



Liquidity Management Policy

Effective: July 1, 2023

Purpose

This policy documents IMCO's approach to liquidity management, including monitoring liquidity needs and managing liquidity risk.

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, unless otherwise noted.

Key Principles

1. IMCO will work with each client to establish appropriate levels of liquidity for setting the client's Strategic Asset Allocation (SAA), as defined in the IMCO Asset Allocation Policy, and will facilitate a periodic review of the client's liquidity requirements. Clients will not subsidize or rely upon another client's liquidity.
2. Under normal market conditions, portfolios should have sufficient liquidity to meet expected liquidity requirements such as to service capital calls for undrawn commitments to private market strategies, to fulfil predictable and/or recurring client cashflows, to effect portfolio rebalancing and facilitate hedging. This means having sufficient cash, or the ability to raise sufficient cash, within normal notice and settlement periods, through the sale of securities in functioning markets, on normal settlement terms and without adversely impacting the bid/offer spread normally exhibited in such markets.
3. Under non-normal market conditions, portfolios should have the ability to meet with high confidence, or to defer, expected liquidity requirements. This could mean (a) deferring liquidity needs or (b) having sufficient cash, or the ability to raise sufficient cash within modestly extended notice and settlement periods, through the sale of securities in thin but functioning markets, on normal settlement terms and with acceptable adverse impacts to the bid/offer spread normally exhibited in such markets.

Policy

1. IMCO's Portfolio Construction team will work with each client to establish, and review on an annual basis, appropriate levels of liquidity for the client's SAA.
2. Liquidity will be modelled and stress tested at least monthly by the CRO.
3. IMCO will establish guidelines on liquidity, that amongst other things:
 - a. Establish practices and accountability for the monitoring and reporting on liquidity; and

- b. Establish risk mitigation actions to be employed in the event of deteriorating market conditions, such as, for example, raising cash levels or taking down leverage/derivative positions.

Policy Governance

Policy Review and Approvals

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 CRO (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.

Any material revisions to this Policy must be approved by the Board.

Exceptions

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