

University of Victoria Combination and
Money Purchase Pension Plans
Board of Pension Trustees

STATEMENT OF INVESTMENT BELIEFS

1. INTRODUCTION

The trust agreements for the University of Victoria Combination and Money Purchase Pension Plans establish a Board of Trustees (the Board) Plans for the purposes of applicable laws and regulations. The appointment and membership of the Board is set out in Article IV of each of the respective trust agreements and the main features of the governance of the Plans are set out in the Governance Policy.

2. OBJECTIVES OF THE FUNDS

The purpose of investing the Funds is to grow the asset base and together with contributions to generate cash flow to satisfy the current and future payment obligations. In setting asset mix, risk management relative to the Plan liabilities is a key consideration. As such, understanding the nature and variability of the liabilities is critical to devising appropriate investment strategies, and the asset mix decision will be influenced by the nature of the obligations being funded, the time horizon, and the current funded status of the Plans.

3. GENERAL AND LONG-TERM MANAGEMENT

a) **Time Horizon**

The Plans have a long-term horizon for both investments and liabilities and the Funds are managed accordingly.

b) **Legal Framework**

Under BC law the Govustees

e) **Responsible Investing**

Responsible investing, taking environmental, social and governance (ESG) factors into consideration, can have a positive effect on long term financial performance and investment returns. The Board will apply the following measures, consistent with the United Nations Principles for Responsible Investment (UNPRI):

- i. In evaluating current and prospective investment managers, the Board will consider how ESG issues are incorporated into the investment decision making process;
- ii. In evaluating investment managers, the Board will consider how investment managers engage with corporations to improve ESG practices;
- iii. Existing equity investment managers are requested to provide proxy voting reports and to highlight exceptions to their proxy voting policy; and
- iv. Existing investment managers are requested to provide annual disclosure regarding the processes by which ESG factors are incorporated into the investment decision making process.

f) **Climate Change**

Climate change represents a long-term material systemic risk to the Plans. Actions to reduce greenhouse gas emissions and mitigate other climate change drivers through (i) investor engagement, (ii) the selection of assets, and (iii) advocating for appropriate public disclosures and policies related to climate change directly and indirectly benefit the Plans. The Board will engage on an ongoing basis with our investment managers and consultants

