

Investment Strategy Committee Mandate

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1.0 Introduction

The objects and powers of CPP Investments are outlined in the **CPIB Act**. The **CPIB Act** describes certain responsibilities for the Board. The **Board Mandate** clarifies the Board's responsibilities.

The **CPIB Act** requires that the Board create an investment committee to fulfill certain responsibilities. The Board has established the Investment Strategy Committee as the investment committee required under, and in accordance with the requirements of, the **CPIB Act**.

This mandate is designed to articulate the responsibilities of the Investment Strategy Committee.

2.0 Purpose

The purpose of the Investment Strategy Committee is to meet the requirements of the investment committee under the **CPIB Act** and thereby assist the Board in fulfilling its obligations by receiving reports and approving or making recommendations to the Board on matters as follows:

- (a) investment strategy and portfolio construction including regular investment performance reviews of both;
- (b) investment policies;
- (c) procedures to monitor the application of and compliance with the investment policies by Officers, Employees and CPP Investments' agents;
- (d) approval of the engagement of investment managers as provided by the Authorities Policy;
- (e) approval of Investment Transactions (as defined in the Authorities Policy) as provided by the Authorities Policy;
- (f) the effectiveness of the investment policies and the achievement of the objects of CPP Investments; and
- (g) such other matters as may be determined by the Board.

3.0 Committee Membership

3.1 APPOINTMENTS AND RE-APPOINTMENTS

The Investment Strategy Committee shall be composed of the full Board.

The Chairperson shall serve as the Committee Chair.

3.2 REMOVAL OR REPLACEMENT

An Investment Strategy Committee member may be removed or replaced at any time by the Board. Investment Strategy Committee membership will cease when an individual ceases to be a Director or at the time of their resignation from the committee.

3.3 DELEGATION TO MEMBERS AND SUB-COMMITTEES

The Investment Strategy Committee may delegate matters under its jurisdiction to a subcommittee or individual committee member. All work performed by such subcommittee and/or individual committee member must be reported at each committee meeting.

4.0 Committee Meetings

4.1 FREQUENCY, FORMAT AND LOCATION

The Investment Strategy Committee will meet at least four times a year, with additional meetings at the discretion of the Committee Chair. The Investment Strategy Committee's meeting schedule will be determined by the Committee Chair based on the committee's mandate and timetable.

In-person meetings are usually held at the CPP Investments head office in Toronto, although they may from time to time be held elsewhere. Video or teleconference meetings may also be held at the discretion of the Committee Chair, provided the relevant electronic, telephonic or other communication facilities permit all persons participating in the meeting to communicate adequately with each other.

4.2 QUORUM

A quorum for the transaction of business at a Investment Strategy Committee meeting will be a majority of the authorized number of members. Questions arising at a meeting will be determined by a majority of votes cast by the members present.

4.3 INFORMATION

Committee meeting agendas and material will be distributed to Directors with sufficient time to ensure there is an opportunity to review. Material will be prepared in accordance with the Guidelines for Board Materials. The Committee Chair is expected to be consulted in advance by one or more of the Chairperson, the President & CEO, the Corporate Secretary or the Officer most closely associated with the Committee in relation to the agenda and information packages for each Committee meeting.

Reports may be presented during Board meetings by Directors, Management or Employees, or by invited outside attendees.

4.4 ATTENDANCE BY MANAGEMENT

The President & CEO will be invited to attend all Investment Strategy Committee meetings, recognizing that from time to time the Committee Chair may request a meeting without Management present.

Other members of Management may also be invited to attend Investment Strategy Committee meetings to provide information and opinions to assist the Directors in their deliberations.

4.5 IN CAMERA SESSIONS

The Committee Chair shall hold an in-camera session at each Investment Strategy Committee meeting, unless it is agreed by the Investment Strategy Committee not to be necessary (such as a special Committee meeting held for a single matter).

4.6 MINUTES

The Corporate Secretary will ensure that minutes of each Investment Strategy Committee meeting are prepared and made available in a timely fashion to the Committee Chair, each committee member and to the Board.

4.7 REPORTING

The Investment Strategy Committee will report through the Committee Chair in a timely manner to the Board on the results of its meetings including by distributing the minutes of its meetings and where appropriate, by an oral report by the Committee Chair at the next regularly scheduled Board meeting following each Investment Strategy Committee meeting.

5.0 Operations

The Chair of the Investment Strategy Committee may ask the Chairperson to call a meeting of the Board to consider any matter of concern.

The Investment Strategy Committee will have access to Management and CPP Investments' documents as may be required to fulfill its responsibilities.

The Investment Strategy Committee will be provided with the resources necessary to carry out its responsibilities. The Investment Strategy Committee may engage independent counsel and other advisors and set and pay the compensation for any advisors so engaged.

6.0 Duties and Responsibilities

Subject to the powers and duties of the Board, and to the requirements of the **CPPIB Act**, the Investment Strategy Committee will perform the following duties:

6.1 PORTFOLIO CONSTRUCTION AND PERFORMANCE

- (a) Review annually key elements of the Investment Framework and approach to portfolio construction.

- (b) Review at least once every three years the Reference Portfolios and Strategic Portfolios.
- (c) Review at least semi-annually Total Fund performance attribution (i.e. key drivers of risk and return).
- (d) Review annually Investment Department performance and portfolios.
- (e) Receive quarterly business reviews on Total Fund performance.
- (f) Undertake deep dives on key portfolio design/performance drivers.
- (g) Receive at least semi-annually updates on relevant market trends and opportunities.

6.2 INVESTMENT STATEMENTS

Review and recommend to the Board at least annually the Investment Statements.

6.3 IMPLEMENTATION OF INVESTMENT POLICIES

Receive reports on the implementation of the Investment Statements and, jointly with the Risk Committee, the Risk Policy.

6.4 COMPLIANCE WITH INVESTMENT POLICIES

Review, evaluate and approve procedures that Management has implemented to monitor compliance with the Investment Statements and the Risk Policy by receiving Management's annual report on specified internal controls audited by the external auditor.

6.5 EXTERNAL MANAGERS

- (a) Oversee the criteria and process for the selection of external investment managers with discretionary authority to invest the assets of CPP Investments.
- (b) As specified in the Authorities Policy, approve the engagement of external investment managers with discretionary authority to invest the assets of CPP Investments.
- (c) Oversee the process for monitoring external investment managers with discretionary authority to invest the assets of CPP Investments.

6.6 INVESTMENT TRANSACTIONS

Approve Investment Transactions (as defined in the Authorities Policy) as provided by the Authorities Policy.

6.7 INVESTMENT STRUCTURE POLICY

Review and recommend to the Board annually the Investment Structure Policy.

6.8 POLICY ON SUSTAINABLE INVESTING

Review and recommend to the Board annually the Policy on Sustainable Investing.

6.9 OTHER

Carry out other duties as may be determined from time to time by the Board.

7.0 Committee Timetable

The timetable on the following pages outlines the Investment Strategy Committee's annual schedule of activities.

Investment Strategy Committee Timetable

* means “usual” or “approximate” timing that may be adjusted with agreement of the Committee Chair

Source			Meeting					
Statute/Reg	Mandate		Mar/ Apr	May	June	Sep	Nov	Feb
	5.1	Portfolio Construction and Performance						
		Review key elements of the Investment Framework and approach to portfolio construction				*		
		Review at least once every three years the Reference Portfolios and Strategic Portfolios					*	
		Review at least semi-annually Total Fund performance attribution (i.e. of key drivers of risk and return)			*		*	
		Review annually Investment Department performance and portfolios			*			
		Receive quarterly reports on Total Fund performance		*		*	*	*
		Undertake deep dives on key portfolio design/performance drivers		*				
		Receive at least semi-annually updates on relevant market trends and opportunities	*				*	
	5.2	Investment Statements						
s. 34		Review and recommend to the Board at least annually the Investment Statements						*
	5.3	Implementation of Investment Policies						
s. 34 (c)		Receive reports on the implementation of the Investment Statements and, jointly with the Risk Committee, the Risk Policy		*		*	*	*

Source			Meeting					
Statute/Reg	Mandate		Mar/ Apr	May	June	Sep	Nov	Feb
	5.4	Compliance with Investment Policies						
s. 34 (d) and (e)		Review, evaluate and approve procedures that Management has implemented to monitor compliance with the Investment Statements and Risk Policy by receiving Management’s annual report on specified internal controls		*				
	5.5	External Managers						
s. 34 (b)		Oversee the criteria and process for selection of external investment managers with discretionary authority to invest the assets of CPP Investments	Ongoing					
s. 34 (b)		As specified in the Authorities Policy, approve engagement of external investment managers with discretionary authority to invest the assets of CPP Investments (ongoing)	As required					
		Oversee the process for monitoring external investment managers with discretionary authority to invest the assets of CPP Investments	Ongoing					
	5.6	Investment Transactions						
		Approve Investment Transactions (as defined in the Authorities Policy) as provided by the Authorities Policy	As required					
	5.7	Investment Structure Policy						
		Review and recommend to the Board annually the Investment Structure Policy				*		
	5.8	Policy on Sustainable Investing						
		Review and recommend to the Board annually the Policy on Sustainable Investing				*		