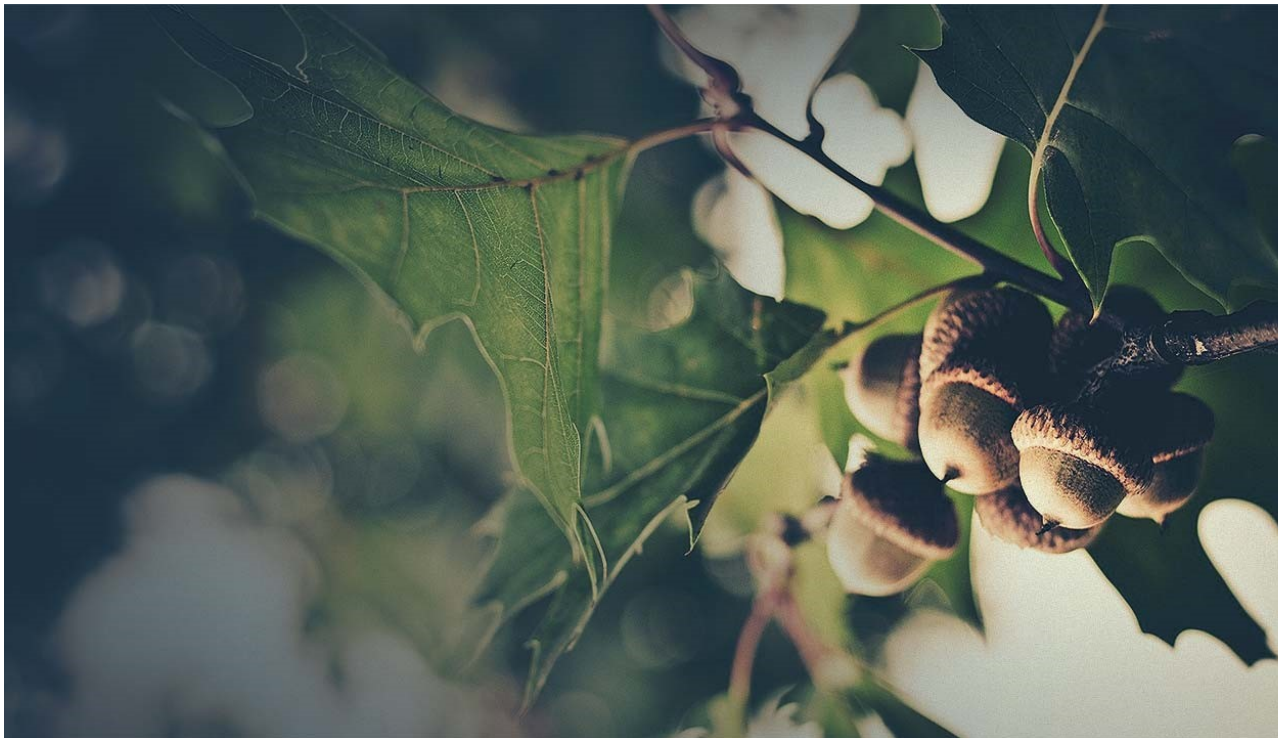


# ANNEXE D\*

## MANDATS DE GESTION DES PRODUITS DE GESTION EN GESTION DISTINCTE



Le 1er juillet 2019

\* Le Comité de placement dispose de toute la discrétion pour effectuer des changements, mais doit en aviser le Comité de retraite à sa prochaine réunion.

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# TABLE DES MATIÈRES

ALPHAFIXE CAPITAL

CANSO INVESTMENT COUNSEL LTD.

GESTION DE PLACEMENTS ETERNA

LETKO BROUSSEAU & ASSOCIÉS

PHILLIPS, HAGER & NORTH

RIVERBRIDGE PARTNERS

TD GESTION DE PLACEMENT

TD GREYSTONE ASSET MANAGEMENT

TRIVALENT INVESTMENTS

## **POLITIQUE DE PLACEMENT**

### **Alphafixe Capital**

**pour**

**le Régime de retraite de l'Université du Québec**

### **MANDAT DE GESTION DE PLACEMENTS - OBLIGATIONS PROVINCIALES LONG TERME**

#### **1. Objectif**

Cette politique de placement s'applique aux actifs investis dans le mandat d'obligations provinciales de long terme (ci-après « le Fonds ») et vise à formuler un ensemble de règles que le gestionnaire doit respecter.

#### **2. Objectif de placement**

Le fonds vise à procurer une exposition aux obligations provinciales de long terme. Il est géré activement avec l'objectif de croître le capital à moyen et à long terme.

#### **3. Indice de référence**

L'indice de référence est le FTSE TMX Canada Provinces long terme.

#### **4. Objectif du gestionnaire**

L'objectif du gestionnaire est de créer une valeur ajoutée annualisée de 0,20 % sur l'indice de référence, avant déduction des frais de gestion, sur une période mobile de 4 ans.

#### **5. Placements autorisés**

##### **(A) Marché monétaire**

- a) Les investissements en marché monétaire se composent principalement de titres à court terme et de liquidités, notamment des Bons du Trésor, des billets à ordre, des titres à taux variable, des acceptations bancaires, des billets de dépôt, du papier commercial et des dépôts à terme. Le fonds est également autorisé à investir dans des obligations gouvernementales (fédérales, provinciales et municipales), des débetures émises par des sociétés canadiennes, y compris des titres adossés à des actifs, des obligations à court terme, des contrats de rachats et des titres à taux variable d'émetteurs canadiens approuvés. Tous les titres de cette section auront une échéance de 365 jours ou moins.
- b) Les normes de qualité minimale, telles que notées par une agence de notation reconnue, sont R1 pour les titres du marché monétaire et A pour les obligations à court terme et les titres à taux variable.

##### **(B) Obligations gouvernementales**

- a) Tous les titres compris dans l'indice FTSE TMX Canada gouvernement long terme sont admissibles.
  - b) Les obligations à rendement réel ou nominal, émises ou garanties par le gouvernement du Canada, une province du Canada, leurs agences ou sociétés d'État, libellées en dollars canadiens sont admissibles.
-

- c) Les obligations libellées en dollars américains du Trésor des États-Unis sont admissibles.
- d) Les contrats à règlements différés (forwards) et autres produits dérivés peuvent être utilisés pour effectuer une couverture de devise des titres libellés en dollars américains.

(C) Obligations de sociétés

Toutes les obligations de sociétés comprises dans l'indice FTSE TMX Canada Univers sont permises. Les obligations libellées en dollars canadiens émises par des sociétés étrangères et comprises dans l'indice FTSE TMX Canada Maple Bond sont aussi permises.

**6. Gestion du risque**

Le gestionnaire a pleine discrétion quant à la structure du portefeuille et au montant investi dans un titre, selon les conditions suivantes :

- a) La durée modifiée du portefeuille pourra varier entre -1,0 année et +2,0 années par rapport à la durée modifiée de l'indice de référence.
- b) Un maximum de 5 % de la valeur marchande du fonds peut être investi dans des obligations du Trésor américain.
- c) Un maximum de 10 % de la valeur marchande du fonds peut être investi en obligations de sociétés telles que mentionnées au point 5.C.
- d) Les produits dérivés, énumérés ci-dessus (point 5.B.d) peuvent être utilisés pour protéger contre les fluctuations de devises. Tous les investissements en devises étrangères seront entièrement couverts; les couvertures de devises pourront atteindre un minimum de 95 % et un maximum de 105 % de la valeur marchande des titres libellés en devises étrangères, afin de minimiser les transactions liées aux devises.
- e) Les contrats à règlements différés (forwards) ont généralement une échéance initiale n'excédant pas un an et sont négociés entre le fonds et des institutions financières canadiennes ou américaines dont la note de crédit minimale sur la dette de premier rang au moment de la transaction est AA ou son équivalent, sauf s'il s'agit d'une banque canadienne identifiée en vertu de l'annexe I de la Loi sur les banques ou de la Caisse centrale Desjardins. Le gestionnaire avisera le Comité de placement de toute contrepartie dont la note est dégradée sous le minimum requis et de la stratégie qui sera adoptée dans ces circonstances.
- f) Exception faite du marché monétaire et des titres à taux variable, un maximum de 20 % de la valeur marchande du Fonds peut être investi dans des titres non inclus dans l'indice FTSE TMX Canada Provinces Long Terme.

**Pension Committee of the Régime de  
Retraite de l'Université du Québec**

**Alphafixe Capital**

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**INVESTMENT GUIDELINES**  
**Effective December 1st, 2014**  
**CORPORATE VALUE MANDATE**  
**Canso Investment Counsel**

**Investment Objective:**

The objective of this mandate is to achieve a stable level of income at a reasonable level of capital risk by investment in a diversified portfolio of corporate fixed income securities.

The portfolio seeks to achieve above average income returns through a diversified portfolio composed primarily of debt and money market securities. As a result of its value strategies, the portfolio may occasionally be invested in other securities such as convertible bonds, equities and income trusts. The holdings of securities with equity characteristics shall be limited to 20% of the portfolio and be treated as B rated debt securities under the investment constraints.

**Permitted Investments:**

The portfolio will be invested primarily in government and corporate bonds and other fixed income securities. Fixed income securities are specified as bonds, debentures, notes, Mortgage Backed Securities, Asset Backed Securities, loans or other evidences of indebtedness.

**Return Expectation:**

The performance benchmark for this mandate is the FTSE TMX Canada All Corporate Index (or its successor).

The long term performance expectation of the portfolio is an annualized premium of 150 basis points over the benchmark over a full market cycle.

**Investment Constraints:**

All percentages and exposures are to be calculated at Market Value.

All investment ratings are to be taken as at "time of purchase" or acquisition.

Where a portfolio position exceeds the specified limit due to market appreciation this will not be considered to be a compliance violation. However the quarterly compliance report should identify the specific limit that is exceeded with portfolio manager comments.

**Position/ Issue Constraint:**

No investment restrictions on Canadian federal or provincial government issues.

The following limitations apply to corporate, municipal and other issuers:

Maximum 10% in any issuer rated BBB or above.

Maximum 8% in any issuer rated BB or below.

Where the issue and issuer rating differ, the issue rating will be used to determine portfolio compliance.

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Credit Ratings:

Credit ratings will be based on the published ratings of Moody's, Standard and Poor's and DBRS. Split ratings will be handled as follows:

- If only two agencies rate a security, and the ratings are not equal, use the lower of the two ratings;
- If three agencies rate a security, use the most common rating; or,
- If all three agencies disagree, use the middle rating.

Unrated Issues:

Issues without an established credit rating may be held in the portfolio, to a maximum of 20% of the market value. The manager will rate these issues internally and this rating will be used in determining the portfolio and issuer constraints.

Private Placements:

Maximum 8% in any Private Placement issue.

Overall limitation of 50% in private placement issues.

Up to 10% of the portfolio may be invested in the Canso Corporate and Infrastructure Debt Fund, or its successor.

Issuer Constraint:

Maximum of 10% in issues of a group of related companies, unless these companies issue separately in the public markets.

For investments in bonds issued in a foreign currency, the manager will hedge currency risk using forward currency contracts.

**Pension Committee of the Régime de  
Retraite de l'Université du Québec**

**Canso Investment Counsel Ltd.**

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**PARAMÈTRES D'INVESTISSEMENT**

**Mandat d'actions québécoises**

**Gestion de placements Eterna Inc.**

**pour**

**Le Régime de Retraite de l'Université du Québec**

**Effectif le 1er juin 2018**

**OBJECTIF GÉNÉRAL**

Générer une appréciation à long terme du capital grâce à un portefeuille constitué principalement d'actions d'émetteurs situés au Québec qui sont cotées à une bourse locale reconnue. Le noyau du portefeuille d'actions sera composé de titres québécois, défini comme étant des compagnies ayant soit leur siège social dans la province de Québec ou soit une majorité de ses employés ou actifs au Québec.

**OBJECTIF DE RENDEMENT:**

L'objectif du fonds en matière de rendement est de générer une valeur ajoutée annualisée de 125 pbs sur l'indice Morningstar Québec Banque Nationale, sur des périodes mobiles de 4 ans.

**CONTRAINTES D'INVESTISSEMENT:**

Le portefeuille devra être diversifié en adhérant aux contraintes suivantes :

1. Titres
  1. Minimum de 30 et maximum de 50
  2. Poids maximal de 10 % de la valeur marchande totale du portefeuille, sauf si événements de marché
  3. Maximum de 10 % des actions en circulations d'une compagnie
  4. Poids maximal de 10 % dans des titres non québécois (voir définition de « titres québécois » ci-haut)
2. Encaisse
  1. Maximum de 10 % de la valeur marchande totale du portefeuille
  2. Cote de crédit minimale de R-1 bas selon DBRS, ou son équivalent
  3. Maximum de 5 % par émetteur
3. Investissements autorisés
  1. Actions publiques de sociétés canadiennes se transigeant sur une bourse canadienne
  2. Bons de souscription
  3. Effets à court terme dont l'échéance est de 365 jours et moins

Pension Committee of the University  
of Quebec Pension Plan

Gestion de placements Eterna

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



**Effective June 1, 2019**

**INVESTMENT GUIDELINES**

**INVESTMENT MANAGEMENT MANDATE  
GREYSTONE MANAGED INVESTMENTS INC.  
(D/B/A TD GREYSTONE ASSET MANAGEMENT)**

***SHORT-TERM GOVERNMENT BONDS ACCOUNT***

**1. General Information**

This investment policy applies to the assets invested in the Short-Term Government bond mandate (hereinafter called "the Fund") and is designed to formulate a set of rules with which Greystone Managed Investments Inc. ("the Manager") must operate.

**2. Investment Objectives**

The purpose of the Fund is to respond to the liquidity needs of the Régime de Retraite de l'Université du Québec in the management of its overlay strategies. The Fund also seeks to provide capital preservation and obtain a return higher than that of the benchmark index.

**3. Benchmark Index**

The benchmark index is defined as the rate of return on 91-Day Treasury bills.

**4. Objective of the Manager**

The Manager's objective is to exceed the return of the benchmark by 0.50%, before deduction of management and custody fees, or annualized value added of 0.50% over moving four-year periods.

**5. Permitted Investments**

**(A) Money Market**

- a) Money market investments are primarily in short-term securities and cash, including treasury bills, promissory notes, floating rate securities, bankers' acceptances, bearer deposit notes, commercial paper and term deposits. The Fund is also permitted to invest in government bonds (federal, provincial and municipal), debentures issued by Canadian corporations including asset backed securities (ABS), short-term bonds, repurchase agreements and floating rate securities of approved Canadian issuers. All securities in this section will have a term to maturity of 365 days or less.
- b) The minimum quality standards, as rated by a recognized rating service, are R1 for money market securities and 'A' for short term bonds and floating rate securities.
- c) A maximum of 5% of the market value of the Fund can be invested in the securities of the same issuer, with the exception of securities issued or guaranteed by the Government of Canada, a Canadian province or its agencies and Crown corporations.

**(B) Government Bonds**

- a) All bonds and debentures included in the FTSE Government Short-Term Bond index are eligible.
- b) Variable rate securities issued or guaranteed by the Government of Canada, a Canadian province, their agencies or Crown corporations are eligible.

(C) Mortgages

Investment in the Greystone Mortgage Fund is permitted to a maximum of 25% of the market value of the Fund.

**6. Risk Control**

The Manager has full discretion over the structure of the Fund and the amount invested in a security, subject to the following conditions:

- a) The modified duration of the Fund shall not exceed two and a half years.
- b) A minimum of 20% of the market value of the total Fund (money market and bonds) must be invested in securities issued or guaranteed by the Government of Canada or its agencies and Crown corporations.
- c) A maximum of 80% of the market value of the Fund can be invested in securities guaranteed by a Canadian province or its agencies and Crown corporations.
- d) Excluding money market investments and floating rate securities, a maximum of 35% of the market value of the Fund may be invested in securities not included in the FTSE Government Short-Term Bond Index.
- e) Floating rate securities must be issued or guaranteed by the Government of Canada, a Canadian province, their agencies or Crown corporations.

**Pension Committee of the Régime de  
Retraite de l'Université du Québec**

**Greystone Managed Investments Inc.  
(d/b/a TD Greystone Asset Management)**

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## PARAMÈTRES D'INVESTISSEMENT

### Mandat d'actions canadiennes

**Letko Brosseau & Associés**

pour

**Le Régime de Retraite de l'Université du Québec**

**Effectif le 1<sup>er</sup> janvier 2017**

#### **Objectif général**

Le mandat vise à dégager une croissance du capital à long terme en investissant dans des sociétés canadiennes aux capitalisations boursières variées opérant dans plusieurs secteurs.

#### **Objectif de rendement:**

La performance anticipée à long terme consiste en une valeur ajoutée annualisée de 150 points de base sur l'indice S&P\TSX Composite.

#### **Contraintes d'investissement:**

Le portefeuille devrait être diversifié en adhérant aux contraintes suivantes :

1. Titres
  1. Minimum de 30 et maximum de 75
  2. Poids maximal de 8% à l'acquisition et de 10% en valeur marchande
  3. Maximum de 10% des actions en circulation d'une compagnie
2. Secteurs
  1. Exposition à un minimum de 9 secteurs sur 11
  2. Poids minimum par secteur de 0%
  3. Poids maximum par secteur de 25%
3. Encaisse
  1. Maximum de 10%
  2. Cote de crédit minimale de R-1 bas selon DBRS, ou son équivalent
4. Investissements autorisés
  1. Actions publiques de sociétés canadiennes se transigeant sur une bourse canadienne
  2. Bons de souscription
  3. Effets à court terme dont l'échéance est de 365 jours et moins

Pension Committee of the University  
of Quebec Pension Plan

Letko Brosseau & Associés

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**PARAMÈTRES PARTICULIERS**

**Philips, Hager & North**

**pour**

**le Régime de retraite de l'Université du Québec**

**MANDATE FOR CANADIAN BOND MANAGER**

**EFFECTIVE OCTOBER 1<sup>st</sup> 2017**

**I. GENERAL**

1.1 In respect of all funds allocated by the Trustees (the “Trustees”) from Le Régime de Retraite de l’Universtié du Québec Pension Fund (the “Fund”) for investment by Phillips, Hager & North Investment Management Ltd. (the “Manager”), the following general principles apply:

- a) investment decisions shall be made without distinction between principal and income, and viewing the realization of gains or losses only in terms of the investment factors involved;
- b) selection of investments shall be made only in the context of the portfolio managed by the Manager, without undue risk of loss or impairment and with a reasonable expectation of fair return or appreciation given the nature of the investment;
- c) the Manager shall not engage in any transaction that is prohibited by applicable pension legislation;
- d) the Manager shall not engage in any transaction prohibited by the Statement of Investment Policies and Goals (the “Policy”);
- e) all approvals sought or given in compliance with this mandate must be in writing.

## II. DIVERSIFICATION AND QUALITY STANDARDS

### Segregated Fixed Income and Short Term

2.1 The Manager shall manage the portfolio subject to the following constraints:

f) Aggregate	Maximum % of Portfolio,	<u>at Market Value</u>
Canadian federal government, or federal government guaranteed agencies Total		10-100%
Provincial/Municipal bonds Total		50%
Corporate bonds Total		60%
A-rated and above		60%
Below A		25%
Below BBB		10%
Mortgages or Mortgage Funds		10%
Foreign bonds		30%
Foreign currency bonds		20%
Unhedged foreign currency bonds		10%
A rated and above		100%
Below A rating		25%
Below BBB rating		10%
g) Individual Issuer		
Provincial governments A rated and above		30%
Below A rating		5%
Corporate issues of a single corporate issuer A rated and above		5%
Below A rating		3%

2.2 Minimum rating for short-term securities is R1 (low). Rating constraints for the aggregate short term portion of the portfolio are as follows:

AAA (R1-high)	100%
A-AA (R1-low – R1-mid)	75%
Below A (R1-low)	15%

All debt ratings refer to the ratings of either DBRS, Standard & Poors' or Moody's at the time of purchase.

2.3 Private placements are allowed under the following terms:

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- h) The manager may invest in liquid private placements which meet the same criteria (including liquidity and credit quality) which would be applied when purchasing public issues.
- i) The manager may invest a maximum 10% of the fixed income portfolio in illiquid private placements provided they meet the same credit quality standards imposed on other corporate bond investments.
- j) No more than 2% of the market value of the portfolio at the time of purchase may be invested in an illiquid private placement of a single issuer.

2.4 Maintain duration within one year of the benchmark.

2.5 Asset backed securities are permitted provided they fulfill the credit quality criteria stated above.

2.6 Real Return bond investments are permitted.

2.7 The use of forward foreign exchange contracts for hedging purposes is permitted.

2.8 Investments in other derivative instruments may be used for hedging purposes to facilitate the management of risk or to facilitate an economical substitution to a direct investment. The use of credit default swaps (CDS) is permitted.

Under no circumstances will derivatives be used for speculative purposes or to create leveraging of the portfolio.

## 2.9 Permitted Pooled Funds

Notwithstanding the foregoing restrictions, the Manager may hold any part of the portfolio in the following pooled funds (the “Permitted Funds”) managed by the Manager that comply with applicable pension legislation.

- PH&N Institutional Short Term Investment Fund
- PH&N High Grade Corporate Bond Fund
- PH&N Investment Grade Corporate Bond Trust
- PH&N High Yield Bond Fund
- PH&N Mortgage Pension Trust
- PH&N Municipal Plus Bond

It is recognized by the Trustees that the Permitted Funds do not strictly adhere to the restraints set out in this mandate; however, the Manager agrees to advise the Trustees in the event that the investment objectives of the Permitted Funds materially depart from the Policy or this mandate.

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### **III. OTHER INVESTMENTS AND TRANSACTIONS**

3.1 The Manager shall not, without permission of the Trustees:

- a) purchase any asset or security previously disqualified by the Trustees by written notice to the Manager;
- b) purchase securities on margin;
- c) borrow money, pledge or otherwise encumber any of the Fund's assets, except to the extent that temporary overdrafts occur in the normal course of day-to-day portfolio management.

### **IV. PERFORMANCE STANDARDS**

4.1 Portfolio Standard

The time-weighted return on the portfolio, net of any transaction costs but before the Manager's fees, will be compared to the return on the FTSE TMX Canada Universe Index (or its successor). The Manager is expected to meet a standard of the benchmark index return plus 75 basis points per annum over a four-year period, while targeting an information ratio of 1 for that same period.

Relative to an appropriate Manager Universe, this portfolio should place above the Median Fund of a recognized comparative measurement service over a four-year moving average time horizon.

### **V. REPORTING RESPONSIBILITIES**

5.1 Compliance Letter

The Manager shall submit a compliance report to the Trustees detailing and explaining any investment guideline contained in this mandate which has been breached and/or confirming compliance. If the Manager does not plan to meet the guideline by the end of the following quarter, the Manager shall request approval from the Trustees for such variation. The Manager shall promptly notify the Trustees when it becomes aware of a material variation.

5.2 Organizational Issues

(a) Investment Approach

In the event of any significant change in the investment philosophy and style for managing the portfolio, the Manager shall advise the Trustees.

(b) Changes Within The Firm

The Manager shall notify the Trustees promptly of any significant changes in the portfolio managers primarily responsible for the portfolio.

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(c) Performance Expectations

The Manager shall inform the Trustees if the Manager at any time believes that the performance expectations cannot be met or that any guidelines contained herein restrict performance.

5.3 Performance-Related Reporting

Within thirty (30) days of quarter end, the Manager shall provide the following information:

- a) time-weighted rates of return for the total portfolio and its components, as applicable;
- b) a listing of all holdings in the portfolio with their associated cost and market value;
- c) a review of the portfolio's strategy and of changes to the portfolio's composition that occurred during the quarter;
- d) a report on the current economic outlook and investment strategy.

5.4 Meetings

On a semi-annual basis, the Manager shall meet with the Trustees. At these meetings the Manager will present a review of the portfolio's performance, investment strategy, any material changes at the manager and any other issues which may be requested by the Trustees.

Pension Committee of the University  
of Quebec Pension Plan

Phillips, Hager & North Investment Management Ltd.

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



**Effective as of January 4, 2016**

**INVESTMENT GUIDELINES**

**RIVERBRIDGE PARTNERS  
US SMID CAP EQUITY MANDATE**

**Overview**

Riverbridge believes earnings power determines the value of a franchise. Riverbridge focuses on companies that are viewed as building their earnings power and intrinsic value over long periods of time. Riverbridge looks to invest in high-quality growth companies that demonstrate the ability to sustain strong secular earnings growth, regardless of overall economic conditions.

**Return Objective:**

The long-term performance expectation is an annualized premium of 200 basis points on the Russell 2500™ Growth Index over a complete market cycle.

**Risk Objective:**

Risk shall be mitigated by prudently diversifying the portfolio and by adhering to the risk management policies as set forth in the guidelines below:

**1. Portfolio Diversification**

**A. Issue/Issuer Diversification**

1. An individual issue shall generally constitute no more than 5% of the market value of the account at purchase.
2. The account shall hold no more than 5% of a single issuer's total outstanding equity capital.

**B. Economic Sector Diversification**

The cumulative weight of holdings within an individual sector in the account shall generally be within +/- 50% of the index's exposure to the sector. This guideline does not apply for sectors within the benchmark that comprise less than 10% of the benchmark's market value.

**C. Non-U.S. Diversification**

The account may hold non-US securities in the form of American Depository Receipts and Shares ("ADRs and ADSs"). The account may also hold securities of other non-US issuers that trade on a US regulated exchange and in US Dollars.

**D. Market Capitalization**

The account will generally hold companies with a market capitalization between USD \$100 million and USD \$20 billion.

**E. Short term investments**

Maximum of 10% in short term investments.

**2. Investment Vehicles**

**A. Permissible Investments include:**

1. Common Stocks.
2. American Depository Receipts (ADRs) and American Depository (ADSs). Shares

3. Securities convertible to Common Stock.
4. Cash or money market funds.
5. Closed-end funds, Exchange-traded funds (ETFs)

B. Restricted Investments include:

1. Commodities.
2. Direct investments in oil, gas, or other mineral exploration or development programs.
3. Short Sales.
4. Margin transactions.
5. 144A Securities, unless the account is "qualified" (discretionary assets of \$100 million or more).

Pension Committee of the University  
of Quebec Pension Plan

Riverbridge Partners

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**PARAMÈTRES PARTICULIERS**

**Trivalent Investments**

**pour**

**le Régime de retraite de l'Université du Québec**

**INTERNATIONAL CORE EQUITY MANDATE**

**Investment Objectives and Guidelines**

**Investment Objective**

- Total return of the portfolio should exceed the return of the Morgan Stanley Capital International (MSCI) EAFE Index (net) over a market cycle, with a premium of 3 %.

**Investment Guidelines**

- The assets will be invested primarily in international common stocks and other equity securities of issuers organized or conducting business in countries other than the United States and Canada. Such securities include, but are not limited to, local shares, ADRs, GDRs, securities convertible into stock, preferred stock, rights and warrants. The portfolio may also be invested in currencies and forward contracts to settle trades and stock index futures to temporarily expose frictional cash to equities.

**Diversification :**

- No single holding shall account for more than 3 % of the portfolio relative to the benchmark at the time of purchase.
- No single holding shall account for more than 5 % of the outstanding common stock of any one corporation.
- Normally, the weighting in any one sector shall not be more than 2 percentage points above or below the MSCI EAFE Index weighting.
- Normally, the weighting in any one country shall not be more than 2 percentage points above or below the MSCI EAFE Index weighting.
- Normally, the weighting in any one industry shall not be more than 3 percentage points above or below the benchmark.
- Normally, the fund will invest only in developed market countries included in the MSCI EAFE Index.

Pension Committee of the University  
of Quebec Pension Plan

Trivalent Investments

Name: \_\_\_\_\_

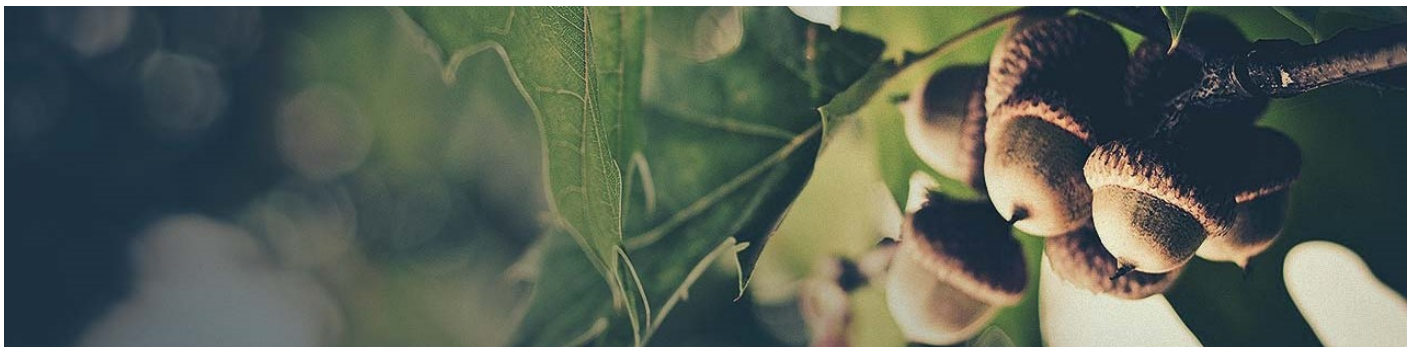
Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



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