



Board Investment Committee

Statement of Investment Principles & Beliefs (SIP&B)

The purpose of this SIP&B is to document the consensus views of the Board Investment Committee and serves to guide policy development for both the Board of Governors as well as Management.

In general, the Board Investment Committee believes that:

- Good **governance** is critical and effective oversight promotes better decision-making and accountability, and leads to improved risk-adjusted returns.
- **Risk** taking is necessary in order to generate **returns**, and that investors that take more risk should be compensated with higher returns.
- Investors with a **long-term investment horizon** are able to take on a higher risk profile and can access a more diverse set of investment opportunities than those focused on a shorter period.
- **Asset allocation** is the primary driver of an investment portfolio's risk and return.
- **Diversification** across multiple investment assets and strategies will improve risk-adjusted returns, and show better resiliency to changing economic and capital market conditions.
- **Implementation decisions** need to take into account that the Non-Endowed Investment Pool (NEIP) and the University Endowment Pool (UEP) have different investment objectives, time horizons and obligations.
- Market inefficiencies persist to varying degrees across all capital markets, and that **active management** can deliver better net risk-adjusted returns over passive implementation strategies.
- **Tactical asset allocation**, within the investment policy's strategic asset allocation ranges can be used, where opportunity and resources are available, to enhance returns and/or reduce risk.
- **Costs** matter and need to be taken into account when investment programs are structured, and that the focus needs to be on net returns.
- The integration and assessment of **environmental social, and governance** (ESG) risks in the investment process along with proactive engagement, where appropriate, can lead to improved long-term financial performance.
- Higher levels of **equity, diversity, inclusion and indigeneity** (EDII) contributes positively towards employee engagement and organizational success.