

Procedure for Investment Policy

Governing Policy: [Policy 2.26 – Investment](#)

Sections: [Overview](#); [Definitions](#); [Scope](#); [Procedure for Permitted Investments](#); [Procedure for Conflicts of Interest](#)

Responsible Officer: Vice-President (Operations & Finance)

Responsible Office: Financial Services

Effective Date: April 30, 2026

Supersedes: (new)

A. OVERVIEW

The purpose of this Procedure is to provide a process for addressing conflicts of interest and permitted investments.

B. DEFINITIONS

The defined terms in this Procedure have the same meaning as in the MAPP 2.26 – Investment.

C. SCOPE

This procedure applies to proposed investments or investments of the Portfolios.

D. PROCEDURE FOR PERMITTED INVESTMENTS

1.0 The following represents descriptions of permitted investments making up the strategic asset classes outlined in the Policy. The Portfolio may use these permitted investments except where specifically restricted by the policies applicable to the specific Portfolio.

2.0 Equities

Equity investments include common stock and equivalent securities, including, but

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not limited to, equity warrants, rights, call options, installment receipts, subscription receipts, convertible debentures, limited partnerships, private placements, REITs, preferred shares, stapled units¹, stock index futures, options on futures and other derivative securities to manage risk, such as currency futures. The common stock or equivalent securities may be traded on Canadian, U.S., international or emerging markets stock exchanges, but can also be privately held. Specific equity mandates may be classified as Domestic Equities (Canadian equity), or Foreign Equities (U.S. equity, international equity, global equity or emerging markets equity). Equity investments may also involve short selling. Private equity investments may include leverage that is appropriate for that asset class.

3.0 Fixed Income

Fixed income investments may include Canadian Government and Guaranteed-Affiliates bonds, real return bonds, provincial and municipal bonds, corporates/credit sensitive securities (includes the debt of corporations, supranational agencies and municipal entities whether domiciled inside or outside Canada, in developed or developing countries), sovereign bonds from developed or developing countries, high-yield bonds, mortgages, preferred stock, commercial mortgage-backed securities, commercial mortgages, mortgage-backed securities, asset-backed securities, private placements, convertible securities, cash and equivalent and fixed income futures and options. Fixed income investments may be tradeable or privately held. Private debt investments may include leverage that is appropriate for that asset class.

4.0 Real Assets

Real Asset investments include real estate, infrastructure and commodities.

Real estate investments are ownership investments in land and buildings that are used for office, industrial, retail or residential purposes. Returns from real estate are expected to provide an offset for inflation over time.

Infrastructure investments are investments in assets that provide essential services with sustainable demand and predictable cash flows.² Returns from infrastructure are expected to provide an offset for inflation over time.

Real estate and infrastructure investments may include leverage that is appropriate for those asset classes.

Commodities may include direct investments, or investments through derivatives such as futures, in basic goods in the agriculture, livestock, energy and mining sectors.

¹ A stapled unit is a security that is contractually bound to one or more other securities to form a single salable unit.

² Infrastructure investment projects may include renewable energy, water, utilities, toll roads, bridges, tunnels, communications and airports.

5.0 Diversifiers

Diversifiers include cash and cash equivalents, absolute return strategies and market neutral strategies.

Cash and cash equivalents may include the following securities:

- Government of Canada treasury bills, notes, debentures and any obligations unconditionally guaranteed by the Federal Government of Canada;
- Treasury bills, notes, debentures and any obligations unconditionally guaranteed by a provincial government of Canada;
- Municipal notes, debentures and any obligations unconditionally guaranteed by a municipal government of Canada;
- Highly rated foreign government treasury bills, notes, debentures and any obligations unconditionally guaranteed by a foreign government;
- Highly rated Banker's Acceptances, Certificates of Deposits and other instruments issued by a Canadian or foreign bank;
- Highly rated commercial paper and corporate bonds of Canadian and foreign corporations;
- Repurchase agreements backed by a minimum of industry standard collateral;
- Floating-rate notes issued by Canadian or foreign issuers; and
- High interest savings accounts.

Absolute return strategies try to achieve positive returns irrespective of the market environment and exhibit low correlations with bonds and stock portfolios. These strategies may include, but are not limited to royalties, life settlements, litigation finance, reinsurance and insurance-linked securities.

Market neutral strategies are structured in such a way that they are not exposed significantly to market fluctuations.

Absolute return and market neutral strategies may include public and private securities as well as leverage that is appropriate for these types of assets.

E. PROCEDURE FOR CONFLICTS OF INTEREST

1.0 If a member of the Investment Committee or any agent of or advisor to the Investment Committee has any material pecuniary interest, direct or indirect, in any

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matter in which the Portfolios are concerned and becomes aware of such a conflict, that person shall, without delay, disclose this interest in writing and shall not take part in any debate or vote on such a matter. It is noted that agents and advisors are permitted to present items to the Investment Committee, and it is understood that such agents and advisors may benefit in the event that the Investment Committee adopts the items.

- 2.0 Every disclosure of interest under section 1. above shall be recorded in the minutes of the Investment Committee meeting. The failure of a person to comply with the procedures described in this section shall not of itself invalidate any decision, contract or other matter.
- 3.0 If a conflict of interest is discovered or disclosed after the Investment Committee has made a decision, the Investment Committee will reconsider the decision in light of the new information.
- 4.0 If the Manager, or any employee or associate of the Manager, has any direct or indirect pecuniary interest in any matter on which the Fund or the MTP has a right to vote, it must be brought to the attention of the Investment Committee, which has the discretion to:
 - 4.1. instruct the Manager to exercise the voting right in line with the proxy voting positions in the Responsible Investing Policy., on the grounds that the relevant pecuniary interest is not material;
 - 4.2. instruct the Manager how to cast the Fund's or MTP's vote, having considered the proxy voting positions in the Responsible Investing Policy; or
 - 4.3. authorize the Fund's and MTP's Custodian to exercise the voting right in line with proxy voting positions in the Responsible Investing Policy.

Last Reviewed: