

CLIENT SCHEDULE

CLIENT TOTAL PORTFOLIO MANAGEMENT MANDATE FOR ONTARIO PENSION BOARD (THE “CLIENT”)

TO: INVESTMENT MANAGEMENT CORPORATION OF ONTARIO (“IMCO”)

This Mandate has been agreed to between the Client and IMCO and is effective **July 1, 2023**. This Mandate is a “Client Investment Policy” for purposes of the investment management agreement dated **July 10, 2017**, as amended from time to time between the Client and IMCO (the “IMA”), as further amended from time to time.

Purpose

The purpose of this Mandate is to provide information that IMCO requires to manage the services associated with the Client Accounts (“CAs”). The Mandate is intended to be read in conjunction with the following documents:

- IMCO’s Client Account Investment Policy Statement (“IPS”)
- IMCO’s Foreign Exchange (“FX”) Management IPS
- The Client’s Statement of Investment Policies and Procedures (“SIPP”)
- The Client’s Strategic Asset Allocation (“SAA”).

Liquidity Management and Leverage

IMCO manages liquidity and leverage to respect the client’s SAA targets, as applicable. Individual IMCO investment strategies are governed by the IMCO Liquidity Policy and the IPS of each strategy.

- Asset price fluctuations and management decisions may result in deviations from the client’s asset mix targets. Rebalancing will realign the client’s portfolio allocations to the SAA/Transitional SAA. In this manner, liquidity and leverage may deviate from target.

The client may also specify, as needed, special or extraordinary liquidity requirements in this Mandate that are not explicitly reflected in the SAA.

DATED the 1st day of July, 2023

ONTARIO PENSION BOARD

By: Chris Kautzky

Name: Chris Kautzky

Title: Chief Investment Officer

INVESTMENT MANAGEMENT CORPORATION OF ONTARIO

By: Hrvoje Lakota

Name: Hrvoje Lakota

Title: Managing Director, Portfolio Construction

Appendix A: Strategic Asset Allocation for Ontario Pension Board

After completing an asset-liability study in 2020, OPB adopted a revised asset mix as described in the SIPP. Following an implementation review in 2023, it was agreed that IMCO would implement the Strategic Asset Allocation shown in the table below.

Strategic Asset Allocation			
Asset Class	Minimum	Target	Maximum
Money Market	0.0%	1.0%	11.0%
Fixed Income	33.0%	38.0%	43.0%
Long Government Bonds	7.5%	12.5%	17.5%
Inflation-linked Bonds	7.5%	12.5%	17.5%
Global Credit	8.0%	13.0%	18.0%
Public Equities	17.0%	22.0%	27.0%
Canadian Equities	0.0%	2.5%	7.5%
Global Equities	9.0%	14.0%	19.0%
Emerging Markets Equities	0.5%	5.5%	10.5%
Private Assets	37.0%	42.0%	47.0%
Real Estate	10.0%	15.0%	20.0%
Infrastructure	9.5%	14.5%	19.5%
Private Equity	7.5%	12.5%	17.5%
Public Market Alternatives	2.0%	7.0%	12.0%
Total	105.0%	110.0%	115.0%
Portfolio Leverage	-5.0%	-10.0%	-15.0%
Total Net of Leverage		100%	

Due to the illiquid nature of assets such as Real Estate, Infrastructure, and Private Equity, actual allocations may be outside the tolerable range of allocations shown above. In accordance with IMCO policies, target allocations to liquid asset classes will be adjusted for deviations between actual allocations and long-term targets for illiquid asset classes for the purposes of performance reporting and rebalancing.

Actual allocations may also be outside of the tolerable range during transition periods (such as following a change to the SAA). The Client has delegated the responsibility of transitioning actual asset allocations to their long-term targets to IMCO. During transition periods, target allocations for performance and rebalancing purposes will be adjusted to reflect the gradual transition of actual allocations to their long-term targets.

Tracking Error Objective

Based on the level of risk to be employed within the IMCO investment strategies and the SAA selected by OPB, the ex-post tracking error on a rolling five-year annualized basis is currently expected to be 3% and less than 4%. IMCO will report the realized rolling five-year annualized ex-post tracking error on a quarterly basis within performance reporting deliverables submitted to OPB and will notify OPB if ex-post tracking error on a rolling five-year annualized basis is higher than 4%









Client Account - OPB July 2023 Final

Final Audit Report

2023-11-10

Created:	2023-11-10
By:	Susan.Shim@imcoinvest.com
Status:	Signed
Transaction ID:	CBJCHBCAABAAJ4n5OxWI0Fj83v_B0oicVAoYmTyzH3iH

"Client Account - OPB July 2023 Final" History

-  Document created by Susan.Shim@imcoinvest.com
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