Original Approval Date: April 26 2013
Most Recent Approval: March 13, 2025
Editorial Amendments: March 13, 2025

Statement of Investment Principles and Beliefs

Office of Administrative Responsibility:	Finance, Procurement and Planning (Investments and Treasury)
Office of Accountability:	Vice-President (University Services, Operations and Finance)
Approving Authority:	Board Investment Committee

Earnings from investments are an important part of the funding that supports all students, faculties and staff in reaching their goals, including in areas related to university areas of research, innovation and scholarships. Endowment investments are managed to deliver a long-term sustainable return so that the benefit from the earnings will continue to equally benefit both current and future generations. Non-endowed investments provide liquidity for the university's daily operations and earnings support the university's budget and strategic initiatives.

Purpose

The purpose of this Statement of Investment Principles and Beliefs (SIP&B) is to document the consensus views of the Board Investment Committee.

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** risks and opportunities in the investment process along with proactive engagement, where appropriate, can lead to improved long-term financial performance.