquired must be 'A' or equivalent rated;

(ii) The total investment in such issues must **not** exceed 10% of the market value of the investment manager's bond portfolio;

(iii) The investment manager's portfolio may **not** hold more than 5% of the market value of any one private placement;

(iv) The investment manager must be satisfied that there is sufficient liquidity to ensure sale at a reasonable price; and,

(v) The minimum issue size for any single security must be at least $300 million.

3.04 Maximum Quantity Restrictions

(a) Total Fund Level
Prior to July 1, 2016, no one equity holding shall represent more than 10% of the total book value of the Plan assets.

After June 30, 2016, moneys of the Plan shall not, directly or indirectly, be lent or invested to or in any one person, any associated persons or any affiliated corporations if

(i) 10% or more of the total market value of the Plan's assets has already been lent or invested, in total, to or in the person, the associated persons or the affiliated corporations; or

(ii) 10% or more of the total market value of the Plan's assets would be lent or invested, in total to or in the person, the associated persons or the affiliated corporations as a result of the loan or investment.

This section applies to those investments and loans subject to quantitative limit under Section 9(1) of Schedule III to *Pension Benefits Standards Regulations, 1985* (Canada).

(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 the greater of 10% of the total market value of any one manager's equity portfolio or in the case of a Canadian stock, of its weight in the S&P/TSX Composite Index to a maximum of 15% of the market value of the manager's equity portfolio.

(B) No one equity holding shall represent more than 30% of the voting shares of a corporation.

(ii) ***Bonds and Short Term***
Specific restrictions relating to the bond mandates are described in Appendix A—Manager Investment Guidelines.

(iii) ***Pooled Fund Investment***
An investment by the Fund in a single pooled fund should not exceed 10% of the market value of that fund unless provision has been made to transfer assets out of the fund "in kind" should a significant redemption of the pooled fund's unit occur. Manager investment guidelines are attached in Appendix A.

(iv) ***Other***

The use of derivative securities shall be supported at all times by the explicit allocation of sufficient assets to back the intended derivative strategy. For greater certainty, investment managers are not permitted to leverage the assets of the Fund. The use of derivative securities is only permitted for the uses described in this Policy. Purchase or sale of any of these instruments for speculative purposes is prohibited.

3.05 Prior Permission Required

The following investments of the Fund are permitted **provided that** prior permission for such investments has been obtained from the Board:

(a) purchase any asset or security previously disqualified by the Board by written notice to the investment manager;

(b) investments in private placement equities;

(c) direct investments in a Canadian resource property that has a book value less than or equal to 5% of the book value of the Plan assets. The aggregate book value of all investments in Canadian resource properties shall not exceed 15% of the book value of the Plan assets;

(d) direct investments in mortgages;

(e) direct investments in any one parcel of real property that has a book value less than or equal to 5% of the book value of the Plan assets. The aggregate book value of all investments in real property and Canadian resource properties shall not exceed 25% of the book value of the Plan assets;

(f) direct investments in venture capital financing; and

(g) investments in a pooled fund that conflicts with this Policy.

3.06 Prohibited Investments

The investment managers shall not:

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

(b) purchase securities on margin, engage in short sales, purchase options (calls or puts) and other similar investment activity;

(c) make any investment not specifically permitted by this Policy; or

(d) make any investment not specifically permitted by the investment manager's investment policy for the fund in question.

3.07 Securities and Cash Lending

The investments of the Fund may be loaned, for the purpose of generating revenue for the Fund, subject to the provisions of the *Pension Benefits Act* (Ontario), the *Income Tax Act* (Canada) and their applicable Regulations.

Such loans must be secured by cash and/or readily marketable government bonds, treasury bills and/or letters of credit, discount notes and banker's acceptances of Canadian banks. The amount of collateral taken for securities lending should reflect best practices in local markets. In Canada, the current market practice is to obtain collateral of at least 105% of the market value of the securities lent. This market relationship must be calculated at least daily.

The terms and conditions of any securities lending program will be set out in a contract with the custodian. The custodian shall, at all times, ensure that the Board has a current list of those institutions that are approved to borrow the Fund's investments. If the Fund is invested in a pooled fund, security lending will be governed by the terms and conditions set out in the pooled fund contract.

3.08 Borrowing

The Fund 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 the *Pension Benefits Act* (Ontario), the *Income Tax Act* (Canada) and the written permission of the Board.

3.09 Liquidity of Investments

The investments should be liquid enough so that they can be sold in a reasonable period of time having regard to relevant factors, including the Plan's liquidity requirements and its overall portfolio. The investments should be valued at least monthly and selected to ensure sufficient liquidity to meet transaction needs.

Section 4—Monitoring and Control

4.01 Delegation of Responsibilities

Overall responsibility for the Plan ultimately rests with the Board of Trustees. From time to time, the Board may form and delegate responsibilities to sub-committees of the Board of Trustees.

The Board has delegated certain functions relating to the management and administration of the Plan's assets to third-party agents, as described below.

(a) **Investment Managers**

The investment managers will:

(i) invest the assets of the Plan in accordance with this Policy;

(ii) notify the Board, in writing, of any significant changes in the investment manager(s)' philosophies and policies, personnel or organization and procedures.

(iii) meet with the Board as required, and provide written reports regarding their past performance, their future strategies and other issues requested by the Board;

(iv) file quarterly compliance reports where required by Section 4.06 (Compliance Reporting by investment manager); and

(v) file an annual report relating to the voting of proxies for actively managed mandates, where applicable, and provide the Board with a statement relating to the investment manager's integration of ESG factors.

(b) **Custodian/Trustee**

The custodian/trustee will:

(i) maintain safe custody over the assets of the Plan;

(ii) execute the instructions of the Board, and the investment managers; and,

(iii) record income and provide monthly financial statements to the Board or as required.

(c) **Actuary**

The actuary will:

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

(ii) advise the Board on any matters relating to Plan design, membership and contributions.

Investment Consultant

The investment consultant will:

(i) assist in the development and implementation of this Policy;

(ii) monitor the performance of the Fund and the investment managers on a regular basis;

(iii) support the Board on matters relating to investment management and administration of the Plan assets; and,

(iv) meet with the Board as required.

(d) **Accountant**
The accountant will provide annual audited financial statements of the Plan.

4.02 Performance Measurement

(a) **Generally**
For purposes of evaluating the performance of the Fund, and the investment managers, all rates of returns are time-weighted, and measured over moving four-year periods. Return objectives are net of fees and include realized and unrealized capital gains or losses plus income from all sources. The Board recognizes that the long-term asset mix and manager structure will take approximately 12 months to be adopted.

(b) **Total Fund**
The long-term objective for the Fund is to earn a rate of return that exceeds the rate of return earned on a benchmark portfolio, comprising:

Benchmark	%
S&P/TSX Composite Capped Index*	13
FTSE TMX Long Bond Index	30
Blended Bond Benchmark (Extra-Long 30%/Long 70%)**	10
Standard & Poor's 500 Hedged Index	17
MSCI All Country World Index ex. U.S. ($Cdn)	20
MSCI Emerging Markets Index ($Cdn)	4
Real Estate Index***	6

*The S&P/TSX Composite Capped Index limits the benchmark weight of any single stock of the Total Fund Portfolio to a maximum of 10%
**The Blended Bond Benchmark will be adjusted as Leith Wheeler lengthens the duration of the segregated bond portfolio.
***The benchmark for the real estate mandate will be determined once the manager is selected.

(c) **Individual Manager Components**
Investment weightings and results of the Fund are to be tested regularly.

(i) **Liability-Sensitive Bond Mandate**
The primary objective is to broadly match the liabilities of the Pension Plan, and has been built based on the shape and value of the cash flows as provided by the Plan's actuary. Since the Plan has sensitivity to both interest rates and inflation, as well as demographic factors like retirements and deaths, the cash flows are uncertain. Although a perfect match is not possible, the bond portfolio attempts to optimally match the sensitivity to interest rate changes and inflation, taking into account the price of nominal bonds and real return bonds. At the present time, the price of real return bonds is expensive and nominal bonds are more attractive. As a result, the immediate focus is to match the sensitivity to interest rate changes.

The following benchmarks will be used to measure the bond portfolio performance:

(a) A custom liability-based benchmark, consisting of 75% Ontario bonds, 25% Government of Canada bonds, matched to the shape of the cash flows of the pension plan; and

(b) The FTSE TMX long-bond benchmark, once the lengthening of the duration and modeling of the portfolio has been completed by Leith Wheeler's fixed income team.

Benchmark	%
Ontario Provincial bonds	75
Government of Canada bonds	25

(ii) **Canadian Equities Managers**
The return objectives for the Canadian equity managers over a four-year market cycle are to add: i)150 basis points (Leith Wheeler) and ii) 400 basis points (Triasima) over the S&P/TSX Index return.

(iii) **International Equities Manager**
The return objective for the international equity manager is to add 300 basis points over the MSCI EAFE Index return over a four-year market cycle.

(iv) **Emerging Markets Manager**
The return objective for the emerging markets equity manager is to add 350 basis points over the MSCI Emerging Market Index return over a four-year market cycle.

(v) **Index Manager**
The primary objective for the Index manager is to earn a rate of return that approximates the rate of return earned on the relevant market index as follows:

	Tracking Error
Long Bond Fund FTSE TMX Long Bond Index	+/- 20 BP
Hedged Pension U.S. Equity Index Fund S&P 500 Hedged Index	+/- 20 BP

4.03 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 Board will undertake an investment manager search with the assistance of a third-party investment consultant. The criteria used for selecting an investment manager will be consistent with the investment and risk philosophy set out in Section 1.05 (Investment and Risk Philosophy).

4.04 Monitoring of Asset Mix

If the market value of the Fund assets causes the target asset mix set out in Section 2.03 (Asset Mix), to vary by more than the breach limits set out below, the Board will initiate action as soon as possible following notification, but at the latest, within a six-month time period.

	Target	**Breach Limit**
Canadian Equities	13%	+/- 12% (temporary limit during transition period)
Foreign Equities	41%	+/- 12%
Fixed Income	40%	+/- 10%

The Board has determined that the most desirable action would be to first re-direct contributions for a period of time and to closely monitor the impact on the asset mix. If redirecting contributions fails to achieve the desired effect, then purchase and sale instructions will be sent to the affected investment manager(s) and custodian in order to re-establish the long-term asset mix.

4.05 Monitoring of Investment Managers

At least quarterly, the Board will monitor and review the:

(a) assets and net cash flow of the Plan;

(b) investment manager's financial stability, staff turnover, consistency of style and record of service;

(c) investment manager's current economic outlook and investment strategies;

(d) investment manager's compliance with this Policy; and,

(e) investment performance of the assets of the Plan in relation to the rate of return expectations outlined in this Policy.

4.06 Compliance Reporting by Investment Managers

The investment managers of the Fund are required to complete and deliver a compliance report to the Board and the Fund's investment consultant each quarter. The compliance report will indicate whether or not the investment manager was in compliance with this Policy, or in the case of pooled funds in compliance with the pooled funds' own guidelines, during the quarter.

In the event that an investment manager is not in compliance with this Policy, the investment manager is required to advise the Board immediately, detail the nature of the non-compliance and recommend an appropriate course of action to remedy the situation.

The Plan invests in pooled funds with separate investment policies. While the guidelines in this Policy are intended to guide the management of the Plan, it is recognized that, due to the use of pooled funds, there may be instances where there is a conflict between this Policy and the investment policy of a pooled fund. In that case, the pooled fund policy shall dominate. In addition, the investment manager will ensure that the Board has received a copy of the most recent version of the pooled fund investment guidelines and of any amendments made to the pooled fund policy. See Appendix A.

4.07 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 Fund with the care, diligence and skill that an investment manager of ordinary prudence would use in dealing with pension plan assets. The investment manager 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 members of the Board and the members of the Board, as well as to all agents employed by them, in the execution of their responsibilities under the *Pension Benefits Act (Ontario)* (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 Board to provide specific services with respect to the investment, administration and management of the assets of the Plan.

(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 could impair their ability to render unbiased advice, or to make unbiased decisions, affecting the administration of the Plan assets.

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 of their responsibilities are permitted if documented and approved by the Board.

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

It is incumbent on any Affected Person who believes that he or 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 Board immediately. The Board, in turn, will decide what action is appropriate under the circumstances but, at a minimum, will table the matter at the next regular meeting of the Board.

No Affected Person who has or is required to make a disclosure 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, unless otherwise determined permissible by unanimous decision of the Board.

5.02 Related Party Transactions

Prior to July 1, 2016, the Board, on behalf of the Plan, may not enter into a transaction with a related party unless:

(a) the transaction is both required for operation and or administration of the Plan and the terms and conditions of the transaction are not less favourable than market terms and conditions; or,

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

The Board, on behalf of the Plan, may not invest the monies of the Plan in the securities of a related party unless those securities are acquired at a public exchange, as defined in the Regulations to the Pension Benefits Standard Act (Canada).

For the purposes of this Section 5.02, only the market value of the combined assets of the Plan shall be used as the criteria to determine whether a transaction is nominal or immaterial to the Plan. Transactions less than (0.5%) of the combined market value of the assets of the Plan are considered nominal.

After June 30, 2016, the Board, on behalf of the Plan, may not enter into a transaction with a related party unless:

(a) the transaction is made for the operation or administration of the Plan under terms and conditions that are not less favourable to the Plan than market terms and conditions and such transaction does not involve the making of loans to, or investments in, the related party; or

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

For the purposes of this section (Section 5.02), only the market value of the combined assets of the Plan shall be used as the criteria to determine whether a transaction is nominal or immaterial to the Plan. Transactions less than (0.5%) of the combined market value of the assets of the plan are considered nominal.

In addition, the prohibition to entering into transactions with a related party does not apply to investments:

(a) in an investment fund (as that term is defined in the *Pension Benefits Standards Regulations, 1985* (Canada)) or segregated fund (as that term is defined in the *Pension Benefits Standards Regulations, 1985* (Canada)) in which investors other than the Administrator and its affiliates may invest and that complies with the requirements set out in Sections 9 and 11 of Schedule III to the *Pension Benefits Standards Regulations, 1985* (Canada)

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

(c) in securities issued or fully guaranteed by the Government of Canada, the government of a province, or an agency of either one of them;

(d) in a fund composed of mortgage-backed securities that are fully guaranteed by the Government of Canada, the government of a province, or an agency of either one of them;

(e) in a fund that replicates the composition of a widely recognized index of a broad class of securities traded at a marketplace (as that term is defined in *the Pension Benefits Standards Regulations, 1985* (Canada)); and

(f) that involve the purchase of a contract or agreement in respect of which the return is based on performance of a widely recognized index of a broad class of securities traded at a marketplace (as that term is defined in the *Pension Benefits Standards Regulations, 1985* (Canada)).

A "related party" in respect of the Plan, means:

(a) the board of trustees or other body that is the administrator of the Plan;

(b) an employee of the board of trustees;

(c) a person responsible for holding or investing the assets of the Plan, or any officer, director or employee thereof;

(d) an association or union representing employees of Canadian Blood Services, or an officer or employee thereof;

(e) a member of the Plan;

(f) the spouse or child of any person referred to in any of paragraphs (a) to (f);

(g) an affiliate of Canadian Blood Services;

(h) a corporation that is directly or indirectly controlled by a person referred to in any of paragraphs (a) to (g); and,

(i) an entity in which a person referred to in paragraph (a), (b), or (f), or the spouse or a child of such a person, has a substantial investment.

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 Plan, where that person is not the administrator of the Plan.

5.03 Investment Dealers Servicing the Fund

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

5.04 Dismissal of 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 are below the stated performance benchmarks over an appropriate time period;

(b) changes in the overall structure of the Plan assets such that the investment manager’s services are no longer required;

(c) change in personnel, firm structure or investment philosophy which might adversely affect the potential return and/or risk level of the portfolio; and/or

(d) failure to adhere to this Policy.

5.05 Voting Rights

The Board has delegated voting rights acquired through the investments held by the Plan to the custodian of the securities to be exercised in accordance with the investment manager’s instructions. Investment managers are expected to exercise all voting rights related to investments held by the Fund in order to protect the interests of the Plan and its members, and to vote according to the terms of any Proxy Voting Policy that may be established by the Manager.

The investment managers are required to maintain records and periodically report to the Board of Trustees on how they voted proxies. A brief explanation should also be given if they voted against management’s recommendations.

The Board reserves the right to take-back voting rights of assets held in segregated portfolios for specific situations.

5.06 Valuation of Investments Not Regularly Traded

The following principles will apply for the valuation of investments that are not traded regularly:

(a) **Equities**
Average of bid-and-ask prices from two major investment dealers, at least once every month.

(b) **Bonds**
Same as for equities.

(c) **Mortgages**
Unless in arrears, the outstanding principal plus/minus the premium/discount resulting from the differential between face rate and the currently available rate for a mortgage of similar quality and term, determined at least once every month.

(d) **Real Estate**
A certified written appraisal from a qualified independent appraiser at least every three years. In addition, an internal evaluation will be conducted on an annual basis with due regard given to the location and nature of the real estate investment as compared to similarly situated investments or holdings which have recently sold or been traded.

5.07 Directing Brokerage Commissions

Investment managers may use directed brokerage to pay for research and other investment related services with prior approval of the Board of Trustees provided they comply with, and provide the disclosure required by, the Soft Dollar Standards promulgated by the CFA Institute and any applicable legislative or regulatory requirements regarding soft dollars.

Annually, the investment managers shall provide a written report detailing all soft dollar transactions involving the assets, including the services received by the investment manager through soft dollars, total commissions represented by soft dollars and total soft dollars used in the year.

5.08 Policy Review

This Policy shall be reviewed, and either confirmed or amended, by the Board at least annually.

Appendix A – Manager Investment Guidelines

Leith Wheeler INVESTMENT COUNSEL LTD. | Quiet Money.

Leith Wheeler
<u>Canadian Equity Fund Investment Policy Statement</u>

Fund Objective

To provide superior long-term investment returns by investing primarily in a diversified portfolio of common shares and other equity related securities of Canadian issuers. The Fund is not restricted by capitalization or industry sector, although portfolio diversification is a consideration in the selection of securities for the Fund. Under normal circumstances, the Fund will keep its portfolio fully invested, to the greatest extent possible, in Canadian equity and equity related securities.

Investment Return Objective

- The first return objective is to achieve, over moving four-year time periods, the annualized total return of the Canadian Stock Index selected by the client plus 1.50%.

- The second return objective is to rank, over moving four-year time periods, in the top quartile of a universe of similar funds as measured by a recognized performance measurement service.

Investment Guidelines

The Fund may be invested in any of the following investment categories along with current constraints:

Cash

The Fund may invest in cash, short term notes, banker's acceptances, deemed deposits, treasury bills, corporate paper, asset-backed securities, or similar investments.

Investment in Cash will have the following constraints:

- Maximum 10% of the market value of the Fund

- The minimum credit rating for all corporate paper shall be 'R1' (low) by either DBRS, Moody's, Standard & Poors, Fitch or equivalent

Equities

The Fund may invest in common shares, special warrants, units and securities convertible into units of listed royalty trusts, real estate investment trusts (REITS), income trusts, limited partnerships and other similar flow-through entities, convertible debentures and convertible preferred shares.

Canadian Equity

Investment in Canadian Equity will have the following constraints (*All percentage limits apply to the net market value of the Fund unless specified*):

- Investments in trusts will be limited to those registered in provinces which have passed legislation clarifying that unitholders of publicly traded trusts will not be liable for the activities of the trust.
- Under normal conditions, the portfolio will not invest in Exchange Traded Funds or similar securities designed to parallel TSX stock indices. However, when large cash flows or major sales of portfolio holdings result in a portfolio being "underexposed" to equities, a temporary investment in such securities may be made.
- All securities will be publicly traded securities with the exception of special warrants and initial public offerings which are intended to be converted into publicly traded securities within six months of time of purchase.
- Special warrants, private placements and initial public offerings will not, in total, comprise more than 10% of the maximum allowable Canadian equity portion of the total fund.
- The portfolio will normally hold between 25 and 55 stocks.
- Under normal conditions, the maximum position size of any single stock will be 8% of the market value of the maximum allowable Canadian equity portion of the total fund, at the time of purchase. To allow for the impact of market appreciation, this maximum position size could rise to as much as 10% of the market value of the maximum allowable Canadian equity portion of the total fund before the position size is reduced.
- The maximum position size of any stock that exceeds 10% of the S&P/TSX Composite Index will be determined after discussion with the client.
- An effort will be made to diversify the portfolio among various industry sectors. For clients using the S&P/TSX Composite Index as their benchmark, the percentage of the market value of the portfolio invested in any single sector will not exceed the greater of 20%, the sector weight plus 10 percentage points, or 1.5 X the weight of the sector, using the most recent quarter-end data.
- The portfolio will hold securities representing a minimum of 6 sectors as defined by GICS.
- No more than 10% of the maximum allowable Canadian equity portion of the total fund will be invested in companies having market capitalizations of less than $100 million, at time of purchase.
- If for any reason the portfolio deviates from the above-mentioned guidelines, position sizes will be adjusted within a period of 20 trading days to bring the portfolio back into compliance.

Security Lending

The Fund is not allowed to participate in securities lending.

Conflicts of Interest

Leith Wheeler and its employees shall not knowingly permit their interests to conflict with their duties and powers in respect of the Fund. Both actual and perceived conflicts of interest shall be deemed to be conflicts of interest coming within the scope of the above policy.

Retention or Delegation of Voting Rights

Leith Wheeler retains all voting rights with respect to individual investments in the Fund.

Reporting

The year-end of the Fund is December 31st. The Fund will be audited annually by an external auditor who will prepare annual financial statements for the Fund.

Liability Sensitive Segregated Bond Policy Statement 2011

Background

The Leith Wheeler custom bond portfolio is designed to broadly match the liabilities of the Pension Plan, and has been built based on the shape and value of the cash flows as provided by the Plan's actuary. Since the Plan has sensitivity to both interest rates and inflation, as well as demographic factors like retirements and deaths, the cash flows are uncertain. Although a perfect match is not possible, the bond portfolio attempts to optimally match the sensitivity to interest rate changes and inflation, taking into account the price of nominal bonds and real return bonds. At the present time, the price of real return bonds is expensive and nominal bonds are more attractive. As a result, the immediate focus is to match the sensitivity to interest rate changes.

The following benchmarks will be used to measure the bond portfolio performance:

(c) custom liability based benchmark, consisting of 75% Ontario bonds, 25% Government of Canada bonds, matched to the shape of the cash flows of the pension plan.

(d) FTSE TMX long bond benchmark

1.01 Minimum Quality Requirements

(a) **Quality Standards**
Within the investment restrictions for individual portfolios, all portfolios should hold a prudently diversified exposure to the intended market. As the bond component of the portfolio is intended to broadly match the liabilities of the Plan, the portfolio quality should be maintained at a high level, with the goal of preserving capital to meet the liabilities.

(i) The minimum quality standard for individual bonds and debentures is 'BBB or equivalent as rated by at least two of the three Recognised Bond Rating Agencies, at the time of purchase. Exposure to bonds rated below 'A' should represent no more than 10% of the overall bond portfolio:

(ii) The minimum quality standard for individual short term investments is 'R-1' or equivalent as rated by at least two of the three Recognised Bond Rating Agencies operating in Canada, at the time of purchase; and

(iii) All investments shall be reasonably liquid (i.e. in normal circumstances they should be capable of liquidation within 1 month).

(b) **Split Ratings**
In cases where the Recognized Bond Rating Agencies do not agree on the credit rating, the following methodology should be used:

(i) If two agencies rate a security, use the lower of the two ratings;

(ii) If three agencies rate a security, use the most common; and

(iii) If all three agencies disagree, use the middle rating.

(c) **Downgrades in Credit Quality**
An Investment Manager will take the following steps in the event of a downgrade in the credit rating of a portfolio asset by a Recognized Rating Agency to below the purchase standards set out in Section 3.03 (a) Quality Standards:

(i) The Board will be notified of the downgrade by telephone at the earliest possible opportunity;

(ii) Within ten business days of the downgrade, the Investment Manager will advise the Board in writing of the course of action taken or to be taken by the Manager, and its rationale; and

(iii) Immediately upon downgrade, the Investment Manager will place the asset on a Watch List subject to monthly review by the Investment Manager with the Board until such time as the security matures, is sold or until it is upgraded to a level consistent with the purchase quality standards as expressed in the above guidelines.

(d) **Rating Agencies**
For the purposes of this Policy, the following rating agencies shall be considered to be 'Recognised Bond Rating Agencies':

(i) Dominion Bond Rating Agency (Canadian issuers only);

(ii) Standard and Poor's;

(iii) Moody's Investors Services; and

(iv) Fitch Ratings (foreign issuers only).

1.02 Sector Guidelines—Bond Portfolio

The bond portfolio sector guidelines are based on the market value of the portfolio.

Bond Portfolio Sector Guidelines

Sector	Minimum	Maximum
Federal Government	0%	100%
Provincial Government	0%	100%
Corporate	0%	40%

1.03 Maximum Quantity Restrictions

(a) **Bonds and Short Term**

(i) Except for federal and provincial bonds having at least an 'A' credit rating, (including government guaranteed bonds), no more than 10% of a manager's bond portfolio may be invested in the bonds of a single issuer and its affiliated group of companies;

(ii) Except for federal and provincial bonds, no one bond holding shall represent more than 10% of the market value of the total outstanding for that bond issue; and

(iii) ABS and CMBS holdings shall not exceed 15% of a manager's bond portfolio. Any new holdings of ABS or CMBS bonds purchased after June 30 2011 should be rated "AAA".

1.04 Allocation to Real Return Bonds

Since the Pension Plan is sensitive to rising inflation, an allocation will be made in the future to real return bonds, when the real yields are sufficiently attractive. At that time, Leith Wheeler will provide details regarding the size of the allocation and the effect on the benchmark which will have to accommodate a real return bond portion.

1.05 Allocation to Equities

Leith Wheeler manages a separate allocation to Canadian equities, which is governed by the Leith Wheeler Canadian Equity Fund's policy statement.

is designed to broadly match the liabilities of the Pension Plan, and has been built based on the shape and value of the cash flows as provided by the Plan's actuary. Since the Plan has sensitivity to both interest rates and inflation, as well as demographic factors like retirements and deaths, the cash flows are uncertain. Although a perfect match is not possible, the bond portfolio attempts to optimally match the sensitivity to interest rate changes and inflation, taking into account the price of nominal bonds and real return bonds. At the present time, the price of real return bonds is expensive and nominal bonds are more attractive. As a result, the immediate focus is to match the sensitivity to interest rate changes.

The following benchmarks will be used to measure the bond portfolio performance:

(e) custom liability based benchmark, consisting of 75% Ontario bonds, 25% Government of Canada bonds, matched to the shape of the cash flows of the pension plan.

(f) FTSE TMX long bond benchmark

Schedule 1
Schroder Emerging Markets Fund (Canada)

Investment Objectives:

The primary investment objective of the Fund shall be to achieve a high rate of return through investment in equity securities of companies based in emerging markets outside Canada and to outperform over the longer term the Morgan Stanley Capital International Emerging Markets Free Index.

Investment Restrictions:

The Fund's portfolio will consist primarily of common stock and convertible securities of companies listed on foreign stock exchanges. However, the Fund may invest in other securities and instruments, including but not limited to debt obligations (including structured notes) of foreign governments, supranational organizations and corporations denominated in currencies other than the Canadian dollar, preferred stock, units of common and preferred stock, ADRs, GDRs and other DRs, warrants, equity and index linked structured notes and other rights to acquire equity securities.

The following general guidelines shall be followed in respect of the Fund's portfolio, subject to the general discretion of the Manager:

(a) the Fund shall not invest more than the greater of 5%, twice the benchmark index weight of the securities concerned, of its assets in the securities of a single issuer, other than obligations of the governments of Canada and the United States;

(b) the Fund shall not purchase more than 10% of the voting securities of any issuer;

(c) the Fund shall not invest more than 10% of its assets in securities which are not readily marketable; and

(d) the Fund shall not hold more than 15% of its assets in the form of cash or cash equivalents.

Any restrictions involving percentage limitations shall be considered at the time of purchase of securities, and the Fund shall in no circumstances be required to divest itself of any investment if a percentage threshold is exceeded as a result of market movements.

The Fund shall be permitted to enter into forward foreign currency exchange contracts to ensure that settlement of currency exchange transactions coincides with settlement of securities transactions (which are subject to local custom and regulation). The Fund shall also be permitted to enter into forward currency transactions from time to time which are not matched by securities transactions in this way, in order to protect the value of the Fund's portfolio against possible adverse currency movements.

The Fund shall comply with the requirements applicable to a pension plan that are set out in Schedule III to the *Pension Benefits Standards Regulations, 1985* under the *Pension Benefits Standards Act, 1985 (Canada).*

Investment Practices:

The Fund will seek to diversify risk by investing in securities issued by a number of different issuers, denominated in a number of different currencies and traded on a number of different markets.

Generally securities shall be selected principally on the basis of their potential for capital appreciation. Current income shall not be a principal consideration in selecting investments. In selecting securities based on their potential for appreciation, investment decisions will involve an assessment of the fundamental value of the securities and consideration of then prevailing market conditions. It shall be generally the policy of the Fund to invest for long-term profits, but short-term investments may be made when such action is considered to be appropriate.

Admission to the Fund

Section 4.1(1) of the Trust Agreement sets out when Subscriptions must be received by the Manager in order to be implemented as of the Effective Date.

For the purposes of the Fund, Subscriptions that are to be implemented as of an Effective Date must be received by the Manager no later than 4:00 p.m. (Toronto time) on the business day that precedes the Effective Date, unless another time prior to the determination of Net Asset Value on the applicable Valuation Date is agreed between the Manager and the Unitholder or other Person making the Subscription (the **"Agreed Deadline").** Subscriptions for the Effective Date received by the Manager after such time, if received prior to 4:00 p.m. (Toronto time) on the Effective Date or prior to the Agreed Deadline if applicable, if accepted, will be implemented on the Valuation Date next following the Effective Date.

Permitted Unitholders:

Units of the Fund may only be issued to a Person which, for purposes of the *Income Tax Act* (Canada), is resident in Canada or is a "Canadian partnership".

Valuation Dates:

Valuation Dates for the Fund shall include every business day.

Redemption Notice Deadline:

Section 5.1 of the Trust Agreement sets out the provisions regarding the timing of redemption requests.

For the purposes of the Fund, unless another time prior to the determination of Net Asset Value on the applicable Valuation Date is agreed between the Manager and the Unitholder submitting a redemption request, a redemption request must be received by the Manager not later than 4:00p.m. (Toronto time) on the business day preceding the Valuation Date as of which the Units are requested to be redeemed.

Date for Payment of Redemption Proceeds:

Except in the circumstances where redemption of Units is suspended in accordance with the provisions of the Trust Agreement, or where redemptions have exceeded any daily limits established for the Fund, Redemption Proceeds shall be paid within 10 business days after the Valuation Date as of which such redemption is effected.

Payment of Fees:

All fees payable to custodians, administrators or managers of the Fund shall be paid out of the Property of the Fund, other than fees payable to the Manager, which shall be paid directly by Unitholders to the Manager. Subject to the foregoing, all expenses of the Fund shall be paid out of the Property of the Fund.

Special Considerations

Investment in emerging markets involves significant risks in addition to those normally associated with investment in the securities of issuers in the major international stock markets of the world. Accordingly, the Fund should only be considered as a vehicle for obtaining additional international diversification by investors already having a diversified portfolio of investments in the Canadian and major international markets. As the Fund invests only in emerging markets, it should not be considered as a complete international investment program.

Risks associated with investment in emerging markets include but are not limited to: greater price volatility than in developed markets; less liquidity and smaller market capitalization of securities markets; more substantial government intervention in the economy; higher rates of inflation; less government supervision and regulation of securities markets and of participants in those markets and a high degree of political uncertainty. It is possible that securities purchased by the Fund may subsequently be found to be fraudulent or counterfeit and as a consequence the Fund could suffer a loss. The Fund may also encounter substantial difficulties in obtaining and enforcing judgments against non-Canadian resident individuals and companies should it be necessary to resort to litigation to protect their interests. In addition, accounting, auditing and financial reporting standards are different and in many cases less stringent than Canadian standards. As a result, certain material disclosures may not be made and less information may be available to the Fund, the Manager and other investors than would be the case if the Fund's investments were restricted to securities in Canada or other major international markets. Commission rates payable on portfolio transactions in emerging markets are also generally higher than in Canada or other international markets.

Potential investors should also note that several emerging markets have in the past, or may in the future, introduce, retrospectively and without warning, controls on foreign investment and limitations and/or prohibitions on the repatriation of invested capital and on the Fund's ability to exchange local currencies for U.S. or Canadian dollars. Emerging markets are also more vulnerable to political instability and to attempts, which may prove successful, to overturn the government. Such events may have an unexpected and negative impact on the Fund's investments and on their ability to liquidate and repatriate them.

From time to time various emerging market countries have experienced difficulty in servicing their foreign debt and have entered into negotiations with foreign creditors to restructure their debt obligations. Such situations may occur again in the future. Obligations arising from such restructuring agreements have affected, and those arising from future restructuring agreements may affect, the economic performance and political stability of the countries in which the Fund invests.

As the Fund may invest in debt instruments (including structured notes), equity and index linked structured notes and forward foreign currency exchange contracts, in addition to risks associated with the underlying market or equity, the Fund will be exposed to counterparty risk, including risks that the counterparty may default on its obligations. To the extent the Fund enters into forward foreign currency exchange contracts to hedge currency exposure, there can be no assurance that these hedging strategies will be successful.

Implementation of Fees of Charges:

Section 4.1(3) of the Trust Agreement sets out provisions regarding fees, charges or payments for costs and expenses to be incurred by the Fund, which apply in respect of the Fund. For further certainty, at any time new or additional acquisition or subscription fees or charges, redemption fees or charges or requirements for subscribers to pay additional amounts to reflect any costs and expenses to be incurred by the Fund in the investment of the subscription amounts or liquidation of Property upon redemption may be implemented for the Fund without any prior approval by Unitholders of the Fund, provided that then existing Unitholders of the Fund are given not less than seventy five (75) days prior written notice by the

Manager of the implementation of such fees, charges or payment requirements.

Portfolio Holdings Disclosure:

Section 16.2 of the Trust Agreement sets out the provisions regarding reporting to Unitholders of the Fund concerning the assets and portfolio securities of the Fund.

When there is a request to disclose to a Unitholder of the Fund or a prospective investor in the Fund or other Person portfolio holdings of the Fund other than the reports being sent under Section 16.2 of the Trust Agreement, the Manager may choose to disclose, on behalf of the Fund, the portfolio holdings at its discretion, after considering the circumstances and implications of making such disclosure, including without limitation: (i) the purpose for the request to receive the holdings information; (ii) the intended use of the information; (iii) the frequency of the information to be provided; (iv) the length of the lag, if any, between the date of the information and the date on which the information will be disclosed; (v) the proposed recipient's relationship to the Fund; (vi) whether a confidentiality agreement will be in place with such proposed recipient; and (vii) whether a significant conflict exists regarding the effect of such disclosure between the interests of the Fund's investors, on the one hand, and those of the Fund's investment adviser or placement agent, on the other hand.

Subscription Agreements, etc.:

For further certainty, subscription agreements or similar documents entered into or on behalf of any Unitholder in respect of its investment in Units with the Fund or the Manager on its own behalf or on behalf of the Fund may include, without limitation, provisions regarding fees, the provision of additional information and individual investor approval requirements or other matters, as a result of which certain investors may receive benefits which other investors will not receive.

General Disclaimer of Liability

Section 10.3 sets out the provisions regarding the Trustee's disclaimer of liability. For purposes of the Fund, Section 10.3 shall be deleted and replaced with the following:

Neither the Trustee nor any director, officer or employee thereof (in this Article 10, collectively the "Responsible Parties") shall be liable for any loss whatsoever in connection with Property or the affairs of the Funds, except where such loss arises from its own dishonesty, bad faith, wilful misconduct, negligence or breach of the duty of care set out in Section 10.1. The Responsible Parties, in doing anything or omitting to do anything in respect of the execution of the duties of their offices or in respect of the affairs of the Fund, are and shall be conclusively deemed to be acting as Trustee, directors, officers, employees or agents as the case may be, of the

Trustee and not in their own individual capacities. Except to the extent provided in this Section

10.3, no Responsible Party shall be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses, (including legal fees and disbursements) against or with respect to a Fund arising out of anything done or omitted by any of them to be done in respect of the execution of the duties of their respective offices or for or in respect of the affairs of the Fund. The Fund shall be solely liable therefor and resort shall be had solely to the Property of the Fund for the payment or performance thereof.

Indemnification of Trustee

Section 10.4 sets out provisions regarding indemnification of the Trustee. For purposes of the Fund, Section 10.4(2) shall be deleted and replaced with the following:

The Manager shall indemnify and save harmless the Responsible Parties from and against any and all claims, demands, costs, charges, expenses, liabilities and obligations that they or any of them sustain or incur in respect of any failure of the Manager to comply with the standard of care set out in Section
11.1 or the Manager's dishonesty, bad faith, wilful misconduct, negligence or reckless disregard of duties.

Limitation of Liability of Manager

Section 11.2 sets out provisions relating to the limitations of liability of the Manager. For purposes of the Fund, Section 11.2 is deleted and replaced with the following:

So long as the Manager has complied with the standard of care set forth in Section 11.1, neither the Manager nor any Affiliate, director, officer or employee thereof (in this Article 11, collectively the "Responsible Parties") shall be liable to the Trustee, a Fund, any Unitholder, or any other Person for any loss whatsoever in connection with the management of, the Property or the affairs of the Funds, including any loss or diminution in the value of the Funds or their Property other than as a result of fraud, wilful misconduct, negligence, lack of good faith, dishonesty or reckless disregard of duties on the part of the Manager. The Manager may employ, engage, and rely and act on information or advice received from, distributors, brokers, depositories, custodians, electronic data processors, advisers, lawyers and others (collectively, in this Section"Agents"),") and, provided the Manager acted in good faith and exercised reasonable diligence in the selection, use and monitoring of an Agent, the Manager shall not be responsible or liable for any loss or damage howsoever arising, as a result of the use of such Agent.

Harding Loevner International Equity Fund

INVESTMENT RESTRICTIONS

Fundamental. The following fundamental investment restrictions apply to each Portfolio and may be changed with respect to a particular Portfolio only by the majority vote of that Portfolio's outstanding shares (which for this purpose and under the Investment Company Act of 1940, as amended (the "1940 Act"), means the lesser of (i) 67% of the shares represented at a meeting at which more than 50% of the outstanding shares are represented or (ii) more than 50% of the outstanding shares). Accordingly, no Portfolio may:

(1) invest more than 5% of its total assets in securities of any one issuer, other than securities issued by the U.S. Government, its agencies and instrumentalities, or purchase more than 10% of the voting securities of any one issuer, with respect to 75% of a Portfolio's total assets;

(2) invest more than 25% of its total assets in the securities of companies primarily engaged in any one industry other than the U.S. Government, its agencies or instrumentalities (All Portfolios except the Frontier Emerging Markets Portfolio). Finance companies as a group are not considered a single industry for purposes of this policy. The Frontier Emerging Markets Portfolio may invest up to 35% of its total assets in the securities of companies in any one industry if, at the time of investment, that industry represents 20% or more of the Portfolio's benchmark index, currently MSCI Frontier Emerging Markets Index[1];

[1] The Frontier Emerging Markets Portfolio may seek to further amend the fundamental investment restriction with respect to concentration of investments upon the concurrence of the staff of the Division of Investment Management of the Securities and Exchange Commission (the "Staff"). If the Portfolio seeks this additional concentration revision, and the Staff concurs with the request, the Portfolio's fundamental investment restriction with respect to concentration of investments would be as follows:

- The Portfolio may invest up to 50% of its total assets in the securities of companies in any one industry if, at the time of investment, that industry represents 20% or more of its benchmark index, currently the MSCI Frontier Emerging Markets Index.
- There is no certainty that the Portfolio will seek the additional concentration revision, nor is there any assurance that the Staff will agree with the additional concentration revision if requested.

(3) borrow money, except through reverse repurchase agreements or from a bank for temporary or emergency purposes in an amount not exceeding one third of the value of its total assets, nor will the Portfolios borrow for leveraging purposes;

(4) purchase or sell real estate (other than marketable securities representing interests in, or backed by, real estate and securities of companies that deal in real estate or mortgages) or real estate limited partnerships, or purchase or sell physical commodities or contracts relating to physical commodities; or

(5) issue senior securities (other than with respect to borrowing through the use of reverse repurchase agreements or from a bank for temporary or emergency purposes);

(6) make loans, except (a) through the purchase of all or a portion of an issue of debt securities in accordance with its investment objective, policies and limitations, or (b) by engaging in repurchase agreements with respect to portfolio securities, or (c) by lending securities to other parties, provided that no securities loan may be made, if, as a result, more than 33 1/3% of the value of its total assets would be lent to other parties;

(7) underwrite securities of other issuers;

(8) invest in companies for the purpose of exercising control or management;

(9) invest directly in interests in oil, gas or other mineral exploration or development programs or mineral leases; or

(10) invest more than 10% of its total assets in warrants.

Whenever an investment policy or limitation states a maximum percentage of a Portfolio's assets that may be invested in any security or other asset or sets forth a policy regarding quality standards, such percentage limitation or standard shall be determined immediately after and as a result of the Portfolio's acquisition of such security or other asset. Accordingly, any later increase or decrease in a percentage resulting from a change in values, net assets or other circumstances will not be considered when determining whether that investment complies with the Portfolio's investment policies and limitations.

Each Portfolio's investment objective and other investment policies, unless designated as fundamental in the Prospectuses or this SAI are non-fundamental and may be changed at any time by action of the Fund's board of directors (the "Board of Directors" or the "Board"). As a non-fundamental policy, no Portfolio may sell securities short, unless, by virtue of its ownership of other securities, such Portfolio has the right to obtain securities equivalent in kind and amount to the securities sold short and, if such right is conditional, the short sale is made upon the same conditions. Also, as a non-fundamental policy, each Portfolio will not make any additional investments while its borrowings exceed 5% of its total assets (taken at market value). In addition, as a non-fundamental policy, no Portfolio may invest in securities rated, at the time of investment, C by Moody's or D by S&P or the equivalent as determined by the Adviser. As a non-fundamental policy, no Portfolio may purchase securities on margin, except that a Portfolio may obtain such short-term credits as are necessary for the clearance of transactions.

Triasima Canadian All Capitalization Fund

INVESTMENT PRINCIPLES

Investment Objective

The Canadian All Capitalization Equity product is a flexible Canadian equity mandate. It is an investment product seeking high total return primarily through growth of capital from a broad capitalization range of Canadian stocks and income trusts.

The investment performance objective of the Canadian All Capitalization Equity product is to surpass over time the return from the S&P/TSX Composite Index, the primary Canadian equity benchmark. It is a single asset class investment product diversified across the various sectors of the Canadian equity market.

The maximum and minimum sector weight limits allowed are a function of the importance of each sector in the comparative index and sector weightings can differ markedly from those of the comparative benchmark. The portfolio is always focused through 40 to 65 holdings chosen among the best medium to large Canadian companies. Small Capitalization equities and income trusts, defined as securities not included in the TSX Composite Index, may also be included and represent from 0% to 15% of the Canadian All Capitalization Equity product. Individual holdings tend to be equally weighted at the time of purchase. The Canadian All Capitalization Equity product may hold significant cash reserves.

The value added compared to the S&P/TSX Composite Index is generated primarily through stock picking (alpha) as the beta of the portfolio is, on average, below 1. Superior performance is thus not achieved by assuming more market risk.

Investment Philosophy

The investment philosophy of the Fund is based on a belief that a portfolio of well chosen stocks meeting a combination of qualitative fundamental selection criteria, attractive financial parameters and other positive attributes will rise in value over time.

In the selection of the securities, the Manager has adopted a philosophy that an investment methodology using more than one method for securities analysis and portfolio construction is a preferable approach, and an effective and appropriate manner to build investment portfolios.

Investment Methodology

The Manager applies a proprietary investment methodology developed by its principals. This methodology uses three approaches, also called analytical methods, to analyze financial markets and companies and their securities. They are: Fundamental Analysis, Quantitative Analysis, and Trend Analysis.

With regards to Fundamental Analysis, a combination of primarily qualitative top-down and bottom-up factors is used to identify securities. The relative emphasis between top-down and bottom-up varies among industries or business sectors and is driven by the work of the Manager in identifying the variables responsible for the creation of value within an industry or sector. Overall, sector allocation and, to some extent, security selection, is driven approximately 25 % by top-down considerations and 75 % by bottom-up parameters. In addition and more specifically concerning the bottom-up analysis, the Manager seeks to evaluate any prospective and existing investment along four key areas: Business and Operations, Historical Performance, Management and Culture, and Sustainability and Growth.

> Business and Operations: The Manager seeks to understand the industry structure and the relative positioning within the industry, in conjunction with the addressable market. Special attention is paid to the situation of the company in its market place and understanding the key drivers of success. The business cycle of the organization must be comprehended along with the growth or improvement potential and the drivers of wealth creation. Other important points of interest include a company's strategy, focus, product uniqueness and competitive advantage.

Historical Performance: The Manager studies the financial track record of the business looking for a set of factors identifying an attractive combination of stability and control, resilience, growth, value and profitability. Time is also spent on tracking the company's evolution against past expectations.

Management and Culture: The Manager seeks to assess the quality of management and internal dynamics of the company. Seasoned executives with a clear vision and a well articulated and realistic course of action are key.

Sustainability and Growth: The Manager must be assured that what the organization does can be sustained and be made to grow without running into roadblocks of a financial or infrastructure nature. Time is taken to assess items that have the potential to derail the business and operations. Value and turnaround situations are considered, provided some component of growth is clearly identified and in the process of materializing. In addition, the Manager also assesses the company's current capital structure, particularly with regard to indebtedness and the amount of cash and capital required to service those debts.

With regards to Quantitative Analysis, the Manager uses computerized data banks and sophisticated software to recognize and screen attractive securities using multi-variant models, also known as factor models. The Manager has identified financial ratios, attributes and other factors it believes are value enhancing in a portfolio of securities. These are divided into five categories: value, growth, profitability, expectations, and risk. The utilization of quantitative analysis allows the Manager to build a portfolio that encompass superior characteristics, in effect combining elements of the Value, Growth and Momentum styles. This increases the probability that the Fund will perform well relative to its comparative benchmark.

With regards to Trend Analysis, the Manager compares securities against a series of technical indicators to assess and explain its current market behavior and trend. The objective is to focus securities selection towards those with a superior trend and to identify current positions held by the Fund having a poor trend rating. The technical indicators are divided into three groups, with differing time horizons: short, medium and long. The short-term horizon is approximately six months, while the long-term horizon is approximately three years.

The three analytical methods are combined in a rigorous and disciplined manner and their aggregate conclusions will determine whether a security is a buy, hold or sell.

Portfolio Construction

Economic conditions, market cycles, market sentiment, sector trends and conditions evolve over time, hence increasing or decreasing sector attractiveness and, therefore, representation in a portfolio. None of the ten GICS sectors will always be zero weighted or even systematically over or under weighted. In general terms, diversification is actively sought across sectors and industries. The objective is to be present at a minimal weight in the major sectors while limiting at a prudent and acceptable level the maximum weighting.

Investment Restrictions

(a) The Fund does not use derivatives other than options on individual securities, options of stock market indices and options on baskets of securities. Options are primarily used to generate additional investment return through the use of covered call writing strategy.

(b) Leverage is not permitted.

(c) Short Sales and Short Positions are not permitted.

(d) No one holding will represent more than 10% of the Net Asset Value.

(e) No one holding will represent more than 10% the voting shares of any investee corporation.

APPENDIX A

INVESTMENT POLICY

Triasima Canadian All Capitalization Fund

Purpose

The purpose of the investment policy is to set the investment terms of the Triasima Canadian All Capitalization Fund (the "Fund"). The portfolio structure and composition of the Fund is of a growth nature and oriented towards equities.

The objective of the investment policy is to provide medium to long-term growth of capital, consistent with an average or higher level of performance volatility, through investment in a portfolio of variable income (equity) securities.

Mandate Description and Performance Objective:

The Canadian All Capitalization Equity investment mandate is a flexible Canadian equity mandate seeking high total return primarily through growth of capital from a broad capitalization range of Canadian stocks and income trusts.

The investment performance objective is to surpass over time the return from the S&P/TSX Composite Index, the primary Canadian equity benchmark.

Eligible Investments and Constraints:

The Fund is invested in variable income securities, consisting almost exclusively over time of common stocks and units of income trusts of Canadian organizations. These Canadian stocks and income trusts are a combination of securities from large, mid-sized and small capitalization entities. Securities held in the portfolio that are not included in the S&P/TSX Composite Index are deemed to be of a small capitalization nature and may represent up to 15% of the portfolio.

Fixed income securities are also used in the management of the mandate and consist of money market instruments, bonds and preferred shares. Collectively, these securities, together with the cash holdings, make up the fixed income portion of the portfolio. The cash holdings and fixed income securities with a maturity of less than one year represent, on a combined basis, the "short-term reserve". The short-term reserve is customarily below 10% of portfolio value but may exceed that percentage at times and it has no maximum. It is expected, over the long-term, that the cash reserve will exceed 15% of portfolio value less than 10% of the time.

Index securities and exchange traded funds ("ETFs"), pooled funds and alternative strategies financial instruments may also be used and will be classified as variable or fixed income securities as appropriate. The use of such financial instruments must be, at all times, in accordance with the spirit of the investment policy, the description of the mandate and the investment objective.

The Fund does not use derivatives, cannot be leveraged and short sales and short positions are not permitted.

Portfolio Construction:

The Canadian All Capitalization Equity investment mandate is a single asset class investment mandate diversified across the various, but not necessarily all, sectors of the Canadian equity market. The maximum and minimum sector weight limits allowed are a function of the importance of each sector in the comparative index. The allowed weights can be exceeded on occasion.

Sector Weight in the Benchmark Index	Allowed Weights	
	Minimum	Maximum
1%	0%	10%
2%	0%	12%
4%	0%	16%
5%	0%	18%
6%	0%	20%
8%	0%	22%
10%	0%	25%
12%	0%	27%
15%	0%	30%
20%	5%	35%
25%	10%	40%
30%	15%	45%
Beyond 30%	Weight of sector – 15%	Weight of sector + 15%

The portfolio is usually invested in 40 to 65 holdings. No one holding may represent more than 10% of the market value of the Fund and no one holding will represent more than 10% of the voting shares of any corporation.

BLK Hedged Pension U.S. Equity Index Fund Profile

Fund Information	
Effective date of profile	January 1, 2009
BLK fund number	299220
Fund inception	July 2005
BLK ticker symbol	HUSEQ
Tax Status	Unit Trust 108(2)(a)
Eligible Investors	Canadian pension plans only
Valuation and trading frequency	Valued daily, traded monthly – last business day of the month
Notification deadline	Two Canadian business days before trade date by noon EST
Settlement date	Three Canadian business days after trade date
Expenses paid by fund	Fund administration and operational expenses
Income distribution frequency	Semi-annual (June and December); reinvested in fund
Gains distribution frequency	Annual (December); reinvested in fund
Securities lending	Permitted
Proxy voting	BLK votes proxies on behalf of the pooled fund based on what BLK believes to be the best economic interests of all pooled fund participants
Minimum contribution	BLK reserves the right to implement minimum/maximum contribution amounts

Investment Guidelines	
Investment objective	To track the return and risk profile of the benchmark
Benchmark	S&P 500 Index (total return hedged to Canadian dollars)
Expected return versus benchmark	0.00% annualized over four years
Expected risk (standard deviation)	0.15% annualized over four years (actual versus expected return)
Investments	This fund invests primarily in currency forwards, futures and BLK Pension US Equity Index Pooled Fund units; this fund may also invest in US equities that are included in the benchmark, exchange traded funds and pooled funds, which when included in the fund help achieve the objective of tracking the return and risk profile of the benchmark
Cash and money market	Small amounts of cash (generally less than 1%) may be held for liquidity or pending investment; money market securities generally include government guaranteed paper, bankers acceptances, bankers deposits, commercial paper, asset-backed securities and floating rate notes
Credit quality for money market	Average of R1-low or equivalent
Credit quality for bonds	N/A
Currency exposure	Fund is exposed to US dollar denominated investments; currency exposure is hedged to Canadian dollars
Sector weights	Within benchmark weight plus/minus 0.10%
Security weights	Within benchmark weight plus/minus 0.10%
Use of derivatives	Permitted to equitize cash and to replicate securities or strategies that are consistent with the fund's investment objective and return and risk profile
Use of leverage	Consistent with benchmark methodology, notional currency exposure may exceed the value of physical securities intra-month. Any such leverage will be removed as soon as practicable.
Minimum contribution	BLK reserves the right to implement minimum/maximum contribution amounts

Appendix B – History of Management Structure

Dates	Manager	Fund
Prior to March 2001	Royal Trust	STIF
March 2001 to November 2006	McLean Budden Limited	Canadian Equity
	McLean Budden Limited	Fixed Income
November 2002 to November 2007	Aberdeen Asset Management	SRI NNA Equity
November 2002 to March 2006	Barclays Global Investors	Synthetic Hedged U.S. Equity
November 2002 to October 2010	Barclays Global Investors	Universe Ex-BBB Bond Index
March 2006 to October 2009	Barclays Global Investors	Hedged U.S. Alpha Tilts
November 2009 to present	BlackRock Asset Management Canada Limited*	Hedged Pension U.S. Equity Index Fund
November 2006 to January 2013*	Jarislowsky Fraser Ltd.	Canadian Equity
November 2006 to April 2010	Jarislowsky Fraser Ltd.	Bond
November 2006 to January 2008	Leith Wheeler Investment Counsel Ltd,	Bond
November 2006 to present	Leith Wheeler Investment Counsel Ltd,	Canadian Equity
November 2007 to December 2013	Grantham, Mayo, Van Otterloo (GMO)	International Intrinsic Value
January 2008 to April 2011	Leith Wheeler Investment Counsel Ltd,	Constrained Bond
April 2011 to present	Leith Wheeler Investment Counsel Ltd,	Liability Sensitive Segregated Bond Mandate
October 2011 to present	BlackRock Asset Management Canada Limited**	Long Bond Class A
December 2013 to present	Harding Loevner	International Equities
March 31, 2014 to present	Triasima Portfolio Management	Canadian All-Cap
September 14, 2016	Schroder Investment Management	Emerging Markets Equity

* proceeds temporarily transferred to Leith Wheeler pending the search for a Canadian Equity manager with an offsetting style. Triasima was selected in 2013 and funding is anticipated to occur in Q1 2014.
**reflects the merger of Barclays and BlackRock; effective December 1, 2009. The Canadian firm is now called BlackRock Asset Management Canada Limited.
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