DALHOUSIE UNIVERSITY

Inspiring Minds

Dalhousie University Staff Pension Plan

Statement of Investment Policies and Guidelines of the **Dalhousie Retirees' Trust Fund**

STATEMENT OF INVESTMENT POLICY AND GUIDELINES
DALHOUSIE RETIREES' TRUST FUND
Office of Accountability: Vice President (Finance and Administration)
Office of Administrative Responsibility: Financial Services
Approver: Dalhousie Retirees' Trust Fund Trustees

1. PURPOSE OF THE DALHOUSIE RETIREES' TRUST FUND

The Dalhousie Retirees' Trust Fund (the "Fund") is one of two funds that hold assets to fund the liabilities of the Dalhousie University Staff Pension Plan (the "Plan"). The Fund was created by a Trust Agreement between Dalhousie University and the Trustees of the Fund on August 19, 1983 and later amended February 5, 2002. Assets held in the Fund support the liabilities of the Plan in respect of retirees.

1.1 The Plan is a "best average salary" defined benefit plan. It provides a retirement pension calculated as a specified percentage of a member's average salary during the best three-year period of membership in the Plan. The Plan also provides for early retirement with a reduced pension benefit, partial early retirement and reduced workload arrangements.

1.2 A transfer of assets is made to the Fund from the Pension Trust Fund on a member's retirement or under certain other limited circumstances specified in the Plan.

1.3 The Plan provides that, on a member's retirement, or under certain other limited circumstances specified in the Plan, a transfer of assets is made from the Dalhousie Pension Trust Fund to the Fund and pension payments to the beneficiaries are made from the Fund. The value of the assets transferred is the actuarial equivalent of the pension payments, and may, at the option of the member, include the member's additional voluntary contributions with interest.

1.4 Indexation of pensions is provided by means of an "excess interest" formula based on the investment returns from the Fund, subject to holdbacks for adverse mortality experience. Currently, the hurdle rate that must be reached is a three-year annualized return of 5.05%, returns in excess of this hurdle will be used to provide indexation up to the maximum permitted by the Income Tax Act.

1.5 The Fund's investment policies will be formulated to meet the following goals:

a. to secure the Plan's obligations in respect of retired members;

b. with the base obligation secured, maximize the opportunities for indexation up to the Canadian Consumer Price Index

2. PURPOSE OF THE INVESTMENT POLICY

2.1 The purpose of this Statement is to describe, with respect to the retired members and related beneficiaries, the investment factors which may affect the funding and solvency of the Plan, provisioning of indexation, its ability to meet its financial obligations, and to define the investment policies and procedures adopted for the ongoing governance of the Fund's portfolio of investments.

2.2 This Policy defines and assigns the responsibilities of parties involved with the Fund.

2.3 This Policy establishes the investment objectives, principles and philosophies for the Fund.

2.4 This Policy offers general guidance to all non-University investment managers (the “Investment Managers”) regarding the investment of the Fund. Investment Managers will be subject to specific objectives, criteria and limitations as defined in their mandate and investment management agreement with the Fund. The design and content of these mandates and agreements will be guided by and be consistent with this Policy unless otherwise approved by the Fund’s Trustees.

2.5 This Policy establishes a basis of evaluating investment results of the Fund.

2.6 This Policy establishes the relevant investment horizon for which the Fund will be managed.

2.7 In general, the purpose of this Policy is to outline an approach which will guide the investment management of the Fund toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

4. ROLES AND RESPONSIBILITIES

4.1 Dalhousie University of Halifax, Nova Scotia, is the sponsor of the Plan.

4.2 The Board of Governors of Dalhousie University appoints the Trustees of the Fund as provided by the terms of the Trust Agreement. The Trustees include members of the Board, the Senate, the Faculty Association, pensioners, the Administration. as well as an independent party.

4.3 Dalhousie University is the Administrator of the Plan.

4.4 The Trust Agreement specifies that the duties of the Trustees are to hold and administer the Fund, invest the assets, and to make monthly pension payments and other certain payments on the order of Dalhousie University. The Trustees are charged with the responsibility for:

a. overseeing the management of Fund

b. developing appropriate investment policies and objectives;

c. monitoring investment performance against investment objectives; and

d. appointing suitable agents and counsel as required.

4.5 The forgoing responsibilities include the following activities:

a. determining the Fund’s risk tolerance and investment horizon, and communicate these to the appropriate parties;

b. establishing reasonable and consistent investment objectives, policies and guidelines which will direct the investment of the Fund;

c. reviewing and the selection of qualified Investment Managers;

d. ensuring the regular evaluation of the performance of the Investment Managers to assure adherence to policy guidelines and monitor investment objective progress;

e. reviewing and assessing existing and new control procedures for safeguarding of the Fund and for ensuring compliance to policies and regulatory requirements.

f. reviewing and approving the Audited Financial Statements of the Fund and take appropriate actions as required;

g. reporting to Dalhousie University's Board of Governors at least annually regarding the investment of the Fund.

The Trustees may seek the advice and recommendations of Dalhousie University's Department of Financial Services in discharging the above activities.

4.6 The University's Department of Financial Services (the "Administration") is responsible for the management of the Fund, subject to the oversight of the Trustees. The Administration's roles and responsibilities include:

a. advising the Trustees on reasonable investment objectives, and drafting policies and guidelines which will direct consistent investment of the Fund;

b. implementing, executing and communicating to all appropriate parties all policies and decisions approved by the Trustees;

c. reviewing and recommending qualified Investment Managers to the Trustees, and drafting mandates and agreements for approved Investment Managers;

d. reviewing and evaluating the performance of the Investment Managers, to assure adherence to policy guidelines and monitor investment objective progress, and to identify and report to the Trustees any significant mandate deviations and business or personnel developments;

e. designing, implementing and operating control procedures for safeguarding of the Fund's assets and for ensuring compliance to policies and regulatory requirements;

f. appointing a custodian to physically or electronically (or through agreement with a sub-custodian) maintain possession of securities owned by the Fund, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales, provide accounting statements on the assets of the Fund and of related transactions, and to execute transactions as directed by the University Administration; and

g. reporting to the Trustees at least quarterly on the performance and status of the Fund.

4.7 The Administration may from time to time retain investment management consultants (the "Consultants") who will:

a. provide analysis, written reports and recommendations in support of review and renewal of investment policies and strategies;

b. regularly liaise with the Fund's Investment managers to monitor investment performance, investment strategy and execution, personnel and business developments, and compliance to the investment management agreement and mandate. Any mandate deviations or unusual developments will be reported immediately to the Administration, along with recommendations regarding termination when appropriate.

c. assist in the search, screening, review and interview of new Investment Manager candidates, and prepare selection recommendation reports;

d. assist in the preparation of investment management agreements for new and revised mandates; and

e. advise on governance issues and structure, and on regulatory developments.

4.8 The Administration will negotiate written agreements with Investment Managers approved by the Trustees establishing the scope of services and the mandate of the Investment Manager. Such agreements shall include an acknowledgment by the Investment Manager that it is a fiduciary of the Fund. Specific responsibilities of the Investment Managers shall include, but are not necessarily limited to:

a. discretionary investment management including decisions to buy or sell individual securities, and to alter asset allocation subject to the mandate guidelines set out in the agreement, and this policy;

b. reporting, on a timely basis, quarterly investment performance results;

c. providing monthly valuation and returns of the investment portfolio;

d. communicating any major changes to economic outlook, investment strategy, or any other factors which affect implementation of the investment process or the progress towards the investment objectives of the Fund;

e. informing the Administration regarding any qualitative change in the investment management organization: Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.;

f. voting proxies on behalf of the Fund and communicating such voting records on a timely basis;

g. informing the Fund of any non-compliance with guidelines immediately upon recognition detailing the nature of non-compliance and remedial action taken. The Fund expects the Investment Manager to consult with Administration once the non-compliance issue has been identified and to bring the portfolio into compliance as promptly and prudently as possible unless otherwise directed by the Administration;

h. if directed by the Trustees or the Administration, allocating commissions to those brokerage firms providing other investment management services to the Fund, in recognition of the fact that good execution and commission prices are primary considerations in routing business to the said brokerage firms.

4.9 The Administration will negotiate a written agreement with a custodial firm (the "Custodian") for the handling and safekeeping of the Fund's invested securities and assets. The Custodian will physically or electronically (or through agreement with a sub-custodian) maintain possession of securities owned by the Fund, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The Custodian may also perform regular accounting of all assets, owned, purchased, or sold as well as movement of assets into and out of the Fund's accounts.

4.10 All of the aforementioned parties (Trustees, Administration, Consultant, Investment Manager, Custodian) are to be considered fiduciaries of the Fund, and as such shall exercise the care, diligence and skill in the administration, investment and management of the Fund that a person of ordinary prudence would exercise in dealing with the property of another person.

The fiduciaries shall use all relevant knowledge and skill that they possess or, by reason of their profession, business or calling, ought to possess.

5. GENERAL INVESTMENT PRINCIPLES AND PHILOSOPHIES

5.1 The Fund shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person in a like position would exercise under similar circumstances.

5.2 Investment of the Fund shall be diversified so as to yield target or above-target returns within acceptable levels of risk to minimize the risk of large losses that could jeopardize either the Fund's ability to attain the actuarial return assumption over any three-year period or the members' benefits, and without undue reliance on a single market and/or strategy.

5.3 The Fund's investments will be made utilizing a specialty approach with Investment Managers.

5.4 The Fund will be invested using multiple asset classes and strategies.

5.5 The Fund shall be invested in a manner to maximize risk adjusted returns. Trustees and the Administration believe that over the long term, companies that exhibit responsible corporate behavior with respect to environmental, social and governance (ESG) factors will have a positive impact on long-term financial performance. The assessment of ESG factors along with the assessment of the business, management and financial metrics will enhance the identification of good investment opportunities and to help mitigate risk to the Fund.

5.6 The Fund will encourage its external investment managers to develop and enhance their ESG assessment capabilities. The Administration will include ESG assessment progress and capabilities in each investment manager's annual review.

5.7 The Fund will include ESG assessment capabilities when evaluating investment managers for new mandates.

5.8 The Fund will be invested using multiple Investment Managers in each major traditional asset class to provide for additional diversification in terms of both investment and business risk.

5.9 External Investment Managers of varying styles and philosophies will be used to attain the Fund's objectives.

5.10 Leverage may be deployed in individual strategies, but leverage at the total fund level of the Fund is not permitted. For greater certainty, derivatives used as part of an investment strategy shall not result in greater economic leverage at the total fund level of the Fund.

5.11 Sufficient liquidity shall be maintained in the Fund to fund monthly benefit other payments made throughout each fiscal year.

5.12 Cash is to be employed productively by investment in short term cash equivalents to provide safety, liquidity, and return.

6. INVESTMENT OBJECTIVES

6.1 The investment strategy of the Fund is to fund the current and future pension obligations of the retired members. Specifically, the primary objectives in the investment management of Fund assets shall be:

a. to attain consistently over time, the actuarial return assumption that is required to fund the future pension obligations of the current retired members. Currently this rate ranges from 4.55% to 4.95% per annum, depending on the year of retirement for the member;

b. to generate additional investment returns in excess of the actuarial return assumption, without unduly placing the Fund's funded status at risk, to increase the chances of indexation of the annual pensions

c. The Fund is to keep risk at a reasonable level to avoid large absolute investment losses and to keep volatility below the Fund's benchmark target.

7. ASSET MIX

7.1 An investment strategy of investing completely in government-issued debt securities will generally provide predictable and stable returns, but these returns will not be sufficient to provide for indexation up to Canadian CPI. To match broadly with the likely structure of future liabilities and liquidity requirements of the Plan, and of the risk tolerance of the sponsor, it is considered prudent to have a significant proportion of Fund assets invested in equities, which are expected to provide medium to longer-term returns in excess of inflation. Consequently, the Fund will invest in a diversified group of assets and strategies with defined allocations to earn the returns to match inflation while keeping the risks of volatility and capital loss within reasonable and tolerable limits. The assets of the Fund will be rebalanced according to the Rebalancing Policy (Appendix 1) to maintain the Fund's risk profiles.

7.2 The Fund will deploy the following asset mix to meet their investment objectives:

Asset Class	Target Allocation	Range
Canadian Equities	8.75%	8% - 12%
U.S. Equities	10.0%	8% - 18%
Non North American Equities	13.75%	8% - 18%
	32.5%	25% - 50% *(30%-60%)*1
Private Capital	12.5%	5% – 18%
Real Estate/Infrastructure	20.0%	10% - 28%
	32.5%	15% - 40%
TOTAL EQUITIES & ALTERNATIVES	65%	55% - 75%
Canadian Debt	35%	25% - 45%
Cash	0%	0% - 10%
TOTAL FIXED INCOME	35%	25% - 45%

1) Until all new alternative targets are implemented, temporary asset mix ranges denoted in italics and parenthesis will be followed
Non North American equity permits up to 20% of its allocation to emerging market equities.
Canadian Debt may also include private debt, high yield, real return bonds and mortgages

8. PERMITTED INVESTMENTS

8.1 Subject to the asset mix and investment guidelines contained in this Policy, investments will be permitted in the following categories:

a. Cash Equivalents.
- Canadian Federal and Provincial Government and Agency obligations
- Term deposits and GICs
- Banker's Acceptances
- Commercial Paper
- Corporate Bonds and Debentures
- Treasury bills and short term debt obligations of Foreign Governments

b. Fixed Income Securities
- Canadian Federal and Provincial Government and Agency obligations
- Municipal bonds
- Corporate Bonds and Debentures
- Asset Backed Securities
- Fixed Income Securities of Foreign Governments and Corporations
- Private placements

- Mortgages

c. Equity Securities
   - Common Shares
   - Preferred Shares
   - Installment Receipts, American Depository Receipts (ADRs) or other recognized depository receipts
   - Warrants
   - Rights
   - Convertible Bonds and Debentures
   - Exchange traded index participation units (eg. i60s and SPDRs) and exchange traded funds (ETFs)
   - Income trusts, Real Estate Investment Trusts (REITs), royalty trusts or other publicly listed trust securities registered in jurisdictions that possess limited liability legislation for the unitholders

d. Derivatives
   - May be used for hedging and risk management including the hedging of foreign currency exposure.
   - May be used to create an exposure to a recognized market index.
   - May be used as part of a portable alpha strategy or beta overlay.
   - Unless a specific type of derivative investment or security is allowed in their particular Investment Management Mandate, the Investment Manager must seek written permission from the University to include derivatives in the University's portfolio. Examples of derivative investments include forwards, futures, options and swaps. Examples of derivative securities include callable bonds and collateralized mortgage obligations.

e. Non-Traditional Assets and Strategies
   - Real estate equity and debt
   - Managed futures
   - Infrastructure
   - Commodities
   - Distressed securities
   - Resource properties
   - Leverage buyouts
   - Mezzanine financing
   - Absolute return funds or hedge funds using strategies judged appropriate by the Trustees

f. Other Investments
   - The Fund may invest in pooled unit trusts, mutual fund vehicles or limited partnerships that include any of the above categories. For Non-Traditional assets, no direct investments will be made, instead only approved, diversified, well-established fund of funds or multi-strategy managers will be utilized, due to the limited allocation size to this asset class.

9. PORTFOLIO CONSTRAINTS AND DIVERSIFICATION

9.1 Investment Managers engaged under this policy, shall not without the Administration's prior written permission:

a. Invest in securities which are not listed on a capped registered Canadian stock exchange, in the case of Canadian equities; or, a major non-Canadian stock exchange, in the case of non-Canadian equities;

b. Invest in individual bonds or debentures whose quality standard is less than a "BBB" rating as measured by the Standard and Poor's Rating Services or Moody's Credit Reports. Investment in "BBB" rated securities shall not exceed 10% of the investment mandate. Short-term securities will consist of issues with an R-1 Low rating or higher (or equivalent rating);

c. In the case of assets allocated to and managed by an Investment Manager, invest in the shares, debt instruments, or any other securities issued by the Investment Manager or any of its related companies;

d. Permit at any time security holdings taken at market value to aggregate:

   i. More than 10 percent of the fixed income investments mandated to that Investment Manager to be invested in the debt of a single issuer other than the Government of Canada or a province of Canada or their guarantees having at least an "A" credit rating, or

   ii. More than 10 percent of the equity investments mandated to that Investment Manager to be invested in the securities of a single issuer,

e. Purchase securities on margin or engage in short sales;

f. Borrow money, pledge or otherwise encumber any of the assets of the Fund, except as permitted to meet short-term cash needs or to the extent that temporary overdrafts occur in the normal course of day-to-day portfolio management, within applicable legislation.

9.2 All investments shall be maintained within legal limitations for pension plans registered under the Nova Scotia Pension Benefits Act, 1989, and its Regulations, as amended, and in such manner as is necessary to avoid any penalty under the Income Tax Act (Canada).

9.3 The assets held in the Fund shall be invested in a name that clearly indicates that the investment is held in trust for the Fund, or registered in the name of the Fund, or in the name of a financial institution or nominee thereof in accordance with a custodial agreement that indicates the investment is held for the Fund, or in the name of The Canadian Depository for Securities Limited in accordance with a custodial agreement that indicates the investment is held for the Fund.

10. INVESTMENT IN POOLED FUNDS

10.1 The Fund may be invested in pooled funds, which have separate investment policies. Should a conflict arise between the provisions of this Policy and the pooled funds' investment policy, the Investment Manager is required to notify the Administration immediately in writing, detailing the nature of the conflict and the Investment Manager's recommended course of action.

11. EXPOSURE TO NON-CANADIAN CURRENCIES

11.1 The Canadian equity market represents approximately 2% of total world equity market in terms of total capitalization. Non-Canadian investments are included in the Fund in order to add diversification and reduce volatility of returns. Some foreign exchange exposure provides additional diversification benefits, however non-Canadian investments need not necessarily incur gains or losses from increases or decreases in the value of the Canadian dollar relative to currencies in other countries. Foreign currency exchange volatility can be managed through currency hedging techniques, and the extent of currency hedging deployed will be assessed from time to time.

12. SECURITIES LENDING

12.1 The securities of the Fund may be used in securities lending activities to generate incremental income. The following rules shall apply:

a. The amount of collateral taken for securities lending should reflect best practices in each local market. The Fund or its Custodian/lending agent shall at all times receive from the borrower collateral equal to no less than 100% of the market value of the securities loaned.

b. Both loaned and collateral securities must be marked to market daily to cover increases in the market value of the securities loaned or decreases in the market value of the collateral.

c. The collateral obtained to secure a loan or any securities purchased with such collateral must be either cash or high quality, readily marketable securities.

d. Title to all collateral must be clear.

13. DISPOSITION OF VOTING RIGHTS

It is recognized that certain constraints and policy on voting rights may not be enforceable by the Trustees to the extent that the Fund is invested in pooled or mutual funds, however, where possible:

13.1 Proxies are to be voted in a manner that best serves the financial interests of the Fund as the sole voting criterion.

13.2 Investment Managers are authorized to decide how to vote a proxy in order to best serve the financial interests of the Fund.

13.3 Investment Managers should refer the decision on voting a particular proxy to the Administration in the following circumstances:

a. The Investment Manager, or any of its officers, has a conflict of interest in any matter affected by the vote.
b. The Investment Manager is uncertain of the best interests of the Fund in the matter affected by the vote.

13.4 The Administration may vote any proxies referred by the Investment Manager.

13.5 The Trustees reserve the right, as they deem appropriate for the benefit of the Fund, to direct an Investment Manager how to vote a proxy in particular circumstances.

13.6 The Trustees or Administration will require the Investment Managers to provide a summary of how proxies have been voted. This report shall also disclose any ESG issues that may have arisen and how this ESG issue has impacted positively or negatively the exercise of any proxy vote.

14. INVESTMENT MANAGER PERFORMANCE REVIEW AND EVALUATION

14.1 Performance reports shall be compiled by the Administration at least quarterly and communicated to the Trustees for review. The investment performance of total portfolios will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, value-add targets and guidelines as set forth in their respective mandates. The Trustees normally will evaluate the portfolio(s) over rolling four-year periods, but may terminate an Investment Manager at any time for any reason including, but not limited to, the following:

a. Investment performance which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification for poor results.

b. Failure to adhere to any aspect of its investment mandate, including communication and reporting requirements.

c. Significant qualitative changes to the Investment Manager organization. Investment Managers shall be reviewed at least quarterly regarding performance, personnel, strategy, research capabilities, organization and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

15. INVESTMENT MANAGER REPORTING

Each Investment Manager will provide written acceptance of the Statement of Investment Policy and Guidelines, and any subsequent changes thereto, and comply with the following requirements, unless agreed upon otherwise in writing between the University and the Investment Manager:

15.1 Monthly. Cost and market value of fund shares, the number of shares owned and all principal and income cash transactions for the various funds.

15.2 Quarterly. In addition to the monthly report and within 30 days:

a. Organization
   i. Key investment and business personnel changes
   ii. Assets under management
   iii. Number of institutional clients gained and lost

b. Investments
   i. Confirm adherence to policy guidelines (compliance report)
   ii. Provide any comments or suggestions regarding constraints, guidelines, etc.
   iii. Discuss any changes to investment strategy or process
   iv. Report on any environmental, social and governance (ESG) risks they may have identified in the portfolio. This report shall also include information on any ESG issues that have been identified and discussed with the management and/or boards of any of the companies that are in the portfolio or information on ESG issues that are made available through industry publications or events.

c. Performance
   i. Present total fund and asset class returns on a quarterly basis.
   ii. Discuss performance relative to benchmark
   iii. Provide portfolio characteristics relative to benchmark

d. Portfolio Holdings – the immediately following items will be reported monthly for all segregated accounts and at a minimum quarterly for pooled and/or mutual funds.
   i. Present book value and current market value
   ii. Listing of individual securities by sector
   iii. Annual income yield by security
   iv. Percent allocation to each security

15.3 Upon written or oral request

a. Copies of all documentation in support of any investment activity.
b. Certified statement of financial condition of the investment management organization.
c. Evidence of suitable insurance coverage of the investment manager's fiduciary responsibilities.

16 CONFLICT OF INTEREST

16.1 Notwithstanding any other University policy, the standard set out in this section 16 applies to the Trustees, the Administration, as well as to all Investment Managers, Consultants or other agents engaged in relation to the management, investment or administration of the Fund.

16.2 A conflict of interest arises where there is a potential or actual divergence between the personal interests of any person or agent listed in section 16.1 and that person or agent's obligation to act in the best interests of the University and any trusts comprising the Fund. In a conflict of interest situation, an impartial observer might reasonably question whether the actions or decisions taken by the person or agent in relation to the Fund are influenced by consideration of personal interests.

In this context, "personal interests" mean the personal, private, or financial interests of such person or agent, or a closely associated person, or related business. A "closely associated person" means a person related to the individual in question or with whom such individual has an intimate personal relationship. A "related business" means a business or organization in which such person or agent has a financial interest; acts a trustee, director or officer; acts in a position as an employee, agent or otherwise which includes responsibility for a segment of the operation or management of the business.

Conflicts of interest situations may take on many forms. Examples include, but are not limited to, accepting or being the direct or indirect beneficiary of any fee, brokerage, commission, gift (other than of nominal value) or other consideration for or on account of any investment, purchase, sale, payment, or exchange made by or on behalf of the Fund.

16.3 There will be no self-dealing or conducting of private business or personal services between any Trustee and the Fund except as procedurally controlled to assure openness, competitive opportunity and equal access to "inside" information.

16.4 A Trustee will not assist any person or any organization in its dealings with the Fund when such intervention may result in real or apparent preferential treatment to that person or organization by the Fund.

16.5 When the Trustees are to decide upon an issue, about which one Trustee has a conflict of interest, that Trustee will absent herself or himself without comment from not only the vote, but also from the deliberation. Such Trustee may, if determined by the other Trustees, be asked to withdraw from the meeting during the discussion or voting of any motion relating thereto.

16.6 Trustees will disclose conflicts of interests to the Chair of the Trustees, annually, and as they arise.

16.7 If a Trustee is uncertain about whether a conflict of interest exists, he/she will consult the Chair of the Trustees for clarification.

16.8 Where a conflict of interest situation may arise for an Administration employee, the employee shall make disclosure of the conflict in accordance with Dalhousie University's Conflict of Interest Policy (June 24, 2002), as amended from time to time.

16.9 Where a conflict of interest situation may arise for an Investment Manager, Consultant or other agent engaged in relation to the management, investment or administration of the Fund under this policy, such person or agent shall make disclosure to the Assistant Vice-President Financial Services and/or Treasurer as soon as possible upon becoming aware of the situation. The Assistant Vice-President Financial Services and/or Treasurer will assess the nature and materiality of the potential conflict and determine appropriate action which may range from prescribing limitations on recommendations or actions relative to a specific activities, to termination of the arrangement with the Fund.

16.10 The failure of a Committee member, Administration employee, Investment Manager, Consultant, Agent or advisor or a person employed in the administration of the Fund, to comply with the procedures described in this section shall not be sufficient basis to invalidate any decision, contract or other matter.

17. INVESTMENT POLICY REVIEW

17.1 To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of investment policy, the Trustees will review the investment policy at least annually.

17.2 The results of the annual review shall be communicated to the Plan's actuary within 60 days of its completion.

17.3 This statement may be amended at any time by the Trustees. The amended statement shall be filed with the Plan's actuary within 60 days of the later of the effective date of the amendment or of the date the amendment was approved.

APPENDIX 1

DALHOUSIE RETIREES' TRUST FUND
ASSET MIX MANAGEMENT & REBALANCING POLICY

June2021

PRINCIPLES:

- Asset mixes maintained within the established ranges of the asset mix policies:

Asset Class		
	Target	Range
Equities:		
Canadian	8.75%	8% - 12%
U.S.	10.0%	8% - 18%
NNA	13.75%	8% - 18%
	32.50%	25% - 50%
Alternatives:		
Private Capital	12.5%	8% - 15%
Real assets	20.0%	10% - 28%
Total Equities & Alternatives	65%	55% - 75%
Fixed Income:		
Canadian Debt	35%	25% - 45%
Cash	0%	0% - 10%
Total Fixed Income	35%	25% - 45%

- Asset mixes of funds monitored monthly;

- Utilize cash flows as much as possible to keep allocations within policy ranges;
  - Pension Trust Fund – experiencing net cash inflow; use new contributions less withdrawals to fund expenses and benefit payments
  - Retirees' Trust Fund – experiencing net cash outflow; use withdrawals to fund expenses and benefit payments – the occasional retirement transfers are utilized when possible

- Manager withdrawals (contributions) in any month will first consider asset class divergence and then will generally focus on one "core-type" manager. Should the "core" position fall outside +/- 5% absolute of a manager's target allocation for a particular asset class, other managers will be considered for cash flow movement. In those asset classes, relative divergence from individual target allocations for individual active managers will be considered, where managers with the greatest divergence will be selected. Divergences for active managers will be restricted to 0.5 to 1.5 times their respective target allocations. In situations where the cash flows are significant and exceed 1% of the Fund's value, active managers may also be included the transaction in addition to a core manager. Any withdrawals from (or contributions to) active mandates are done on advance notice along with manager consultation. Deviations from these targets are to be approved by the Trustees.

- Sourcing and placement of funds for revisions to investment management structure shall be after Trustees discussion and will be arranged so as to keep the Fund(s) within range of the policy.

- Specific fund rebalancing shall be performed only when the policy ranges are breached and shall be reported to the Trustees. Decisions to permit asset classes to remain outside their respective policy ranges may occur only on specific direction from the Trustees.