



Asset Allocation Policy

Effective: July 1, 2023

Purpose

This policy documents IMCO's approach to rebalancing client portfolios.

IMCO "Top of the House" Governing Policies are intended to provide for principled, consistent application of investment management practices for our clients and to promote transparency in our investment approach.

Scope

This policy applies to all client assets managed by IMCO.

Key Principles

1. Client portfolios must be invested in line with their target asset mix, as adopted and reviewed by the client from time to time, in order to maintain the intended risk-return profile of the portfolio.
2. Divergent market conditions, investment activity and cash flows will cause the portfolio to deviate from its target asset mix. If these deviations are significant, the portfolio should be brought back towards target through an appropriate process.
3. Illiquid assets should be treated differently than liquid assets in recognition of their distinct liquidity and funding characteristics. This requires a gradual transition from the client's current target asset mix to the desired ultimate target asset mix, as illustrated in Appendix A.
4. Rebalancing implementation should consider, amongst other factors:
 - a. Expected cash flows into and out of the client portfolio;
 - b. Anticipated transition path, if applicable, to the Client's Strategic Asset Allocation;
 - c. Transaction costs versus expected rebalancing benefits;
 - d. Market conditions; and
 - e. Investment opportunities.

Policy

1. Working with IMCO, each client will adopt a Strategic Asset Allocation (SAA) and specify allocations to various IMCO investment strategies ("IMCO Strategies", e.g., Canadian equities) and permissible ranges around those target asset allocations. In addition, a client may specify a target allocation and permissible ranges in aggregate across multiple IMCO Strategies (e.g., total public equities or total fixed income).
2. For clients with allocations to illiquid assets, IMCO will periodically develop an Adjusted Strategic Asset Allocation (Adjusted SAA) in which illiquid assets' target weights are deemed equal to the actual allocation and the target allocations for liquid assets are correspondingly adjusted so allocations (including total portfolio leverage, if any) total 100% and the intended risk-return profile of the SAA is maintained.

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3. For clients undergoing an asset mix change, IMCO will decide on a timeframe for implementing any public asset transitions and, on a monthly or more frequent basis, develop a Transitional Strategic Asset Allocation (Transitional SAA) designed to gradually transition the client's target asset mix to the Adjusted SAA.
4. As described in the Investment Benchmark Policy, for the purposes of performance measurement, the benchmark portfolio will be rebalanced on a monthly basis to the client's Benchmark SAA, which will be the Transitional SAA during periods of asset mix transition and the Adjusted SAA otherwise. In extreme circumstances this rebalancing may also be done intra month.
5. On an ongoing basis, cash inflows and outflows will be used to adjust the client portfolio towards the Benchmark SAA, if applicable, subject to any liquidity constraints, by investing available cash in IMCO Strategies that are underweight and redeeming from overweight IMCO Strategies when required.
6. In addition, IMCO will monitor each client's actual asset mix on an ongoing basis, taking into account expected cash flows in and out of the client portfolio, liquidity considerations, the Client Account mandate, and such other factors as IMCO may consider appropriate. IMCO will normally rebalance each client's portfolio when the differences between the actual asset mix and the Benchmarking SAA reach certain thresholds specified in the IMCO Rebalancing Guideline. Under exceptional circumstances, such as a liquidity crisis or significant deviation between public and private returns, IMCO may temporarily deviate from the parameters laid out in the Rebalancing Guideline.
7. The Rebalancing Guideline will specify the parameters for IMCO's threshold based rebalancing approach. In selecting these parameters, IMCO will consider the trading and operational costs of rebalancing, the time lag to implement rebalancing, the expected total portfolio performance impact of the thresholds chosen, the execution tools available to IMCO, and any other factors that in IMCO's opinion may impact the costs and benefits of rebalancing.

Policy Governance

Policy Review and Approval

The IMCO management owner of this Policy for purposes of ensuring that it gets issued, reviewed and updated on a regular basis will be the CIO (or such other individual as may be designated from time to time by the CEO) and his/her designate (the “Document Owner”).

The Document Owner is also responsible for ensuring relevant IMCO senior executive team members (the “Applicable SET”) have been given a reasonable opportunity to review and comment on this Policy prior to it being reviewed and approved by the Board.

Any reviews of this Policy should, at a minimum, be performed by the Document Owner at least one year from the effective date of this Policy. Subsequent reviews should, at a minimum, be performed at least once every three years by the Document Owner and the IMCO Board Investment Committee.

Non-Material and Material Revisions

For greater certainty, any non-material revisions to this Policy (either resulting from the Document Owner’s reviews or otherwise) can be approved by the Document Owner at any time following a review of the changes by the CGC or his or her designate and notice to the IMCO Board Investment Committee. Such non- material revisions may include edits to:

- i. cure any ambiguity, clerical or typographical errors;
- ii. clarify, correct or supplement any provisions which might be defective; or
- iii. satisfy any legal or regulatory requirement applicable to IMCO.

Exceptions

Any request for a non-material exception to this Policy must be approved by the CIO, CRO and CGC. Any request for a material exception to this Policy must be approved by the IMCO Board.

Definitions

Liquid vs. Illiquid Assets

Liquid assets are assets that can be readily traded for cash with little or no impact to their value under normal market conditions. For the purposes of this policy:

- The following asset classes and/or IMCO Strategies are considered liquid:
 - Public Equities
 - Fixed Income
 - Money Market
 - Diversified Markets
- The following asset classes and/or IMCO Strategies are considered less liquid:
 - Global Credit
 - Public Markets Alternatives
- The following asset classes and/or IMCO Strategies are considered illiquid:
 - Real Estate
 - Infrastructure
 - Private Equity

Strategic Asset Allocation (SAA)

The Strategic Asset Allocation is the long-term target allocation of fund assets among various asset classes as selected by the client.

Adjusted Strategic Asset Allocation (Adjusted SAA)

An Adjusted SAA is developed periodically by setting illiquid asset class target weights to equal the actual allocations in the client's portfolio and adjusting the target allocations for liquid assets so that the allocations total 100% while maintaining (as close as practical with public assets) the intended risk-return profile of the client's SAA.

Transitional Strategic Asset Allocation (Transitional SAA)

A Transitional Strategic Asset Allocation (Transitional SAA) is developed on at least a monthly basis for clients undergoing an asset mix change to gradually transition the client's target asset mix to the Adjusted SAA.

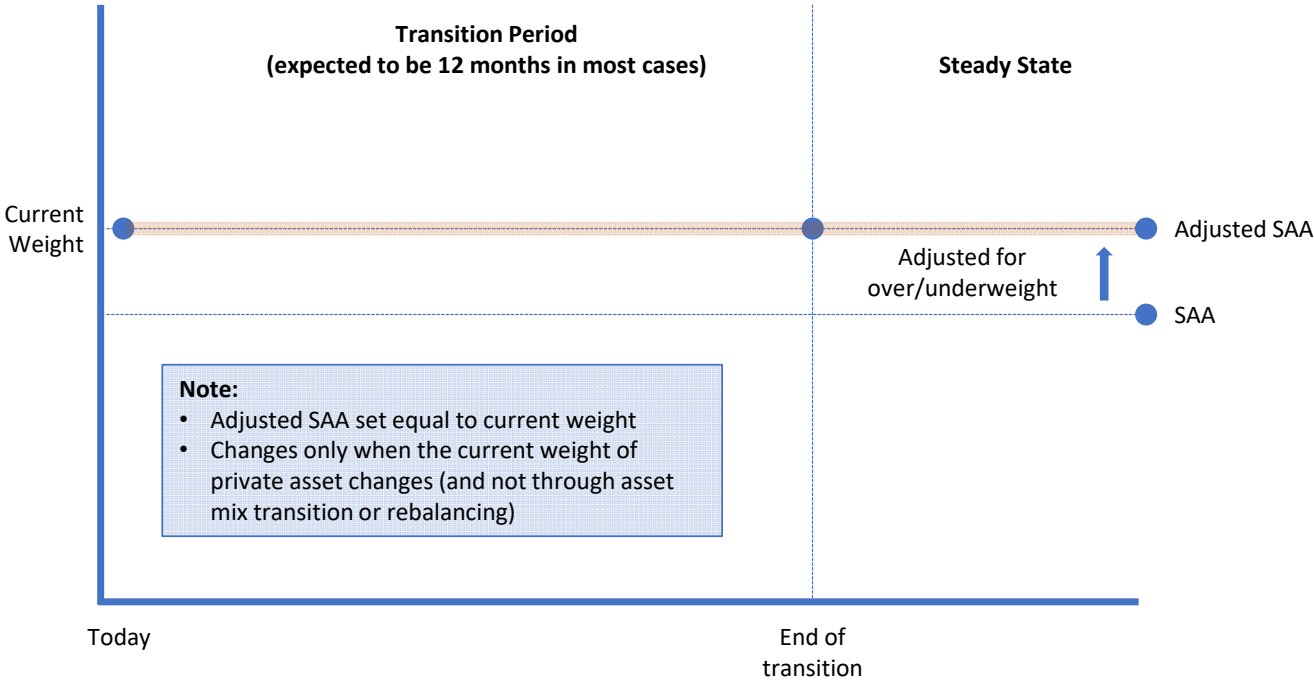
Benchmark Strategic Asset Allocation (Benchmark SAA)

Benchmark Strategic Asset Allocation (Benchmark SAA) is a target portfolio used for the purposes of performance and risk measurement. Other than during periods of asset mix transition, the Benchmark SAA is the Adjusted SAA. During periods of asset mix transition, the Benchmark SAA is the Transitional SAA.

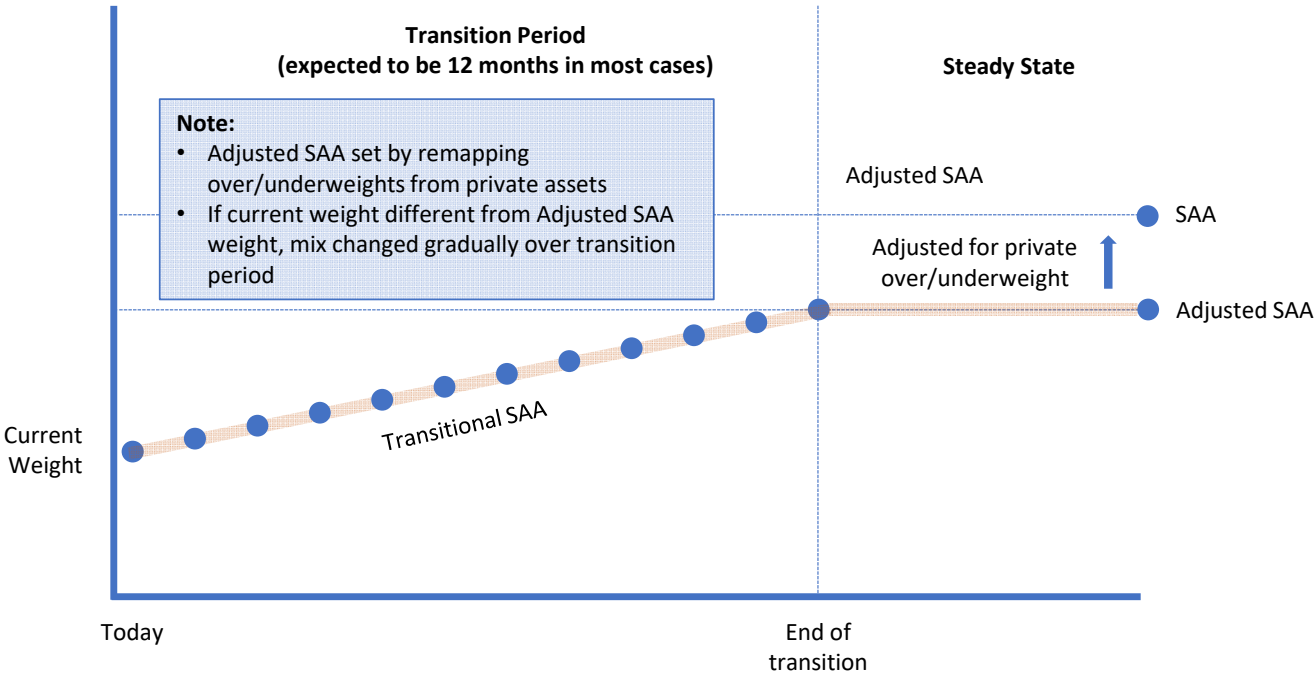
Appendix A

Illustration of Adjusted SAA and Transitional SAA process

Illiquid Asset Class



Liquid Asset Class



Note that the above charts are purely for illustration. In practice the transitions may or may not be linear.