
Investment Policies

and Procedures

The University of
Winnipeg

Trusteed Pension
Plan

Defined Benefit
Component

As of December 2018

APPROVED in December 2018
on behalf of the Board of Trustees



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Section 1. Overview

1.01 Background of the DB component of the Plan

Translated from the German text of the Final Report of the University of Wisconsin

Translated Decision Plan (the Plan) and the Decision Target Fund (the Fund). The Plan is subject

(Growth Portfolio), consisting of equities and real estate. As well, a de-risking strategy has been implemented to systematically manage the mix between the Liability Matching Portfolio and

the Growth Portfolio based on the Growth Portfolio's Liability Matching Portfolio

Section 2—Roles and Responsibilities

2.01 Delegation of Responsibilities

overall management, including the development of this Statement, and establishing and maintaining an investment manager structure. The Board delegates certain responsibilities to various agents retained to assist it in carrying out its duties in respect of the DB Plan. Plan administration and actuarial services are primarily provided under a third-party administration

(iii) Notify the Committee, in writing, of any changes in the Investment Manager's

examination personnel or investment process.

(v) Notify the Committee, in writing, of any legal or regulatory proceedings or charges against the Investment Manager's firm or investment personnel, or sub-advisors or that firm's investment personnel; and

Section 3—Asset Mix, Benchmark, Ranges and Rebalancing

3.01 Fund Performance Objectives

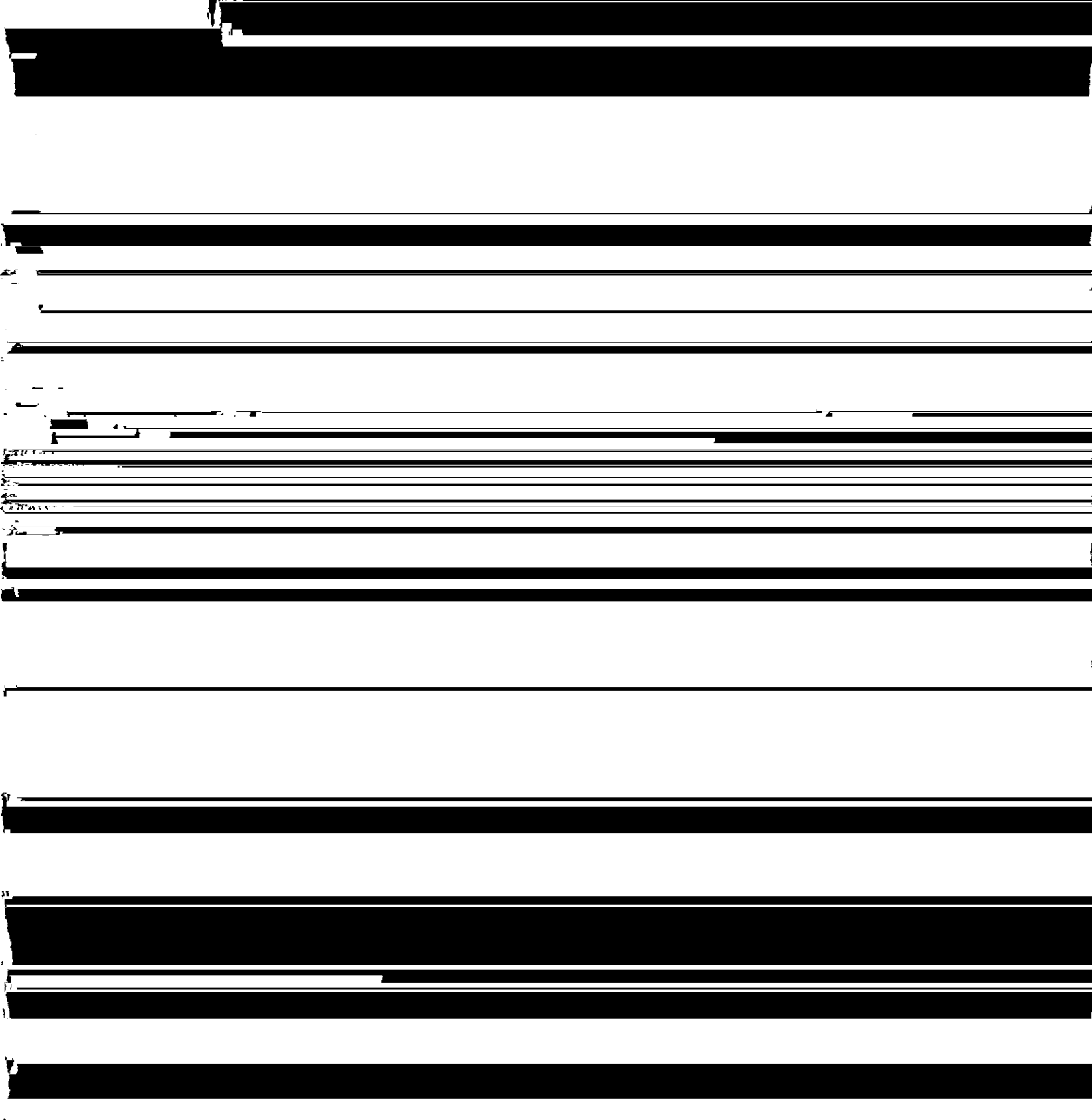
The Fund's primary performance objective is to improve the DB Plan's funded status on a going-concern basis.

A secondary performance objective is to achieve or exceed the return of the Fund Benchmark portfolio, net of fees, as described in Appendix B.

The Fund's performance objective is to achieve or exceed the return of the Fund Benchmark portfolio, net of fees, in each asset

3.03 Fixed Income Transition

As part of the de-risking glidepath the Liability Matching Portfolio is to transition from a combination of universe bonds and high yield bonds to a combination of long term bonds and



Section 4—Permitted and Prohibited Investments

4.01 General Guidelines

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

4.02 Permitted Investments

(a) Canadian and Foreign Equities

- (i) Equity securities traded through a marketplace as well as listed equity substitutes that are convertible into equities traded through those same marketplaces.

- (ii) Unlisted equity securities, such as private placement equity, where the investment

governed by its own investment policy, desirable traits in selection of a real estate manager and investment fund include:

- (i) An institutional investment focus;
- (ii) A core style of real estate investing that is predominately focused on developed income-producing properties;

(iii) A small diversified portfolio of investments and properties

(iv) Modest use of leverage not to exceed 75% of the value of an individual property

and 50% of the total investment fund assets

(i) The Committee will be notified of the downgrade at the earliest possible

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

- (b) 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
- (c) Within the universe and long bond portfolios, 'BBB' or equivalent rated bonds may not be purchased if the purchase would raise the 'BBB' holdings to more than 15% above benchmark weight, by market value of the portfolio
- (d) Within the high yield bond portfolio, no more than 30% holdings by market

value may be rated below BBB

- (e) Within the high yield bond portfolio, no more than 10% holdings by market value may be rated below BB

(c) The loans are marked to market daily to ensure the collateral continues to have a market

value of at least 102% of the market value of the loaned asset or other amount reflecting best practices in the Canadian market.

Section 5—Administration

5.01 Conflicts of Interest (a) Responsibilities

5.02 Related Party Transactions

The Administrator of the DB Plan may not enter into a transaction with a related party unless:

- (a) The transaction is required for the operation or administration of the DB Plan and the terms and conditions of the transaction are not less favourable to the DB Plan 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 plan; or
- (c) The investment is exempted under Section 17 of Schedule III of the *Pension Benefits Standards Regulations*.

Under the conflict of interest guidelines, any person who becomes aware of a conflict of interest shall notify the Committee. Such conflict includes related party transactions.

5.03 Valuation of Securities Not Regularly Traded

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

services with annual disclosure to the Committee provided they comply with the Soft Dollar Standards promulgated by the CFA Institute.

Appendix A—Glossary of Definitions

Definitions

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

(a) Actuary  Actuarial firm hired by the Board to provide actuarial valuations and

other advice regarding DB Plan funding and contribution rates

(b) Administrator As defined by *The Pension Benefits Act of Manitoba*, administrator

Trustees

(c) Board Board of Trustees for The University of Winnipeg Trusteed Pension Plan

management between Investment Managers and brokers to use client

Investment Managers make investment decisions

Appendix B—Performance Measurement

Performance Measurement

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

- Time weighted rates of return; and
- Total returns, including realized and unrealized gains and losses and income from all sources.
- Normally be assessed over rolling four-year periods.

(a) Fund Benchmark

transition and will be set based on the asset mix corresponding to the going-concern status and bond transition status.

The Fund Benchmark asset mixes based on the DR Plan funding ratio are as follows

Asset Class	Market Index	Range in Relation to the Fund Benchmark %
Canadian equities	S&P/TSX Capped Composite Index	Between 5% below and 10% above
Global equities	MSCI World (Cdn. \$)	Between 5% below and 10% above
Emerging market equities	MSCI Emerging Markets (Cdn.\$)	Between 5% below and 2.5% above*
Real Estate	Investment Property Databank	Between 10% below and 5% above
Universe Bonds / Long Bonds	FTSE Canada Universe Bond Index/ FTSE Canada Long Term Bond Index	Between 10% below and 10% above
High Yield bonds	FTSE Canada Corporate BBB Index	Between 5% below and 5% above

* This includes the emerging market component of the global equity mandate.

Appendix C—Fixed Income Transition Schedule

University of Winnipeg Trustee

Percent of Bond Holdings

<u>EOY 2013</u>	<u>EOY 2014</u>	<u>EOY 2015</u>
0.0%	10.0%	20.0%
25.0%	32.5%	40.0%
50.0%	55.0%	60.0%
75.0%	77.5%	80.0%
100.0%	100.0%	100.0%

Expansion

Moved to

<u>EOY 2016</u>
0.0%
7.5%
15.0%
22.5%
30.0%

Plan - DB Portion

Long Bonds

<u>EOY 2017</u>	<u>EOY 2018</u>	<u>EOY 2019</u>
40.0%	50.0%	60.0%
55.0%	62.5%	70.0%
70.0%	75.0%	80.0%
85.0%	87.5%	90.0%
100.0%	100.0%	100.0%

<u>EOY 2020</u>	<u>EOY 2021</u>	<u>EOY 2022</u>	<u>EOY 2023</u>
70.0%	80.0%	90.0%	100.0%
77.5%	85.0%	92.5%	100.0%
85.0%	90.0%	95.0%	100.0%
92.5%	95.0%	97.5%	100.0%
100.0%	100.0%	100.0%	100.0%

Government of Canada CANSIM V39056.

Appendix D—Policy Revision History

names

