



## **STATEMENT OF INVESTMENT POLICIES AND PROCEDURES**

**Adopted: November 7, 2003**

**Amended to: December 13, 2023**

## Table of Contents

Section 1 – Introduction .....	2
Section 2 – The Fund .....	3
Section 3 – Governance.....	4
Section 4 – Investment Objectives and Investment Principles .....	5
Section 5 – Permitted Categories of Investments .....	7
Section 6 – Benchmark Portfolio.....	8
Section 7 – Fund Management .....	9
Section 8 – Guidelines and Constraints.....	10
Section 9 – Communication Requirements .....	13
Section 10 – Monitoring and Review .....	14
Section 11 – Miscellaneous Provisions .....	15
Appendix – Investment Manager Mandates .....	16

## SECTION 1 – INTRODUCTION

### Purpose of the Policy

- 1.1 A trust agreement (“Agreement”), dated June 28, 2002, between the Canadian Union of Public Employees on behalf of its Local Unions and the British Columbia Public School Employers’ Association created the Public Education Benefits Trust Fund (“Fund”). Sub-section 2.02 of the Agreement specifies that “the Trust Fund is created ... for the primary purposes of providing Benefits to Members and their respective dependents and beneficiaries...” The successful management of the Fund’s investments will have a direct effect on the ability of the Fund to achieve its goals.
- 1.2 Paragraph 9.02 (o) of the Agreement empowers the Board “to invest and re-invest such portion of the Trust Fund as is not required for current expenditures ...” This document constitutes the Statement of Investment Policies and Procedures (“SIPP”), to describe the policies and procedures for the management of the Fund’s investments.

### Scope

- 1.3 This SIPP applies only to the investment account of the Fund and does not apply to the cash or other assets in use or reserved for the day-to-day operation of the Fund, nor to any assets held by an insurer in respect of any benefits that may be payable by the insurer.

## **SECTION 2 – THE FUND**

- 2.1 Sub-section 2.01 of the Agreement creates and establishes the Fund; Sub-section 2.04 states that contributions are to be made to the Fund.
- 2.2 The Fund is intended to support the benefits payable under the Agreement. The most significant benefit is the long-term disability benefit. Benefits for the first 60 months of long-term disability after the elimination period are paid from the Fund; the balance of the payments is paid by an insurance company under a contract for insurance.
- 2.3 Paragraph 9.02 (o) of the Agreement gives the Trustees the power to invest “in any type of investments that are permitted by the applicable federal and provincial laws and regulations.”

## SECTION 3 – GOVERNANCE

### Governing Principles

- 3.1 The investment management of the Fund will at all times comply with the Agreement, this SIPP and any applicable legislation. In the event that there is a conflict between the Agreement and this SIPP, the Agreement shall take precedence.
- 3.2 This SIPP shall put into operation high standards of governance in the management and operation of the Fund's investments.
- 3.3 External resources for the operation and management of Fund investments may be used when the use of such resources is warranted and cost effective.

### Responsibilities for Investment of the Fund

- 3.4 Pursuant to Paragraph 9.02 (r) of the Agreement which empowers the Board "to delegate any of its administrative powers or duties to any committee of the Board or to any of its agents or employees" the Board has established an Investment Committee ("Committee") to monitor the performance of the Fund and its Investment Managers, to report to the Board on its findings and conclusions and to make any recommendations to the Board as the Committee feels appropriate to best achieve the objectives of the Fund.
- 3.5 The powers and duties of the Committee are contained in Terms of Reference of the Investment Committee, as adopted by the Board and amended from time to time.
- 3.6 The Committee shall review the SIPP at least once each year, normally in the last quarter of the fiscal year, or earlier when any legislative changes may affect the investment of the Fund, and recommend to the Board any changes they feel are necessary.
- 3.7 The Committee shall report to the Board at least once each calendar quarter on its activities.
- 3.8 Further to Paragraph 9.02 (r) of the Agreement, the Board shall appoint one or more professional, external investment managers to manage the assets of the Fund. The responsibilities of the Investment Managers are described in Section 7 of this SIPP. Their mandates are given in the Appendix.

## SECTION 4 – INVESTMENT OBJECTIVES AND INVESTMENT PRINCIPLES

### Investment Objectives

- 4.1 The primary investment objective of the Fund is to generate investment earnings net of investment fees on average each year over rolling five-year periods, equal to at least 5.5%. Investment earnings are defined as interest, dividends, net realized capital gains and net unrealized capital appreciation. It is understood that the achievement of this objective depends in large part of the performance of the financial markets and on decisions by the Investment Managers and the Board upon the recommendations of the Committee.
- 4.2 Risk is defined as the possibility that capital might be lost. Accordingly, a second investment objective, the risk objective of the Fund, is to reduce the probability that there may be a loss of capital in any year.
- 4.3 To some extent achieving the second investment objective – the reduction of risk – competes with the primary investment return objective, and steps that may be taken to reduce or eliminate risk could reduce the likelihood of achieving the primary investment objective. To increase the likelihood that the Fund will achieve the primary investment objective, the Fund should assume some risk of declining asset values over the short term. It is understood, therefore, that the risk objective might not be achieved over the short term in order to achieve the primary investment objective over the long term.
- 4.4 The Benchmark Portfolio, as described in Section 6 of this SIPP, is designed to achieve the two investment objectives.

### Investment Beliefs

- 4.5 The Fund is to be invested in investments that a prudent investor would make with the above objectives.
- 4.6 The selection of investments in the Fund should be made in the context of the total portfolio, with a reasonable expectation of a fair return or appreciation.
- 4.7 The assets of the Fund should be invested in the capital markets to achieve the investment objectives.
- 4.8 The investment objectives can best be achieved by investing in a mix of diverse asset classes with varied investment characteristics.
- 4.9 The risk of price fluctuations within the asset classes and the uncertainty of future economic and investment conditions dictate prudent diversification by economic sector, industry, geographic markets, quality and market capitalization, so that no single security or class of securities will have a disproportionate impact on the rate of return of the Fund.
- 4.10 External professional investment management can add value, compared with a static Benchmark Portfolio, through opportunistic security selection and short-term asset mix timing; therefore, selecting one or more external professional investment managers can add value relative to the Benchmark Portfolio, as described in Section 6 of this SIPP.

## **SECTION 4 – INVESTMENT OBJECTIVES AND INVESTMENT PRINCIPLES**

**(CONTINUED)**

- 4.11 Risk should be controlled, and guidelines and constraints should be established to ensure that any investment manager retained to manage assets of the Fund does not take excessive risk.
- 4.12 Diversification of investment managers is desirable to reduce the probability of a substantial shortfall inherent in a single investment style or investment manager, but the advantage of retaining multiple investment managers shall be balanced with the disadvantage of over-diversification and excessive investment management and administration costs.
- 4.13 Investment decisions shall take into account the expected tax consequences of such decisions.

## SECTION 5 – PERMITTED CATEGORIES OF INVESTMENTS

- 5.1 The Fund may be invested only in permitted categories of investments, as described herein.
- 5.2 The Committee may consider other categories of investment from time to time for possible inclusion if such investments, in the opinion of the Committee, may help achieve the investment objectives. Should the Committee recommend to the Board a new category of investment for inclusion in the Fund, the Committee shall develop constraints and guidelines for approval by the Board in respect of investing in that category of investment.
- 5.3 Until the Board approves a new category of investment and approves amendments to this SIPP to include the constraints and guidelines described in paragraph 5.2 above, any investment not specifically permitted by this SIPP shall be prohibited.
- 5.4 The Fund may be invested in any of the following permitted categories of investments:
- (a) equities, including common and preferred shares, warrants, special warrants, initial public offerings, rights, instalment receipts, income trusts and convertible debentures, all of which may be issued by Canadian or non-Canadian issuers, and Depository Receipts (DRs) of companies based outside Canada and the United States;
  - (b) debt securities of Canadian and non-Canadian issuers, issued in Canadian or non-Canadian currencies, including sovereign, provincial, municipal and corporate bonds, debentures, mortgages, mortgage-backed securities, asset-backed securities, notes and other debt instruments;
  - (c) interest-bearing cash and cash equivalents, including treasury bills, commercial paper (including asset-backed commercial paper), bankers' acceptances, guaranteed investment contracts or term deposits with banks, trust companies or insurance companies and swapped deposits;
  - (d) mortgages and other asset-backed securities;
  - (e) infrastructure equity, through a pooled infrastructure equity fund;
  - (f) unitized pooled funds or mutual funds consisting of eligible investments in the above categories, managed in accordance with the guidelines and constraints as set out in the SIPP; and
  - (g) forward contracts, swaps, futures or options solely for the purposes of synthetic indexing, risk control, lower transaction costs, or liquidity management.

## SECTION 6 – BENCHMARK PORTFOLIO

### Benchmark Portfolio

- 6.1 The Benchmark Portfolio is the set of asset classes, in combination, that is expected to have the greatest likelihood of achieving the investment objectives, as set out in Section 4 of this SIPP. The Board has established the following Benchmark Portfolio for the Fund:

Asset Class	Benchmark Index	Benchmark Asset Mix
Canadian Equities	S&P / TSX Composite Total Return	10%
Global Equities	MSCI World ex-Canada Net (\$Can)	18%
Short Term Bonds	FTSE Canada Short Term Government Bond	6%
Government Bonds	FTSE Canada All Government Bond	5%
Corporate Bonds	50% Bank of America Merrill Lynch US Corporate Index (CAD Hedged) plus 50% Bank of America Merrill Lynch BB-B US Cash Pay High Yield Constrained Index (CAD Hedged)	16%
Mortgages	FTSE Canada Short Term Bond + 1.0%	20%
Infrastructure Equity	CPI + 5%	25%

## SECTION 7 – FUND MANAGEMENT

### Custodian

- 7.1 The Board may appoint a Custodian who may hold some or all the assets of the Fund. Such Custodian would perform its duties in accordance with the terms of the Agreement and with any applicable laws. The Custodian would maintain in good order each security owned by the Fund and shall process the security transactions that result from the buy and sell orders placed by the investment managers. The Custodian would provide the Board with an accurate and complete accounting of the Fund, including quarterly reports of all assets of the Fund and transactions during the quarter. The Board is not required to appoint a Custodian if all assets are invested in pooled funds which have underlying custodians.

### Investment Managers

- 7.2 The Committee will make recommendations to the Board on contracting with one or more external professional investment managers (“Investment Managers”) to manage the assets of the Fund. Such Investment Managers shall be registered in the Province of British Columbia to provide such management services.
- 7.3 Notwithstanding any allocation of a portion of the assets of the Fund to an Investment Manager, the Board, on the recommendation of the Committee, retains the right to invest other portions of the Fund with other investment managers.
- 7.4 The selection of an Investment Manager will be made in a prudent manner, applying fair and reasonable identification, evaluation and selection standards.
- 7.5 An Investment Manager, in performing duties, shall:
- (a) exercise the care, diligence and skill of a prudent investment manager and shall at all times act on a basis that is fair and reasonable;
  - (b) adhere at all times to the Code of Ethics and Standards of Professional Conduct adopted by the CFA Institute and to the internal conduct guidelines established by the Investment Manager;
  - (c) manage its portion of the Fund in accordance with the terms of its Investment Management Agreement with the Fund and the specific guidelines set out herein.
- 7.6 Each Investment Manager shall meet the communication requirements of the Fund, as more fully described in Section 9 of this SIPP. It is understood that each Investment Manager shall be required to meet with the Committee at least once each calendar year.
- 7.7 The Committee, shall monitor the performance of the Investment Managers, in accordance with Section 10 of this SIPP, and shall recommend to the Board any changes in Investment Managers as the Committee deems in the best interest of the Fund.

## SECTION 8 – GUIDELINES AND CONSTRAINTS

### Application of Guidelines and Constraints

- 8.1 Notwithstanding any other provision in this SIPP, all investments shall conform to the Agreement, this SIPP and any applicable law and regulations.
- 8.2 An Investment Manager shall not invest in any assets that are not in an approved category of investment.
- 8.3 All securities shall be purchased through normal public market facilities, unless the purchase price approximates the prevailing market price and is negotiated on an arm's length basis.
- 8.4 Notwithstanding other provisions in this SIPP, it is recognized that the investments in a pooled fund may not necessarily comply in all respects with the SIPP. As part of the Fund may be invested in one or more pooled funds of an Investment Manager to allow participation in areas of investment that would not otherwise be available to the Fund on a well-diversified or cost-effective basis, deviations from the SIPP by an Investment Manager are allowed. Accordingly, the Board has reviewed the respective pooled fund policies and has agreed to participate in the pooled funds listed in the Appendix. Where there is a conflict between the SIPP and a pooled fund policy, the Fund may remain invested in that pooled fund, unless otherwise directed by the Board.

### Asset Mix

- 8.5 The asset mix of the Fund shall at all times be maintained within the following ranges:

Asset Mix			
Asset Class	Minimum	Benchmark	Maximum
Total Equities	23%	28%	35%
Total Bonds	22%	27%	35%
Total Mortgages	15%	20%	25%
Infrastructure Equity	15%	25%	30%
Money Market Investments	0%	0%	10%

- 8.6 Rebalancing in accordance with the above table shall be the responsibility of the Committee. The assets allocated to each manager will be determined at each quarter-end. Should any of the ranges above be breached, assets will be rebalanced to the target weight within two months of the quarter-end. Lack of liquidity within the infrastructure equity fund will limit the ability to rebalance, so the infrastructure equity mandate will be excluded from the quarterly rebalancing transactions and commitments or withdrawals will be assessed on an annual basis.

## SECTION 8 – GUIDELINES AND CONSTRAINTS (CONTINUED)

- 8.7 The commercial mortgages asset class has restricted liquidity and the mandate will take time to implement. The total capital commitment to mortgages will be temporarily held in the Trust's bank account or in a money market fund until the assets are needed to meet capital calls by the mortgages Investment Manager. During the transition period, the ranges outlined above shall not apply.

### Fixed Income and Money Market Securities

- 8.8 All investments in Canadian fixed income securities shall be in securities that are subject to regular price quotations by recognized investment dealers in Canada and for which ratings are available for the borrower or the debt issuer.
- 8.9 No more than 8% of fixed income shall be invested in debt issues of any one issuer other than that of Canada or of a province of Canada having at least an AA credit rating, as measured by DBRS Morningstar ("DBRS") or equivalent service.
- 8.10 No more than 70% of fixed income shall be invested in the bonds or other fixed income assets of corporations.
- 8.11 No more than 40% of fixed income shall be invested in debt issues of issuers with a BBB or lower rating.
- 8.12 All money market investments, including Canadian cash equivalents and short-term commercial paper, having a maturity of one year or less, shall be rated minimum R-1 Low by the DBRS, an equivalent rating from another agency, or, where not rated, an equivalent level as determined by the market.
- 8.13 No more than 10% of the market value of the money market investment portfolio may be invested in the commercial paper of any one single issuer except in the case of paper of, or guaranteed by, one of the five major chartered banks.

### Equities

- 8.14 The following constraints shall apply to each of the Canadian and global equity portfolios of an Investment Manager. For the purpose of this section, investments in separate funds of small capitalization stocks of a region will be considered part of the broad portfolio of that region, and investments in separate funds of U.S. and international equities will be considered part of a single portfolio of global equities.
- (a) With the exception of special warrants and initial public offerings which were intended to be converted into publicly traded securities within six months of purchase, all securities shall be publicly traded and listed on a recognized stock exchange of the applicable country;
  - (b) Each portfolio shall always contain at least 30 holdings. The market value of the 20 largest positions shall amount to no more than 75% of the market value of the portfolio;
  - (c) The portfolio weight invested in the common stock or other equity issue of any one corporation shall not be more than 8% of the market value of the portfolio;
  - (d) Investments in small capitalization equities (defined as stocks of corporations having a total equity market capitalization of \$800 million or less) shall not exceed 10% of portfolio assets.

## SECTION 8 – GUIDELINES AND CONSTRAINTS (CONTINUED)

### Other Limitations

- 8.15 Investment managers shall not purchase securities on margin or engage in short sales.
- 8.16 No entity, the Board, the Investment Managers, or any member of such entity may lend, pledge or otherwise encumber any of the Fund's assets, except an Investment Manager may lend securities from a pooled fund through a documented securities lending program that has industry-recognized standards.
- 8.17 Except as otherwise provided in paragraphs 8.19 and 8.20 below, an Investment Manager may only create an exposure in foreign currencies by direct investment in foreign fixed income, foreign equities, infrastructure equity or debt acceptable under the SIPP.
- 8.18 An Investment Manager that wishes to hedge the exposure to a currency may do so through forward contracts, futures or options. An Investment Manager may not use derivatives to increase the portfolio's exposure to a currency other than the Canadian dollar.
- 8.19 An Investment Manager may not engage in the purchase or sale of derivatives, options or futures except as permitted under paragraph 8.18 above or to replicate a market index.

## SECTION 9 – COMMUNICATION REQUIREMENTS

### Communication by the Investment managers

- 9.1 Each Investment Manager will prepare and deliver a report on the management of its part of the Fund at the end of each calendar quarter, within the time frame as set out in their mandate in the Appendix. Such report shall contain a list of the investments held in its part of the Fund as of the end of the quarter, a list of all of the transactions conducted by the Investment Manager since the previous report, a summary of the cash flows to and from the Fund in the quarter, the rate of return earned by the Fund in the quarter, the return that could have been achieved by its benchmark, the value added by active management by the Investment Manager relative to its benchmark, a review of its asset mix and an overview of its current economic outlook and investment strategy.
- 9.2 Each Investment Manager will prepare and deliver to the Committee a compliance certificate at the end of each calendar quarter, within the time frame as set out in their mandate in the Appendix, certifying its compliance to this SIPP and/or its compliance to its applicable policies. In the event that an Investment Manager has not complied with the SIPP, the Investment Manager shall provide an explanation to the Committee the reasons for the non-compliance and the steps that it intends to take to ensure compliance.
- 9.3 Each Investment Manager will be available to meet with the Committee at least once a year to review the results the Investment Manager has achieved and the report described in paragraph 9.1 above, and to discuss with the Committee its economic outlook and investment strategy.
- 9.4 An Investment Manager shall inform the Committee promptly of any changes in the Investment Manager's firm, including any changes in ownership, senior investment personnel or investment management style.

### Communication by the Investment Committee

- 9.5 The Committee will report at least quarterly to the Board on its activities. The Committee's report will include a review of the investment performance of the Fund and any recommendations by the Committee to amend the SIPP. The Committee will provide copies of the minutes of the Committee's meetings to the Board.

## SECTION 10 – MONITORING AND REVIEW

### Monitoring and Review of Investment Performance

- 10.1 The Committee at its meetings shall review the reports prepared by the Investment Managers and any evaluations conducted of the performance of the Investment Managers. The Committee shall review:
- (a) the investment returns of the Investment Managers, including each component of the Investment Managers' part of the Fund, over both the short term and the long term;
  - (b) the value added or lost by each Investment Manager relative to the rate of return of the Benchmark Portfolio of the Investment Manager, and the sources and amounts of the value gained and lost;
  - (c) the level of risk taken by each Investment Manager in making its decisions, and the appropriateness of those decisions.
- 10.2 The Committee at its meetings shall assess the performance of the Investment Managers. The assessment of an Investment Manager shall be made in the context of the criteria for the Investment manager's original selection and shall include:
- (a) the rates of return earned by the Investment Manager, relative to the performance target as set out for the Investment manager in Appendix A of this SIPP, and to the performance within each of the asset classes of the Fund;
  - (b) the Investment Manager's adherence to this SIPP;
  - (c) the Investment Manager's adherence to the investment approach and decision-making process for which the Investment Manager was hired;
  - (d) any changes in the Investment Manager's firm, including ownership, organizational structure and key investment personnel.
- 10.3 An Investment Manager's continued suitability may be examined at any time should the Board lose confidence in the Investment Manager's ability to succeed. Factors that will lead to a review include one or more of the following:
- (a) significant underperformance over a five-year period relative to the rate of return of the Benchmark Portfolio;
  - (b) inappropriate levels of risk;
  - (c) changes in the Investment Manager's investment approach and decision-making processes;
  - (d) fundamental changes within the Investment Manager's firm, including changes in ownership, personnel or a substantial growth or reduction in assets under management;
  - (e) evidence of malfeasance by the Investment Manager;
  - (f) failure to adhere to this SIPP.
- 10.4 Concerns about the performance of an Investment Manager shall be noted in the minutes of meeting of the Committee, and shall include the Committee's conclusions as to the next steps that will be taken in connection with the retention of such Investment Manager.

## SECTION 11 – MISCELLANEOUS PROVISIONS

### Conflict of Interest

- 11.1 A conflict of interest exists when a person has the opportunity to advance or protect his or her own interest or the private interests of others with whom the person has a relationship, including a familial or other personal or business relationship, in a way detrimental to the interests, or potentially harmful to the integrity or fundamental mission of the Fund.
- 11.2 No member of the Committee, the Board or an Investment Manager or contractor may exercise their powers with regard to the investment of the Fund in their own personal or business interest or in the interest of their family or of a third person, nor may any such member place themselves in a position of conflict of interest or potential conflict of interest.
- 11.3 In the event of an actual or perceived conflict of interest, the procedures described in the Trust's Conflict of Interest Policy shall be followed.

### Delegation of Voting Rights

- 11.4 The Board is responsible for exercising the voting rights acquired through the Fund's investments. The Board may delegate to an Investment Manager the responsibility for exercising the voting rights in the portion of the Fund managed by the Investment Manager, provided always that the Board retains the right to vote if and when it chooses.
- 11.5 Notwithstanding paragraph 11.4 above, in the event that some or all of the Fund invested by an Investment Manager is held in a pooled fund or mutual fund managed by the Investment Manager, the Investment Manager is solely responsible for exercising the voting rights acquired through the investment of shares held in such funds.
- 11.6 Investment Managers will exercise acquired voting rights with the intent of fulfilling the Fund's investment objectives and policies.
- 11.7 Investment Managers will maintain a record of how voting rights are exercised on behalf of the Fund.

## APPENDIX – INVESTMENT MANAGER MANDATES

### A. Fiera Capital Corporation (Fiera)

- A.1 Fiera has been retained to manage the Fund's Canadian equities mandate and commercial mortgages mandate. The commercial mortgages mandate is sub-advised by ACM Advisors Ltd. (ACM).
- A.2 The Committee has reviewed and approved the Fiera Canadian Equity Fund and the ACM Commercial Mortgages Fund.
- A.4 Assets may be held in a money market fund (i.e., cash and cash equivalents) with Fiera for rebalancing purposes or as a temporary holding account for funds to be called by ACM.
- A.5 Fiera's target rate of return is to achieve a rate of return higher than the S&P/TSX Composite Total Return Index plus 1%, over five-year moving periods, after the deduction of investment management expenses.
- A.6 ACM's performance objective is to achieve a rate of return that is 1% higher than that of the FTSE Canada Short Term Bond Index, after the deduction of investment management expenses.
- A.7 Fiera will normally prepare and deliver the report required under Section 9.1 not later than five weeks following the end of the calendar quarter. Such report will include a compliance certificate as described in Section 9.2.

### B. BC Investment Management Corporation (BCI)

- B.1 BCI has been retained to manage a balanced portfolio consisting of equities and fixed income.
- B.2 The Committee has reviewed and approved the BCI Indexed Global Equity Fund, the BCI Government Bond Fund, the BCI Corporate Bond Fund, the BCI Short Term Bond Fund and the BCI Canadian Money Market Fund (ST1).

## APPENDIX – INVESTMENT MANAGER MANDATES (CONTINUED)

B.3 BCI is directed to manage the asset mix of its portion of the Fund within the asset mix ranges set out as follows (effective November 28, 2023):

Asset Class	Benchmark Index	Asset Mix		
		Minimum	Benchmark	Maximum
Global Equities	MSCI World ex-Canada Net (\$Can)	35%	40%	45%
Government Bonds	FTSE Canada All Government Bond Index	6%	11%	16%
Corporate Bonds	50% BofAML US Corporate Index (Hedged), plus 50% BofAML BB-B US Cash Pay High Yield Constrained Index (Hedged)	31%	36%	41%
Short Term Bonds	FTSE Canada Short Term Government Bond Index	8%	13%	18%
Short Term Securities	FTSE Canada 30-Day T-Bills	0%	0%	10%

B.4 The target rate of return of the BCI Indexed Global Equity fund in a year, after the deduction of investment management expenses, is a range that is between 0% and 0.5% above the rate of return of the applicable index.

BCI's target rate of return of its Government Bond Fund after the deduction of investment management expenses is the rate of return of the applicable index plus 0.15%, on average over rolling five-year periods.

BCI's target rate of return of its Corporate Bond Fund after the deduction of investment management expenses is the rate of return of the applicable index plus 0.55%, on average over rolling five-year periods.

BCI's target rate of return of its Short Term Bond Fund after the deduction of investment management expenses is the rate of return of the applicable index plus 0.13%, on average over rolling five-year periods.

The applicable indices are those set out in Section B.3.

B.5 BCI will normally prepare and deliver the report required under Section 9.1 not later than seven weeks following the end of the calendar quarter. Such report will include the compliance certificate as described in Section 9.2.

**C. IFM Investors (IFM)**

- C.1 IFM will obtain exposure to a diversified portfolio of infrastructure investments by deploying its capital in order to generate dependable cash returns for investors together with longer term capital appreciation. The benchmark for Infrastructure Equity will be a return of CPI + 5%, net of all fees and expenses.
- C.2 IFM will normally prepare and deliver the report required under Section 9.1 not later than ten weeks following the end of the calendar quarter. Such report will include the compliance certificate as described in Section 9.2.