The following Motions and Documents were considered by the Board of Governors during the open session of its Friday, October 23, 2026 meeting.

Agenda Title: Annual Review of Committee Terms of Reference

Approved MOTION: THAT The Governors of the University of Alberta (the "Board"), on the recommendation of the Board Governance Committee, approve proposed changes to the Terms of Reference for the Board Audit and Risk Committee, Board Finance and Property Committee, and Board Investment Committee, in the form disseminated to the Committee, to take effect upon final approval.

Agenda Title: Operational Seal on Certificates of Death

Approved MOTION: THAT The Governors of The University of Alberta (the "Board"), on the recommendation of the Board Reputation and Public Affairs Committee, authorize the Division of Anatomy in the Faculty of Medicine and Dentistry to generate Certificates of Death printed with the Board's operational seal affixed, substantially in the form disseminated to the Board for its review.

Agenda Title: Investment Management Agreement - Amending Agreement 2026

Approved MOTION: THAT The Governors of the University of Alberta (the "Board"), on the recommendation of the Board Finance and Property Committee, approve revised metric targets within the Amending Agreement to the 2025-28 Investment Management Agreement between Advanced Education and the Governors of the University of Alberta, in the form disseminated to the Board.

Agenda Title: University Funds Investment Policy - Final Draft Policy

Approved MOTION: THAT The Governors of the University of Alberta (the "Board"), on the recommendation of the Board Investment Committee, approve the revised *University Funds Investment Policy*, in the form disseminated to the Board, with changes to take effect on final approval, and authorize the University Administration to make non-substantive editorial changes to the *University Funds Investment Policy* prior to final publication.

Approved MOTION: THAT the Board, on recommendation of the Board Investment Committee, rescind the *University Endowment Pool Spending Policy*, with changes to take effect upon the final approval of the updated revised *University Funds Investment Policy*.

☑ **Decision** ☐ **Discussion** ☐ **Information**

ITEM OBJECTIVE: To approve proposed changes to three Board Standing Committee's Terms of Reference and conclude the 2025-26 annual review of all committees' terms of reference.

DATE	October 23, 2026
TO	Board of Governors
RESPONSIBLE PORTFOLIO	University Governance

MOTION: THAT The Governors of the University of Alberta (the "**Board**"), on the recommendation of the Board Governance Committee, approve proposed changes to the Terms of Reference for the Board Audit and Risk Committee, Board Finance and Property Committee, and Board Investment Committee, in the form disseminated to the Committee, to take effect upon final approval.

EXECUTIVE SUMMARY:

Background

The Board Governance Committee (BGC) holds triennial reviews of Board committee structures and mandates to ensure committee relevance and effectiveness, and to confirm Board compliance with governance legislation and documents. The last triennial review took place in 2024-2025. In addition to this broader review of committee mandates and structure, each Board standing committee is asked to annually review its terms of reference and recommend required changes to the Board of Governors through BGC.

The 2025-26 review of Board standing committee Terms of Reference ("TOR") took place in June 2026, and at that time, four standing committees determined that no further discussions were needed and recommended their revised TOR for Board approval on June 19, 2026. The remaining three standing committees (Board Audit and Risk Committee (BARC), Board Finance and Property Committee (BFPC), and Board Investment Committee (BIC)), requested further changes that were brought to their October meetings for consideration and recommendation for approval.

Analysis / Discussion

Changes to the three committee TOR encompass:

- revisions responding to recent Board-approved policy documents;
- updates aimed at elevating committee accountabilities to a governance level;

- removal of overly-specific reporting requirements to allow for flexibility in cadence and approach; and
- general clean-up for clarity and to reduce redundancies.

Committee-specific changes are summarized as follows:

BARC:

- **Information Technology (s. 2.4):** Deleted s. 2.4 on Information Technology to fold those responsibilities into Enterprise Risk Management (ERM), while still ensuring a distinct reference to cybersecurity and cyber risks.
- **Reporting Requirements (s. 2.3):** Removed specific, mandatory periodic deliverables and reporting items (such as quarterly ERM updates, specific annual reports, and supply chain act reviews) to allow administration to provide updates as needed and avoid redundancy with other policies; streamlined internal audit reporting requirements to allow for flexibility in cadence.
- **Risk Scope (s. 2.3):** Added specific examples (occupational health, safety, environmental stewardship and security; financial sustainability; and cyber incidents and research security) to the ERM oversight scope.

BFPC:

- **Financial Stewardship (s. 1 & 2.1):** Replaced "financial planning" with "financial stewardship" to encompass broader accountabilities, including the receipt of quarterly financial updates.
- **Infrastructure Scope (s. 1, 2.3, & 2.4):** Updated "property" to "infrastructure" and expanded s. 2.3 to "Physical and Technological Infrastructure and Capital Expenditures" to explicitly capture IT. s. 2.4 (Information Technology) was removed as redundant.
- **Investment Management Agreement (s. 2.1(a)(iii)(2)):** Clarified the committee's mandate to review new or revised Ministry-provided targets and assess financial impacts, removing the requirement for Board approval of the agreements.
- **Budget and Internal Loans (s. 2.1(a)(iii) & 2.1(b)):** Consolidated budget drivers and the annual consolidated budget into a single recommendation item, and added provisions for reviewing, recommending, and approving internal loans in accordance with the Internal Loan Policy.
- **Capital and Real Property Policies (s. 2.3(a)):**
    - Updated policy references from CEAR to ICEA (Infrastructure Capital Expenditure Authorization) following its December 2025 approval.
    - Removed the reference to the Integrated Asset Management strategy, as it has been superseded by *Built for Purpose: The University's Strategic Campus Plan*.
    - Replaced "master plans" with "strategic infrastructure plans" to reflect a broader range of strategic documents.
    - Added specific requirements to monitor infrastructure project expenditures and track progress against capital renewal and space optimization objectives.

BIC:

- **Oversight of Investments (s. 2.1(a)(ii)(3)):** Updated review cycle for the *University Funds Investment Policy* to a 3-year cycle (and as needed) to align with new institutional policy standards and transition operational details to procedures.
- **Oversight of Investment Management Activities (s. 2.2):**
    - Shifted the focus from reviewing individual custodians, advisors, and managers to overseeing broader investment management activities and execution of the *University Funds Investment Policy*.
    - Replaced individual manager performance reviews with comprehensive monitoring of total fund and asset class performance relative to benchmarks and objectives.
    - Introduced new provisions for monitoring management's implementation of approved investment strategies, asset allocation, and material risks and exposures.
    - Adjusted the committee's role in appointments, evaluations, and terminations to a monitoring function, and streamlines the compliance oversight language.
- **Policy and Other Matters (s. 2.3):** Removed reference to specific policies within the policy oversight, and the requirement to review and approve annual Conflict of Interest compliance certificates for Investment & Treasury staff, as staff management is under executive purview.

Risk Discussion / Mitigation of the Risk
Committees risk not fulfilling the Board's legislated responsibilities without clear and comprehensive terms of reference that outline their Board-delegated responsibilities. Performing an annual review of the terms of reference reminds members of the committee's role and the board's expectations, and offers an opportunity to clean-up outdated/unclear language or delegations.

BGC's centralized review of individual committee proposals for changes to their terms of reference ensures committees are working well together to fulfil their Board-delegated authority, which in turn enhances Board of Governors' effectiveness.

Legislation (where applicable, list the legislation that is being relied upon)
Board Governance Committee Terms of Reference s.2.2(b)i

SUPPORTING MATERIALS:
Proposed Standing Committee Terms of Reference - redlined - *for approval:*

1. Board Audit and Risk Committee Terms of Reference *(10 pages)*
2. Board Finance and Property Committee Terms of Reference *(4 pages)*
3. Board Investment Committee Terms of Reference *(4 pages)*

SCHEDULE A:

Engagement and Routing

Consultation and Stakeholder Participation / Approval Route (parties who have seen the proposal and in what capacity) <*Governance Resources s. Student Participation Protocol*>

Those who are actively **participating**: ● University Governance ● Internal resources for Board Standing Committees
Those who have been **consulted**: ● Committee Chairs ● Board Audit and Risk Committee (June 1, 2026) ● Board Finance and Property Committee (June 2, 2026) ● Board Investment Committee (June 4, 2026)
Those who have been **informed**: ●
Approval Route: ● Board Audit and Risk Committee (for recommendation of own TOR) - October 5, 2026 ● Board Governance Committee (for recommendation of all TOR) - October 7, 2026 ● Board Finance and Property Committee (for recommendation of own TOR) - October 8, 2026 ● Board Investment Committee (for recommendation of own TOR) - October 14, 2026 ● Board of Governors (for final approval) - October 23, 2026

Effective Date: June 20, 2025

Date of Next Review: June 2028

1. Purpose of the Committee

The purpose of the Audit and Risk Committee (the "**Committee**") is to ensure that appropriate controls and accountabilities exist within the University of Alberta (the "**University**") with respect to:

1.1 financial reporting;

1.2 external audit;

1.3 internal audit; and

1.4 enterprise risk management~~internal audit function~~;.

~~1.4 health, safety and the environment;~~

~~1.5 information technology; and~~

~~1.6 enterprise risk management.~~

Indicatively, the Committee makes certain that the University's financial reporting processes are sound; that the internal and external audit functions are ably performed; and that proper mechanisms are engaged to identify, report, and control areas of significant risk to the University, including those related to health, safety and the environment and information technology.

The Committee also fosters open dialogue among the University's external auditors, the Office of Internal Audit & Enterprise Risk Management ("**IA&ERM**"), the executive director of the IA&ERM (the "**University–Auditor**"), University management, and the Board of Governors (the "**Board**"), serving as a forum for candid discussions relating to audit and risk management.

2. Delegated Authority from the Board

In furtherance of the purpose of the Committee, the Board has delegated to the Committee the following powers, duties and functions:

2.1 *Financial Reporting*

(a) *Oversight and Review of Accounting Principles and Practices*

(i) as it deems necessary or appropriate, overseeing, reviewing and discussing with University management, the external auditors and the University Auditor (together and separately as it deems necessary), among other items and matters:

1. the quality, appropriateness and acceptability of the accounting principles, practices and policies used by the University in its financial reporting, its consistency from period to period, changes in the University's accounting principles or practices, and the application of particular accounting principles and disclosure practices by University management to new or unusual transactions or events;

2. all significant financial reporting issues, estimations and judgments made in connection with the preparation of the University's financial statements, including the effects of alternative methods within accounting standards or generally accepted accounting principles on the financial statements and any "second opinions" sought by University management from an independent auditor with respect to the accounting treatment of a particular item;

3. any material change to the University's auditing and/or accounting principles and practices as required by accounting standards or recommended by University management, the external auditors or the University Auditor or which may result from ~~proposed~~ changes to applicable generally accepted accounting principles;

4. the extent to which any changes or improvements in institutional accounting or financial practices, as approved by the Committee, have been implemented; and

5. the effect of regulatory and accounting initiatives on the University's financial statements and other financial disclosures.

(b) reviewing, and, where required by applicable accounting standards or University policy, recommending for approval by the Board, the following:

(i) interim financial statements ~~audited annual financial statements;~~

(ii) ~~interim financial statements~~; audited annual financial statements; and

(iii) annual and interim management discussion and analysis.

(c) periodically assessing the adequacy of the controls and procedures that have been adopted to confirm that published documents containing financial information derived from the University's financial statements are consistent with the information contained in such financial statements.

2.2 External Audit~~*Audit Functions*~~

(a) *Oversight of External Auditors*

(i) overseeing the relationship between University management and the external auditor concerning financial reporting; and

(ii) meeting privately with the external auditor to discuss any items of concern to the Committee or the external auditor.

(b) *Oversight and Monitoring of Audits*

(i) reviewing with the external auditors, the University Auditor and University management:

1. the audit function generally;

2. the objectives, staffing, locations, coordination (reduction of redundant efforts) and effective use of audit resources;

3. reliance upon, and responsibilities of, University management;

4. the overall audit plans;

(ii) reviewing with University management the results of external audits; and

(iii) providing an open avenue of communication between the external auditors, IA&ERM, the Board and University management and taking such other reasonable steps as it may deem necessary to satisfy itself that each audit was conducted in a manner consistent with all applicable legal requirements and auditing standards of applicable professional or regulatory bodies.

2.3~~(c)~~ *Internal Audit*

Mandate and Charter

(i) discussing with the University Auditor and senior University management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function;

(ii) participating in discussions with the University Auditor and senior University management regarding the "essential conditions" described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function; and

(ii) annually approving the internal audit function's charter, which includes the internal audit mandate and the scope and type of internal audit services.

(d) ~~*Internal Audit*~~ *Strategy*

(i) reviewing and providing input into the University's Internal Audit Strategy, which is updated no less than triennially.

(e) ~~*Internal Audit*~~ *Planning and Resources*

(i) annually approving the risk-based internal audit plan, including any significant changes thereto;

(ii) reviewing and providing input into the internal audit function's resources, budget, expenses and human resources administration, ensuring it has the necessary support to fulfill its mandate and achieve the internal audit plan; and

(iii) reviewing a summary of the coordination among internal and external assurance and advisory service providers.

(f) *~~Internal Audit~~ Services*

(i) reviewing a summary of assurance and advisory engagements performed by the internal audit function, focusing on significant findings, and ensuring that University management's responses and action plans are timely and appropriate;

(ii) monitoring and ensuring that University management addresses recommendations promptly and appropriately. This includes reviewing and assessing the following:

1. periodic status updates on outstanding internal audit recommendations;

2. engagement findings to confirm the implementation of recommendations and action plans; and

(iii) reviewing a summary of investigations into reports of fraud and irregular activity.

(g) *Support and Oversight of the University Auditor*

(i) approving the appointment, role and responsibilities, and dismissal of the University Auditor;

(ii) reviewing the University Auditor's performance and providing input into the University Auditor's remuneration;

(iii) ensuring that the internal audit function and the University Auditor are positioned independently thus enabling internal audit services and responsibilities to be performed without interference from University management, and receiving an independence confirmation from the University Auditor on an annual basis;

(iv) ensuring that the University Auditor has unrestricted access to and direct communication with the Committee, including:

1. holding separate *in-camera* sessions with the University Auditor at each Committee meeting, without senior University management present, to discuss any matters that either the Committee or the University Auditor believe should be discussed privately;

2. ensuring that there are regular meetings between the Chair of the Committee and the University Auditor;

3. discussing any difficulties or disputes that may arise with University management in the course of performing internal audit services, including any restrictions on the scope of their work or access to required information, the adequacy of University management's responses and actions to implement the recommendations; and

(v) facilitating direct and open communication between the University Auditor, external auditors, senior University management, and the Board.

(h) ~~*Internal Audit*~~ *Quality*

(i) ensuring that a Quality Assurance and Improvement Program ("QAIP") has been established and reviewing the results of the same on an annual basis;

(ii) approving the internal audit function's performance objectives at least annually;

(iii) assessing the effectiveness and efficiency of the internal audit function, including:

1. reviewing the achievement of the internal audit mandate and performance objectives, including progress towards completing the internal audit plan; and

2. compliance with the current Institute of Internal Auditors' International Professional Practices Framework, along with all applicable laws and regulations;

(iv) reviewing and approving the University Auditor's plan for conducting an external quality assessment every five years , and receiving the results of such assessments directly from the independent assessor, reviewing and approving the University Auditor's action plans, if applicable, and monitoring the progress of their implementation.

(i) ~~*Internal Audit*~~ *Reporting*

(i) reviewing periodic and regular reports regarding the performance and efficacy of the internal audit and investigation functions, including oversight of progress against the approved internal audit plan, significant audit and investigation results, resource adequacy, results of the QAIP, and mandatory disclosures regarding independence, objectivity, or potential impairments.~~reviewing Internal Audit Progress Reports at each meeting of the Committee, which reports include a resourcing update, a summary of performance relative to the internal audit plan, any significant changes to the internal audit plan, results of internal audit services, any potential impairments to independence, and a summary of investigation activity; and~~

(iii) ~~reviewing the Internal Audit Annual Report that, in addition to the Internal Audit Progress Reports, include an annual summary of results and performance~~

~~objectives, QAIP results, the annual independence confirmation, and summary of investigation activity over the course of the year. ¶~~

2.3 *Enterprise Risk Management*

(a) ensuring that an ERM program is established, maintained and updated by University management, the objective of which is to identify, analyze, evaluate, treat and monitor significant risks and opportunities that may impact the University;

(b) reviewing and, if deemed appropriate, recommending for approval to the Board new and/or significant changes to the *Enterprise Risk Management Policy*, including the University's Institutional Risk Appetite Statement;

(c) overseeing and maintaining a risk aware culture and supporting strategic oversight, insight and foresight for proactive risk management at the University, including those risks related to: ~~;~~

i. occupational health, safety, environmental stewardship and security.
ii. financial sustainability.
iii. cyber incidents and research security.

(d) providing regular Board education about the ERM program and associated roles and responsibilities;

(e) guiding and coordinating the consideration of risk by other Board committees as may be applicable to their respective mandates and the incorporation of ERM into their decision making processes;

(f) ~~receiving a quarterly report providing an update on the University's ERM program, highlighting any significant changes in the program, top institutional risks and emerging risk items;~~

(g) reviewing, monitoring and keeping the Board apprised of significant changes to the University's institutional risks including the risk levels, opportunities, emerging risk items, and risk mitigation strategies (including internal controls) ~~(e.g. health safety and environment, cyber security, privacy);~~

(h) reviewing significant risks or exposures with University management, the University Auditor and external auditors, assessing the adequacy of risk mitigation strategies, including internal controls~~, including, but not limited to, reviewing the following:¶~~

¶

~~(i) annual reporting: ¶~~

¶

~~1. summarizing the University's insurance coverage;¶~~

¶

~~2. on competitive bid exceptions; ¶~~

¶

~~3. on compliance by the Board Chair, the University President and Vice-Presidents with applicable policies respecting travel and hosting expenditures; ¶~~

4. on the strategies and plans regarding cybersecurity and risks related to the University's information technology systems;

5. on processes and controls to prevent and detect fraud and irregularities, including procedures for the safe disclosure of complaints and concerns regarding financial irregularities or other accounting or auditing matters, including annual reporting on financial fraud risk assessment and from the Office of Safe Disclosure and Human Rights;

6. on legal or privacy matters that could have a material effect upon the reputation or operations of the University;

(ii) quarterly reporting on the strategies and plans regarding health, safety and environmental risks, and providing advice and recommendations with respect to significant incidents, trends and outcomes at the University relating to the purpose of the Committee, and strategies and measures to support a culture that promotes occupational health, safety, environmental stewardship and security at the University;

(iii) annual updating on the University's disaster recovery and business continuity plans and processes;

(iv) compliance by University management, including a quarterly certificate with respect to compliance with the *Freedom of Information and Protection of Privacy Act* (Alberta) and a University Centres & Institutes annual compliance certificate;

(i) obtains reasonable assurance that financial risk is being effectively managed or controlled by reviewing with senior University management:

(i) the University's tolerance for financial risks;
(ii) its assessment of the significant financial risks facing the University;
(iii) the University's policies and any proposed changes thereto for managing those significant financial risks; and
(iv) its plans, processes and programs to manage and control such risks so as to ensure the protection of assets and investments from an enterprise perspective; and

(j) receiving, reviewing and, if deemed appropriate, approving the annual report required to be prepared by the University and submitted to the applicable Minister pursuant to the applicable provisions of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada).

2.4 *Information Technology*

(a) Cybersecurity and Data Privacy

~~(i) reviewing and monitoring University management's identification and mitigation of key risks related to: ¶~~

~~1. the confidentiality, integrity, and availability of information systems, including cybersecurity, incident response, and disaster recovery; and¶~~

~~2. data protection across academic and administrative functions, including data governance, privacy, and security. ¶~~

~~(b) Monitoring Technology Strategy and Technology-Related Risks¶~~

~~(i) reviewing and monitoring University management's: ¶~~

~~1. processes for the identification, evaluation, and mitigation of technology-related risks affecting the University's digital infrastructure and operations; and¶~~

~~2. strategy and processes for the adoption and implementation of the University's comprehensive information technology strategy, including emerging technologies such as AI, machine learning, and blockchain, and its alignment with the University's overall strategy, risk tolerance, and data protection policies; and¶~~

~~(ii) receiving information from University management on key technology-related risks, including those related to system downtime, cyber threats, data breaches, and technology obsolescence, and the effectiveness of mitigation strategies. ¶~~

2.4 *Additional Matters*

(a) reviewing the University's annual report to the Government of Alberta from a financial and ERM perspective and, if deemed appropriate, recommending the approval of such annual report to the Board; and

(b) reviewing signing officer authorizations in respect of all banking and safekeeping requirements, and approving such individuals.

3. Limitations on Delegated Authority

The Committee has the authority to carry out its roles and responsibilities, subject to any specific conditions or restrictions that are imposed on it by the Board. The Committee does not have decision-making authority except where, and to the extent that, such authority has been expressly delegated or assigned by the Board in these Terms of Reference or by a resolution of the Board.

4. Reporting Obligation(s)

The Committee reports regularly to the Board with respect to its activities and decisions.

5. Composition of the Committee

The Committee functions in accordance with the Principles for Board Standing Committee Composition.

Members	
***Ex-officio* (2)**	
(a)	the Board Chair
(b)	the Chancellor
***Appointed* (7)**	
(c)	where appropriate, no more than seven Governors or Non-Governor Committee Members, as appointed by the Board or its delegate[1]
Internal Resources	
Ex-officio	
(d)	the President and Vice-Chancellor
Appointed by the President	
(e)	the Provost and Vice-President (Academic)
(f)	the Vice-President (University Services, Operations and Finance)
(g)	the Chief Financial Officer and Associate Vice-President (Finance, Procurement and Planning)
(h)	the Associate Vice-President (Information Services and Technology) and Chief Information Officer
(i)	the Chief Human Resources Officer and Associate Vice-President (Human Resources, Health, Safety and Environment)
(j)	the University Auditor
(k)	the General Counsel
(l)	the University Secretary
(m)	the Committee Secretary
(n)	other resources, as determined by the President or the Committee
External Auditor / Agent	
(o)	the External Auditor (Auditor General of Alberta)

[1] Members of the Committee must be independent, as set out in the Principles for Board Standing Committee Composition and the Board Bylaws.

Chair / Vice-Chair	
(p)	the Committee Chair and Vice-Chair shall be selected from the Committee membership appointed pursuant to sub-section 5.(c) of these Terms of Reference[2]

6. Effective Date

These Terms of Reference will be effective on the date that they are approved by the Board. All prior or existing Terms of Reference of the Committee are repealed as of the effective date of these Terms of Reference.

[2] The Vice-Chair undertakes and discharges all duties of the Chair of the Committee in the absence of the Chair.

Effective Date: June 20, 2025

Date of Next Review: June 2028

1. Purpose of the Committee

The purpose of the Finance and Property Committee (the "**Committee**") is to assist the Board of Governors (the "**Board**") of the University of Alberta (the "**University**") in fulfilling its obligations and oversight responsibilities relating to the financial stewardship ~~planning~~ and infrastructure ~~property~~ affairs of the University.

2. Delegated Authority from the Board

In furtherance of the purpose of the Committee, the Board has delegated to the Committee the following powers, duties and functions:

2.1 *Financial Stewardship ~~Planning~~*

(a) Reviewing the University's interim financial statements with a focus on operating and capital funds;

(b) ~~monitoring trends and key budget drivers affecting the University and identifying the strategic implications of those trends for the University's future needs.~~Making recommendations to the Board with respect to:

(i) the University's budget drivers and annual consolidated budget;

(ii) the capitalization of funds to University endowments and, if deemed appropriate, approving the same;

(iii) the execution of borrowing resolutions, as required by the *Post-secondary Learning Act* (Alberta);

(iv) reviewing and making recommendations to the Board with respect to internal loans, in accordance with the University's Internal Loan Policy, and exercising approval authority where provided for in the Internal Loan Policy; and

(c) Reviewing new or revised targets within the sections of the Investment Management Agreement and/or any similar documents to the extent such targets sections align with the purpose of the Committee;

2.2 *Tuition and Fees*

(a) Making recommendations to the Board with respect to:

(i) increases to domestic student tuition fees;

(ii) ~~the impacts of Ancillary Services on the University's consolidated budget;~~ new mandatory non-instructional fees and increases to existing mandatory non-instructional fees when such increases exceed the Academic Price Index;

(iii) international student tuition fees; and

(b) approving new Non-regulated Exclusions to Program Fees, and changes to or deletions of existing Non-regulated Exclusions to Program Fees.

2.3 Physical and ~~*Facilities, Property*~~ *Technological Infrastructure and related Capital Expenditures*

(a) Making recommendations to the Board with respect to:

(i) the acquisition or disposition of real property in accordance with the University's Real Property Acquisition and Disposition Procedures, as guided by the *Infrastructure Capital Expenditure Authorization* ~~*Capital Expenditure Authorization Request*~~ ("**ICEA~~CEAR~~**") *Policy* approval limits, and exercising approval authority where provided for in the ICEA~~CEAR~~ Policy;

(ii) the approval of the University's capital plan;

(iii) ~~substantive changes to the University's Integrated Asset Management strategy, as such strategy may be amended, amended and restated, replaced, supplemented, or renamed from time to time, and receiving regular updates on the University's progress in implementing such strategy;~~

(iv) the University's long-range development plans, land development plans, and other strategic infrastructure~~master~~ plans (including substantive amendments to the same) for University lands, and monitoring individual project proposals in order to consider implications to the University's long-range planning and strategic vision;

(v) and, where required by the ICEA~~CEAR~~ Policy, ~~approving or making recommendations to the Board with respect to the~~ approval of capital expenditures;

(b) ~~identifying and monitoring trends relating to the University's physical infrastructure, and assessing the strategic impact of trends relating to the maintenance and life-cycle renewal for such physical infrastructure;~~ monitoring progress against the university's capital renewal and space optimization objectives; and

(c) approving the use of funds derived from the sale, lease, or exchange of real property for non-capital purposes

(d) monitoring the expenditure of funds on infrastructure projects, as required by the ICEA Policy;

~~2.4 *Information Technology*~~ ¶
¶

~~(a) reviewing reports, strategies and plans regarding physical infrastructure and resource optimization for the University's information technology systems.~~

3. Limitations on Delegated Authority

The Committee has the authority to carry out its roles and responsibilities, subject to any specific conditions or restrictions that are imposed on it by the Board. The Committee does not have decision-making authority except where, and to the extent that, such authority has been expressly delegated or assigned by the Board in these Terms of Reference or by a resolution of the Board.

4. Reporting Obligation(s)

The Committee reports regularly to the Board with respect to its activities and decisions.

5. Composition of the Committee

The Committee functions in accordance with the Principles for Board Standing Committee Composition.

Members	
***Ex-officio* (3)**	
(a)	the Board Chair
(b)	the Chancellor
(c)	the President and Vice-Chancellor
***Appointed* (7)**	
(d)	where appropriate, no more than seven Governors or Non-Governor Committee Members, as appointed by the Board or its delegate
Internal Resources	
(e)	the Provost and Vice-President (Academic)
(f)	the Vice-President (University Services, Operations and Finance)
(g)	the Vice-President (External Relations)
(h)	the Associate Vice-President (Finance, Procurement and Planning)
(i)	the University Secretary
(j)	the Committee Secretary
(k)	other resources, as determined by the President or the Committee
Chair / Vice-Chair	
(l)	the Committee Chair and Vice-Chair shall be selected from the Committee membership appointed pursuant to sub-section 5.(d) of these Terms of Reference[1]

6. Definitions

[1] The Vice-Chair undertakes and discharges all duties of the Chair of the Committee in the absence of the Chair.

6.1 In these Terms of Reference, and in addition to terms otherwise defined herein, the following terms have the following meanings:

(a) "**Academic Price Index**" is the weighted annual inflation number used to set annual increases to mandatory non-instructional fees, as calculated by University administration in accordance with the Terms of Reference of the Joint Student/University Oversight Committee on Mandatory Non-Instructional Fees.

(b) "**Ancillary Services**" is a self-funded business unit consisting of certain departments and service units that generate revenue that contributes to operational and capital reserves, which includes, but is not limited to:

(i) dining services;

(ii) conference services;

(iii) summer and year round accommodations;

(iv) student and guest services;

(v) ONEcard;

(vi) parking services;

(vii) residence life; and

(viii) residence operations.

(b) "**Consumer Price Index**" means, at any particular time, the consumer price index for Alberta as reported by Statistics Canada as of December 31 in the preceding year.

(c) "**Investment Management Agreement**" means the investment management agreement entered into by the Board and the Minister of Advanced Education pursuant to the *Post-secondary Learning Act* (Alberta).

(d) "**Non-regulated Exclusions to Program Fees**" means all program fees not regulated by the *Tuition and Fees Regulation* (Alberta), which includes:

(i) equipment and material retained or leased by a student;

(ii) work placements for which provincial funding has not been provided; and

(iii) travel for field trips and/or practicums.

7. Effective Date

These Terms of Reference will be effective on the date that they are approved by the Board. All prior or existing Terms of Reference of the Committee are repealed as of the effective date of these Terms of Reference.

Effective Date: June 20, 2025

Date of Next Review: June 2028

1. Purpose of the Committee

The purpose of the Investment Committee (the "**Committee**") is to assist the Board of Governors (the "**Board**") of the University of Alberta (the "**University**") in fulfilling its obligations and oversight responsibilities relating to the investment of the University's endowed and non-endowed funds.

2. Delegated Authority from the Board

In furtherance of the purpose of the Committee, the Board has delegated to the Committee the following powers, duties, and functions:

2.1 *Oversight of Investments*

(a) monitoring:

(i) compliance with the *University Funds Investment Policy*;

(ii) the effectiveness of the *University Funds Investment Policy* on a 3 year cycle, and considering revisions to such policy where and when revisions are necessary or appropriate;

(iii) at least annually:

1. the actual and expected risk-return profile of the University's investment programs;

2. the value added by specific elements of the *University Funds Investment Policy* by considering elements such as performance benchmarks, asset allocation, and responsible investment principles;

3. ~~the effectiveness of the *University Funds Investment Policy on a 3-5 year cycle*, and considering revisions to such policy where and when revisions are necessary or appropriate;~~

4. the cost effectiveness of the University's investment programs;

(iv) the Committee's activities to ensure that the same align with and operate within the framework of the University's Statement of Investment Principles and Beliefs, as the same may be amended from time to time by the Board on the recommendation of the Committee;

(b) reviewing and, if deemed appropriate, approving Strategic Role Investment Guidelines and strategies in alignment with the *University Funds Investment Policy*; and

(c) providing interpretive guidance and direction with respect to the *University Funds Investment Policy* and the *University Endowment Pool Spending Policy* where such

guidance and direction is required in order to resolve ambiguities or any lack of clarity in the same.

2.2 *Oversight of Investment Management Activities~~the University's Investment Custodians, Advisors and Managers~~*

~~(a) reviewing:¶~~

~~(i) the appointment and termination of the University's investment custodians; ¶~~

~~(ii) the performance of individual investment managers; ¶~~

~~(iii) monitoring, and providing feedback on the process for the appointment and termination of investment managers and advisors; and~~

~~(iv) if deemed appropriate, approving the annual compliance certificate confirming that the University's investment and treasury staff are acting in compliance with the University's *Conflict of Interest and Conflict of Commitment Reporting and Assessment Procedure*.~~

(a) overseeing the activities of management responsible for the investment of the University's endowed and non-endowed funds, including the implementation and execution of the University Funds Investment Policy;

(b) monitoring, at least annually and as appropriate:

(i) the performance of the University's investment programs, including total fund performance and performance by asset class on an absolute basis and relative to applicable benchmarks and objectives;

(ii) the effectiveness of management's implementation of approved investment strategies and asset allocation; and

(iii) material risks and exposures within the investment programs, and the actions taken by management to manage and address such risks;

(c) monitoring the process for the appointment, evaluation, and termination of investment managers, advisors, and custodians; and

(d) providing oversight of portfolio compliance with applicable investment policies.

2.3 *Policy and Other Matters*

(a) reviewing and approving changes to existing University policies relating to the Committee's mandate~~, including, but not limited to, the *University Funds Investment Policy* and the *University Endowment Pool (UEP) Spending Policy*, subject to the Limitations on Delegation as set out in Section 3~~;

(b) reviewing and recommending new University policies relating to the Committee's mandate, as set out in the University's *Policy Development Policy*;

(c) ~~reviewing and approving the annual compliance certificate that confirms Investment and Treasury staff comply with the University's *Code of Conduct: Employees' Obligations Respecting Conflicts of Interest*, as the same may be amended from time to time;~~

(d) considering enterprise risk and opportunities associated with all items before the Committee and communicating those as needed to the Board Audit and Risk Committee; and

(e) considering other matters at the request of the Board.

3. Limitations on Delegated Authority

The Committee has the authority to carry out its roles and responsibilities, subject to any specific conditions or restrictions that are imposed on it by the Board. The Committee does not have decision-making authority except where, and to the extent that, such authority has been expressly delegated or assigned by the Board in these Terms of Reference or by a resolution of the Board.

4. Reporting Obligation(s)

The Committee reports regularly to the Board with respect to its activities and decisions.

5. Composition of the Committee

The Committee functions in accordance with the Principles for Board Standing Committee Composition.

Members	
***Ex-officio* (3)**	
(a)	the Board Chair
(b)	the Chancellor
(c)	the President and Vice-Chancellor
***Appointed* (7)**	
(d)	where appropriate, no more than seven Governors or Non-Governor Committee Members, as appointed by the Board or its delegate
Internal Resources	
(e)	the Vice-President (University Services, Operations and Finance)
(f)	Chief Financial Officer and Associate Vice-President (Finance, Procurement and Planning)
(g)	the University Secretary
(h)	the Committee Secretary
(i)	Director (Investments and Treasury)
(j)	other resources, as determined by the President or the Committee

Chair / Vice-Chair	
(k)	the Committee Chair and Vice-Chair shall be selected from the Committee membership appointed pursuant to sub-section 5.(d) of these Terms of Reference[1]

6. Effective Date

These Terms of Reference will be effective on the date that they are approved by the Board. All prior or existing Terms of Reference of the Committee are repealed as of the effective date of these Terms of Reference.

[1] The Vice-Chair undertakes and discharges all duties of the Chair of the Committee in the absence of the Chair.

☑ **Decision** ☐ **Discussion** ☐ **Information**

ITEM OBJECTIVE: TO consider approving a form of Certificate of Death to be used by the Division of Anatomy in the Faculty of Medicine and Dentistry ("**FoMD**") that is printed with the Board's operational seal affixed.

DATE	October 23, 2026
TO	Board of Governors
RESPONSIBLE PORTFOLIO	University Governance

MOTION: THAT the Governors of The University of Alberta (the "**Board**"), on the recommendation of the Board Reputation and Public Affairs Committee, authorize the Division of Anatomy in the Faculty of Medicine and Dentistry to generate Certificates of Death printed with the Board's operational seal affixed, substantially in the form disseminated to the Board for its review.

EXECUTIVE SUMMARY:

Background

From time to time, FMoD receives human bodies for medical education or scientific research. It can do so pursuant to the operation of the *Human Tissue and Organ Donation Act* (Alberta).

In order to expedite the administration of estates, the person who takes custody of a body prior to its interment, cremation or other disposition issues a statement (or certification) of death. This is distinct from a death registration document prepared pursuant to the *Vital Statistics Act* (Alberta) and delivered to the Vital Statistics Office.

When FoMD receives a body as part of its Anatomical Gifts Program (the "**AGP**") it issues a statement or certificate of death and coordinates with University Governance to affix the Board's operational seal to the same.

In the interest of operational efficiency, FMoD asked University Governance to consider if there was an ability to have the Board's operational seal affixed to statements or certificates of death other than manually.

Analysis / Discussion

The Board's operational seal is kept in the custody of the University Secretary (or his or her designee). The operational seal can only be affixed to documents in accordance with the *University Operational and Academic Seal Procedure* (the "**Procedure**"). The offices of administrative responsibility for the

Procedure are the Office of the Registrar and University Governance. The Procedure is approved by the President.

The Procedure specifically indicates that the Board's operational seal may be affixed to statements of death, as directed by the AGP and the Board's Bylaws confirm that the Board's operational seal will be affixed to documents in accordance with the Procedure.

The affixing of a seal to a statement or certificate of death issued by the AGP operates by way of estoppel against the maker of the statement. In other words, by signing and sealing the statement or certificate of death, the signatory (on behalf of the Board) is legally committed to the facts stated within it. They cannot later claim these statements are untrue if someone else has relied on them.

The Board, in its capacity as a corporation, has the power to have a common seal and to alter or change it at pleasure.[1]

The issue being addressed by this proposal is eliminating the administrative burden created by necessity of a member of FoMD attending from time to time at University Governance to have the Board seal manually affixed to statements or certificates of death.

It is proposed that the Board authorize certificates of death to be pre-printed with the Board's operational seal on the same. This is not an uncommon practice, and, for example, the Government of Alberta articulates a process for the reproduction and printing of its authorized seals.[2]

The proposed form of certificate of death to be used by the AGP is attached as **Exhibit 1**.

Risk Discussion / Mitigation of the Risk

By moving away from the manual affixation of the operation seal on certificates of death, there is a potential risk that the pre-printed seal could be used on unauthorized documents or reproduced without the oversight of University Governance. Despite the shift in process for this narrow purpose, the risk remains low due to the following factors:

1. The authorization is narrowly confined to statements of death issued specifically by the AGP. The pre-printing of the operational seal is not being authorized for general or multi-purpose departmental use.

2. The issuance of these statements is already governed by the Procedure and the AGP operates under high professional standards necessitated by the nature of medical education and scientific research.

[1] *Interpretation Act*, R.S.A. 2000, c. I-8, at s. 16(a)(iii).

[2] Government of Alberta Visual Identity Manual, 27 ed., published May 2025, p. 121, and accessible at: https://open.alberta.ca/dataset/ed5f57ac-9484-4f8c-94ed-99a808fa2248/resource/fdb5a1a7-8dc2-4b5f-a694-0af0f7b85e50/download/cpe-visual-identity-manual-edition-27-2025.pdf

3. Pre-printing authorized seals is a recognized administrative practice used by other large corporate and governmental bodies, including the Government of Alberta.

4. The risk will be further managed by treating the pre-printed certificates as "controlled stationery." FoMD / the AGP will maintain physical or digital security over the forms to ensure they are only generated for the legitimate requirements of the AGP.

The manual process currently creates an administrative burden, requiring AGP staff to physically attend University Governance to have the seal affixed. The gain in operational efficiency outweighs the marginal risk of moving to a pre-printed format, provided that University Governance continues its administrative oversight of the Procedure.

Authority

1. The Procedure: s. 4.c.
2. *University Visual Identity Policy*: s. 5
3. Committee Terms of Reference: s. 2.5(c)
4. *Interpretation Act* (Alberta): s. 16(a)(iii)
5. Board Bylaws: s. 10.2

Next Steps

If approved, the President will review and approve certain necessary and resultant changes to the Procedure, allowing for statements of death to be pre-printed with the Board's operational seal on the same.

Supporting Documents

1. Draft form of Certificate of Death
2. The Procedure - redlined (for informational purposes only)

STATEMENT OF DEATH

From a review of our records [***Deceased Name***] died at [***City/Town***], [***Province/Territory***] on the [***date***] day of [***Month***], [***Year***].

The body of the above-named deceased person has been donated to the Division of Anatomy, Faculty of Medicine & Dentistry, University of Alberta, in the City of Edmonton, Alberta, for medical education and research.

Our records show the personal representative of the above-named deceased to be:

Name:	[***Name***]
Address:	[***Street Address***]
	[***City/Town***][***Prov./Terr.***][***Postal Code***]
Relationship:	[***Relationship to the Deceased***]

IN WITNESS WHEREOF, The Governors of The University of Alberta has caused its operational seal to be hereunto affixed.

THE GOVERNORS OF THE UNIVERSITY OF ALBERTA
QUAECUMQUE VERE

_____
Authorized Signatory

UNIVERSITY OF ALBERTA

(*This signatory executes this document solely on behalf of The Governors of The University of Alberta and in no other capacity*)

Draft - Not Valid for Execution

Draft - Not Valid for Execution

Original Approval Date: December 21, 2017
Most Recent Approval: ~~December 21, 2017~~DRAFT
Editorial Amendments: ~~March 24, 2026~~

Parent Policy: University Visual Identity Policy

University Operational and Academic Seal Procedure

Office of Administrative Responsibility:	Office of the Registrar University Governance
Approving Authority:	President and Vice-Chancellor

Purpose

The purpose of this procedure is to ensure the proper management of the University Operational Seal and the University Academic Seal (~~"~~collectively, the "University Seals" and each individually a "University Seal").

- University Governance has authority for administering the use of the University Operational Seal.
- The Office of the Registrar has authority for administering the use of the University Academic Seal.

Definitions

The attached definitions table outlines the terms used in this procedure and any specific rules of interpretation that apply. Capitalized words or phrases not otherwise defined in this procedure have the meaning ascribed to such words or phrases in the *University Visual Identity Policy*.
~~The attached definitions table outlines the terms used in this procedure and any specific rules of interpretation that apply.~~

Scope

This procedure applies to all members of the University Community participating in activities or functions governed by this procedure and its parent policy.
~~Compliance with this procedure extends to all academic staff, administrators, colleagues, and support staff as outlined and defined in the *Recruitment Policy*; undergraduate, graduate and Continuing Education students; postdoctoral scholars; emeriti; members of the Board of~~

~~Governors; visitors to campus, including visiting speakers and scholars; third party contractors; and volunteers.~~

Procedure

1. CUSTODY AND CONTROL OF THE UNIVERSITY SEALS

    a. Custody and control of the University Operational Seal and the operational seal book rests with University Governance. If the Operational Seal requires replacement, University Governance will ensure the authenticity of the duplicate and the proper destruction of the old seal.

    b. Custody and control of the University Academic Seal rests with the Office of the Registrar. If the Academic Seal requires replacement, the Office of the Registrar will ensure the authenticity of the duplicate and the proper destruction of the old seal.

2. USE OF THE UNIVERSITY SEALS

    a. The University Operational Seal is used to authenticate official documents as set out in section 4~~four~~.

    b. The University Academic Seal is to be used only on official academic documents as set out in section 5~~five~~.

3. THOSE AUTHORIZED TO AFFIX THE UNIVERSITY SEALS

    a. University Operational Seal: Subject to subsection 6.b., ~~T~~the University Secretary and/or the Associate University Secretary~~Secretary to the Board of Governors~~ are authorized to affix the University Operational Seal. In their absence, the following positions are delegated the authority to affix the University Operational Seal and are listed in descending order dependent on availability:

        i. Delegate as confirmed in writing by the University Secretary

        ii. General Counsel

        iii. President and Vice-Chancellor

    b. University Academic Seal: The Vice-Provost and University Registrar is authorized to affix the University Academic Seal and will delegate this authority to the staff that require the seal in the day-to-day transactions of the Registrar's Office and at Augustana Campus.

4. DOCUMENTS THAT MAY HAVE THE UNIVERSITY OPERATIONAL SEAL AFFIXED

    The University Operational Seal may be affixed only to business documents to which the university is a signatory~~party~~, and, in all cases where necessary or proper to affix the University Operational Seal. Such documents include, but are not limited to:

    a. Documents or agreements for which the law requires the University Operational Seal be affixed;

b. Contracts such as for the construction of building projects. (Contracts related to Human Resources are not included);

c. CertificatesStatements of Death, as preparedauthorizeddirected by the University of Alberta Anatomical Gifts Program (the "**AGP**");

d. Documents relating to the purchase, sale, mortgaging, development of or otherwise involving an interest in land;

e. Documents associated with the release of Estates requiring validation by the University Operational Seal;

Other documents as deemed appropriate by the University Secretary or, when applicable, the delegated position under Section 4 hereof.

5. DOCUMENTS THAT MAY HAVE THE UNIVERSITY ACADEMIC SEAL AFFIXED

The University Academic Seal is to be affixed only to any and all official academic documents as outlined in the *Degrees Procedure*. The Academic Seal may therefore be affixed to:

a. Certified copies of Degrees, Diplomas or Certificates;

b. Certified translation of Degrees, Diplomas or Certificates;

c. Official transcripts;

d.a. Documents required for immigration or human resources purposes as dictated by immigration rules.

6. AFFIXING THE UNIVERSITY SEALS

a. Subject to subsection 6.d., Tthe authorized personparty affixing the University Seals shall confirm that the document meets the criteria described in section four and five and that the party who signed the document's signatory has the appropriate signing authority, including as may beas indicated in the *Contract Review and Signing Authority Policy* and the *Parchment Procedure*. Any exceptions from the criteria set out herein must be approved in writing by the University Secretary or delegate.

b. For the University Operational Seal, for record keeping purposes, the type of document and the number of documents sealed is recorded in the University Operational Seal Register. The personparty presenting the document(s) for sealing shall make the entry in the University Operational Seal Register (the "Register"). The authorized personparty affixing the University Operational Seal shall initial the entry.

c. The AGP is authorized to issue Certificates of Death using a template that incorporates a pre-printed version of the University Operational Seal, provided the form of such template has been approved by the Board. Only an AGP Authorized Signatory may execute these certificates on behalf of the Board. For each certificate issued, the AGP Authorized Signatory shall ensure an entry is made in an ancillary register, which must be reported to

University Governance at least annually for inclusion in the University Operational Seal Register.

~~b.~~d. Augustana Campus may affix the Academic Seal to official academic documents as outlined by the Vice Provost and University Registrar. Augustana shall be responsible for custody and control of the Academic Seal in their possession.

~~c.~~e. To align with established practice, the University Seals are affixed wherever possible directly over the signature of the University official.

7. COMPLIANCE

a. The University Seals may only be used in compliance with this procedure. Unauthorized use of the University Seals, or use of a seal purported to be the University Operational or Academic Seal, may constitute misconduct.

Definitions Table

Any definitions listed here apply to this policy document only with no implied or intended institution-wide use. For clarity, defined terms listed here include grammatical variations thereof.	
AGP Authorized Signatory	An individual authorized by the AGP and the Board to execute Certificate of Death on behalf of the Board.
Board	The Governors of The University of Alberta, a corporation continued under the *Post-secondary Learning Act*, S.A. 2003, c. P-19.5.
Certificates of Death	A document issued by the AGP and used to take custody of a body for medical education or scientific research pursuant the *Human Tissue and Organ Donation Act*. The document includes the name of the deceased, the place and date of death, and the donation to the Division of Anatomy, Faculty of Medicine & Dentistry.
University Academic Seal	Official symbol, under the jurisdiction of the Registrar, to be used only on official academic documents.
University Community	Academic, excluded and support staff, academic colleagues and postdoctoral scholars as outlined and defined in the Recruitment Policy Appendix A: Definitions and Categories of Staff; undergraduate, graduate, continuing education students and post-graduate learners; emeriti; contractors; visitors; volunteers; and members of the Board of Governors.
University Operational Seal	Official symbol, under the jurisdiction of University Governance, to be used only on official business documents as required.
University Operational Seal Register	Reporting maintained by University Governance which includes records of documents sealed, the date, the type of document being sealed, the department or unit requesting the seal, the signature of the person presenting the document, and the initial of the authorized person affixing the seal.

Forms

- There are no forms for this procedure.

Parent Policy Suite

- University Visual Identity Policy
- University Operational and Academic Seal Procedure

Related Policy Documents

- Contract Review and Signing Authority Policy
- Degrees Policy
- Degrees Procedure
- Parchment Procedure
- Trademarks and Licensing Policy

Related Links

- Anatomical Gifts Program

History

December 21, 2017	Approved.
March 24, 2026	Editorial amendment. Formatting and links.

For questions surrounding policy document interpretation or implementation, please contact the Office of Administrative Responsibility.

The official version of this document may be obtained from https://www.ualberta.ca/policies-procedures/index.html

☑ **Decision** ☐ **Discussion** ☐ **Information**

ITEM OBJECTIVE: To approve revised metric targets within an amending agreement to the university's 2025-28 Investment Management Agreement (attachment 1).

DATE	October 23, 2026
TO	Board of Governors
RESPONSIBLE PORTFOLIO	Provost and Vice-President, Academic University Services, Operations and Finance

MOTION: THAT The Governors of the University of Alberta (the "**Board**"), on the recommendation of the Board Finance and Property Committee, approve revised metric targets within the Amending Agreement to the 2025-28 Investment Management Agreement between Advanced Education and the Governors of the University of Alberta, in the form disseminated to the Board.

Background

Investment Management Agreements (IMAs) are bi-lateral agreements between the Ministry of Advanced Education (AE) and each publicly-funded post-secondary institution in Alberta and are required under Section 78(2) of the *Post-secondary Learning Act*.

IMAs are the primary accountability instrument of a performance-based funding model for Albertra's post-secondary system and include five funding metrics; work integrated earning, domestic enrolment, graduate outcomes, research commercialization, and the administrative expense ratio. The Board of Governors approved the 2025-28 IMA in March 2026. Subsequently, AE requested changes to metric targets for domestic enrolment and research commercialization. As a result, university administration has engaged in extensive negotiations with the ministry to advocate for the university's best interests.

Analysis / Discussion

While institutions initially set the targets, weighting, and tolerance bands for each metric, in the 2025-28 IMA, AE implemented a standardized approach for establishing the funding metric targets and weightings, in an attempt to improve consistency across institutions. However, these targets were set mathematically without context which, in some cases, has resulted in a higher risk of funding loss. This university's risk has been mitigated by the re-introduction of tolerance bands.

As before, if targets are not met, a portion of the university's funding is at risk. The university has the opportunity to share context or rationale, however, forty percent of the university's Operating and Program Support Grant is designated as at-risk funding, meaning that this portion of funding may be

adjusted if performance targets are not achieved. The university has thus far successfully met the established funding and transparency metrics for each year of the agreements.

The GOA's proposed revised domestic enrollment and research commercialization metric targets are outlined in the table below.

Metric	Current Targets			Proposed Targets		Tolerance Threshold
	2025/26	2026/27	2027/28	2026/27	2027/28	2026/27
Domestic Enrolment	36,244	36,606	36,972	37,374	37,740	561
Research Commercialization	156.77	159.90	163.10	176.99	179.00	8.85M

Despite having signed the 2025-28 IMA in March 2026, the university understands that the ministry wishes to see increasingly ambitious targets resulting in these two revised targets. While the university shares in that goal, there are factors outside the institution's control that make perpetual, linear growth potentially challenging. For example, the research commercialization target methodology assumes a linear increase when, in fact, this type of revenue can fluctuate based on large, one-time partnership investments and other external factors. AE has agreed that the 2027-28 research commercialization target will be reviewed as additional actual results become available.

Following the reporting of annual metrics, the university will be given the opportunity to provide context for any performance shortfalls, particularly where unforeseen or exceptional circumstances affected results.

Given this, the university can accept the amended targets as presented with the understanding that future research commercialization targets may be reconsidered.

Risk Discussion / Mitigation of the Risk

The university risks losing funding if its IMA targets are not met; therefore it is imperative that the institution actively negotiate and communicate with Advanced Education to ensure realistic and achievable targets are established.

SUPPORTING MATERIALS:

1. Amending Agreement to the 2025-28 Investment Management Agreement between Advanced Education and the Governors of the University of Alberta with revised metric targets noted in redline. (3 pages) - for approval

AMENDING AGREEMENT

BETWEEN

HIS MAJESTY IN RIGHT OF ALBERTA
as represented by the Minister of Advanced Education
("Minister")

- and -

THE GOVERNORS OF THE UNIVERSITY OF ALBERTA
("Institution")

BACKGROUND

A. The Minister and the Institution entered into a 2025-2028 Investment Management Agreement effective March 11, 2026 (the "Agreement").

B. The Minister and the Institution wish to enter into this Amending Agreement to amend the terms of the Agreement.

NOW THEREFORE, in consideration of the terms of the Agreement and the provisions of this Amending Agreement, the parties agree as follows:

1. Schedule "A" of the Agreement is deleted in its entirety and replaced with Schedule "A" attached to this Amending Agreement.

2. These amendments shall be incorporated into and form part of the Agreement effective as of the date this Amending Agreement is last signed by the parties.

3. Except as amended by this Amending Agreement, all terms and conditions of the Agreement remain in full force and effect.

Classification: Public

4. This Amending Agreement may be executed in counterparts, in which case the counterparts together shall constitute one agreement, and in which case communication of execution by emailed PDF to AE.IMA@gov.ab.ca for the Minister and board.chair@ualberta.ca for the Institution will constitute delivery. Execution of this Amending Agreement must occur in accordance with the policies and procedures established by the Minister as may be made available to the Institution.

His Majesty in right of Alberta, as represented by the Minister of Advanced Education	**The Governors of The University of Alberta**
Per:	Per:
Name of authorized officer	Name of authorized officer
Minister Office held	Office held
Date	Date

Classification: Public

Schedule A – Metric Targets

The following performance and transparency metric targets are established for the Term of this IMA. These targets represent the agreed-upon performance expectations and provide a baseline for measuring progress toward the objectives set out in this Agreement. The Parties acknowledge that targets may be reviewed and amended periodically, including on an annual basis, to reflect evolving priorities, operational realities, and mutual agreement.

Performance Metric Targets

Performance Metric	Targets			Tolerance Thresholds	
	2025/26	2026/27	2027/28	2025/26	2026/27
Work-Integrated Learning	100.0%	100.0%	100.0%	2.7%	2.7%
Domestic Enrolment	36,244	37,374	37,740	544	561
Graduate Outcomes[1]	95%	Not Applicable	95%	5%	5%
Administration Expense Ratio	6.0%	6.0%	6.0%	0.9%	0.9%
Research Commercialization	$156.77M	$176.99M	$179.00M	$7.84M	$8.85M

Transparency Metric Targets

Transparency Metric	Targets		
	2025/26	2026/27	2027/28
Indigenous Student Enrolment	1,964	2,049	2,073

[1] GOS is conducted biennially.

Classification: Public

☑ **Decision** ☐ **Discussion** ☐ **Information**

ITEM OBJECTIVE: To obtain approval from the Board of Governors of the revised *University Funds Investment Policy* and to rescind the *University Endowment Pool Spending Policy*, as recommended by the Board Investment Committee.

DATE	October 23, 2026
TO	Board of Governors (Board)
RESPONSIBLE PORTFOLIO	University Services, Operations and Finance

MOTION 1: THAT The Governors of the University of Alberta (the "Board"), on the recommendation of the Board Investment Committee, approve the revised *University Funds Investment Policy,* in the form disseminated to the Board, with changes to take effect on final approval, and authorize the University Administration to make non-substantive editorial changes to the *University Funds Investment Policy* prior to final publication.

MOTION 2: THAT the Board, on recommendation of the Board Investment Committee, rescind the *University Endowment Pool Spending Policy*, with changes to take effect upon the final approval of the updated revised *University Funds Investment Policy*.

Background

- The university's investment policies (*University Funds Investment Policy* and *University Endowment Pool (UEP) Spending Policy* and the Statement of Investment Principles and Beliefs) are foundational governance documents that set the framework for overseeing and administering the university's endowed and non-endowed funds.
- In winter 2025, University Services, Operations and Finance, the Institutional Policy Lead and the Office of General Counsel began consolidating these documents to align with the university's *Policy Development Policy* and incorporate feedback received from the Board Investment Committee.

Analysis / Discussion

- On October 14, 2026, the Board Investment Committee approved consolidating related governance and policy elements into a singular investment policy suite as follows:
  - Consolidation: The *UEP Spending Policy* and Statement of Investment Principles and Beliefs are consolidated into the revised *University Funds Investment Policy*.
  - Relocation: The Killam Trusts Endowment Spending Procedure, which resides under the *UEP Spending Policy*, will move under the *University Funds Investment Policy*.
  - Policy Rescission: The *UEP Spending Policy* will be rescinded upon approval of the revised *University Funds Investment Policy*.

    - Ancillary Updates: Governance documents, such as the University Strategic Investment Guidelines and Board Investment Committee's Terms of Reference, will be updated to reflect these structural changes.
- Please see the attachments for additional details.

Next Steps

- Upon Board approval, the revised *University Funds Investment Policy* will be published to the University's institutional policy library (UAPPOL).

SUPPORTING MATERIALS:

1. Redline: *University Funds Investment Policy (21 pages)*
2. Clean: *University Funds Investment Policy (17 pages) for approval*
3. *UEP Spending Policy (4 pages) for approval*

Original Approval Date: January 29, 2010
Most Recent Approval: ~~March 28, 2025~~ DRAFT
Editorial Amendments: n/a

Redline: revision to existing content
Blueline: content moved from the *University Endowment Pool (UEP) Spending Policy*
Purpleline: content moved from BIC's Statement of Investment Principles and Beliefs
Greenline: content to be moved into the University Strategic Investment Guidelines

University Funds Investment Policy

Office of Administrative Responsibility:	Finance, Procurement and Planning (Investments ~~&~~and Treasury)
Office of Accountability:	Office of the Vice-President (University Services, Operations and Finance)
Approving Authority:	~~Board of Governors~~ The Governors of The University of Alberta

Purpose

~~The *Post-Secondary Learning Act*, Statutes of Alberta, (2003), Sections 75 and 76, provides The Governors of The University of Alberta with broad investment powers, the authority to pool funds and the authority to distribute income, subject to the terms of a trust on which it may be held.~~

This ~~purpose of this investment~~ policy ~~is to~~ establishes high-level investment principles ~~distinct asset allocation~~ and **Rrisk Ttolerance**s for ~~the~~ University of Alberta ("University") funds in accordance with the authority granted to The Governors of The University of Alberta (the "Board") ~~of Governors~~ under the *Post-secondary Learning Act* (Alberta). This enables the investment approach to align with the University's strategic goals, supports financial sustainability and preserves the real value of endowment assets over time.~~according to the individual fund's spending obligations, objectives, and liquidity requirements.~~

Definitions

The attached definitions table outlines the terms used in this policy that are not otherwise defined herein and any specific rules of interpretation that apply.

Scope

This policy applies to all members of the **University Community** participating in activities or functions governed by this policy and its associated procedures.

~~Compliance with this University policy extends to all academic, support and excluded staff, postdoctoral fellows, and academic colleagues as outlined and defined in the Recruitment Policy (Appendix A and Appendix B: Definitions and Categories).~~

Policy Statement

1.0 ~~DESCRIPTION OF~~ UNIVERSITY FUNDS AND GOVERNANCE

The ~~Board of Governors~~ Board has ultimate responsibility for this policy, including the establishment of broad Risk Tolerances, strategic **Asset Allocation** and responsible investment. The Board has delegated investment oversight to the Board Investment Committee which is responsible for approving the **University Strategic Investment Guidelines**. ~~as documented in the Board Investment Committee's Terms of Reference. The Board of Governors has retained responsibility for the following matters (as outlined in this document):~~

- ~~The *University Funds Investment Policy*, which shall include the establishment of broad risk tolerances, strategic asset allocation, and responsible investment.~~
- ~~The investment objectives and the *University Endowment Pool Spending Policy* of the University.~~

~~The *University Funds Investment Policy* is subject to annual review by the Board Investment Committee and any recommended changes require approval by the Board of Governors. Management's investment decisions are subject to the overall direction of the Board Investment Committee as reflected in this policy.~~

~~The Board Investment Committee's role is to approve the Strategic Role Investment Guidelines (SRIGS).~~ Management has responsibility to select, retain, monitor and dismiss investment managers in accordance with the approved University Strategic ~~Role~~ Investment Guidelines. Funds are allocated to external managers or, when determined to be advantageous, may be managed internally. ***To move to the University Strategic Investment Guidelines***

Each investment manager shall adhere to this policy and must exercise the care, skill, diligence and judgment that a prudent investor would exercise in making investments. ~~This includes the assessment of environmental, social and governance (ESG) risks and opportunities.~~ Investment managers are expected to be in compliance with all applicable laws and regulations as well as the Code of Ethics and Standards of Professional Conduct established by the CFA Institute.

~~1.1. University Endowment Pool (UEP)~~

~~The UEP consists of the University's endowed trust funds or other funds of a permanent or long-term nature.~~

~~1.2. Other Endowments~~

~~Other endowments consist of endowed trust funds, including those managed by students as part of an academic program, which cannot be pooled for investment purposes because of constraints or conditions attached to the funds.~~

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~~1.3. Non-Endowed Investment Pool (NEIP)~~

~~The NEIP consists of expendable funds, which are pooled for investment purposes.~~

~~1.4. Other Non-Endowed Funds~~

~~Other non-endowed funds include those funds earmarked for the Supplementary Retirement Plans and restricted non-endowed donations, which cannot be pooled for investment purposes because of constraints or conditions, including those supporting investments recommended by The University of Alberta Innovation Fund Ltd. (UAIF).~~

2.0. BOARD INVESTMENT COMMITTEE STATEMENT OF INVESTMENT PRINCIPLES AND BELIEFS

The purpose of the Board Investment Committee's 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 R~~r~~isk-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 R~~r~~isk profile and can access a more diverse set of investment opportunities than those focused on a shorter period.
- Asset A~~a~~llocation is the primary driver of an investment portfolio's R~~r~~isk and return.
- Diversification across multiple investment assets and strategies will improve R~~r~~isk-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 R~~r~~isk-adjusted returns over passive implementation strategies.
- Tactical A~~a~~sset A~~a~~llocation, within the investment policy's strategic A~~a~~sset A~~a~~llocation 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.~~; and~~
- 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.

**Note: the stand-alone Statement of Investment Principles and Beliefs document will be rescinded and removed from University websites.*

3.0. UNIVERSITY ENDOWMENT POOL (UEP)

**Note: UEP content reorganized from original policy so it all resides in the same section.*

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3.1 Purpose

The University Endowment Pool (UEP) is a pool of the University's endowed trust funds and other funds of a long-term nature. ~~The UEP represents the pooling of invested assets accumulated by or donated to the University for endowed purposes~~. The purpose of the UEP~~'s~~ funds ~~purpose~~ is to ~~foster~~ support an environment of academic excellence and provide a comparable level of funding to future generations as it does to current beneficiaries. ~~where superior teaching, learning, and research can be continuously pursued to benefit all generations equally over time.~~

Note: The former Spending Policy section which originally came after Purpose has moved to section 5 under SPENDING ALLOCATION.

~~2. INVESTMENT OBJECTIVES OF THE UEP~~

3.2 Return and Risk

The principal investment objective of the UEP is to earn a long-term real R~~r~~ate of R~~r~~eturn that meets or exceeds total endowment spending requirements. ~~as outlined in the UEP Spending Policy.~~

At the core of this approach is a focus on intergenerational equity~~,~~ which requires that the UEP be managed to provide a comparable level of support to future generations as current beneficiaries receive. ~~This means that the value of the UEP should be preserved over time in real dollar terms in order to maintain the future purchasing power of assets. In setting the spending and investment policies for the UEP, the focus should be not just to preserve but to grow the real value of assets over time, as a margin of safety is required to maintain a stable level of support for endowed purposes across varying capital markets and economic conditions.~~

Assets are allocated across four strategic classifications based on their primary role in the portfolio~~,~~ which includes **Growth**, **Inflation Sensitive**, **Deflation Hedging**~~,~~ and **Diversifiers**. ~~In order to achieve its investment objectives, t~~The UEP ~~will have to~~ maintains a majority weighting in Growth assets and less liquid investment strategies to ensure the fund's purchasing power is preserved and grown over time. This is based on projected capital market assumptions~~;~~ which indicate that, over long periods of time, these assets can be expected to provide returns that exceed total endowment spending. Deflation Hedging strategies are expected to help provide protection in times of equity market stress and support spending in a prolonged deflationary period. Conversely, Inflation Sensitive assets are expected to protect the UEP from high or unanticipated inflation~~,~~ while Diversifiers consist of investment strategies that are expected to provide uncorrelated returns to the other three classifications.

There are many types of risk that impact investment performance, including, but not limited to, capital markets, economic, environmental, governance, interest rates, **L~~l~~iquidity**, political~~,~~ and social. Risks will be monitored through the use of quantitative and qualitative indicators and managed, where appropriate, via A~~a~~sset A~~a~~llocation, active management, **D~~d~~erivatives** and other strategies.

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3.3 UEP Asset Allocation

The strategic Aasset Aallocation is determined by the following four factors:

- Objective of a real Rrate of Rreturn that equals or exceeds the total rate of spending.
- Expected long-term return, volatility, and correlation expectations for individual asset classes.
- Diversification across asset classes and investment strategies.
- Projected Lliquidity requirements of the UEP.

The perpetualtheoretically infinite time horizon of the UEP allows for the adoption of a strategic Aasset Aallocation policy with a high allocation to Growth assets along the following parameters:

UEP Strategic Asset Allocation			
	Minimum	**Target**	**Maximum**
Growth	50%	60%	70%
Inflation Sensitive	15%	20%	25%
Deflation Hedging	0%	5%	10%
Diversifiers	10%	15%	20%
Total		**100%**	

Table formatting updated

Strategic Asset Allocation			
	Minimum	Target	Maximum
Growth	50%	60%	70%
Inflation Sensitive	15%	20%	25%
Deflation Hedging	0%	5%	10%
Diversifiers	10%	15%	20%
Total		100%	

To achieve diversification, the UEP will invest in the following asset classes, as outlined in this policy:

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Growth			
	Minimum	**Target**	**Maximum**
Public Equity	30%	40%	~~55%*~~ 50%
Private Markets	~~10%~~ 15%	20%	25%
		60%	
Inflation-Sensitive			
Real Estate & Infrastructure	5%	10%	15%
Real Assets	5%	10%	15%
		20%	
Deflation Hedging			
Global Government Bonds	0%	5%	10%
		5%	
Diversifiers			
Absolute Return	10%	15%	20%
Cash	-5%	0%	5%
		15%	

Table formatting updated

Growth			
	Minimum	Target	Maximum
Public Equity	30%	40%	55%*
Private Markets	10%	20%	25%
		60%	
Inflation-Sensitive			
Real Estate & Infrastructure	5%	10%	15%
Real Assets	5%	10%	15%
		20%	
Deflation Hedging			
Global Government Bonds	0%	5%	10%
		5%	
Diversifiers			
Absolute Return	10%	15%	20%
Cash	-5%	0%	5%
		15%	

~~* The higher maximum allocation to Public Equity is required to allow for a transition from the current asset allocation to the strategic asset allocation, after which the maximum allocation will be reduced to 50%.~~

3.4 Categories of Investments

The University Strategic ~~Role~~ Investment Guidelines shall be classified in accordance with the following general categories in the context of overall fund objectives and the strategic A~~a~~sset A~~a~~llocation described above.

3.4.1. Growth

Growth assets include marketable equity securities, directional long/short equity hedge funds~~,~~ and credit based fixed income strategies. Private investments include private debt, private equity~~,~~ and venture capital.

3.4.2 Inflation Sensitive

Inflation ~~S~~sensitive assets include inflation linked bonds, real estate, infrastructure, timberland, farmland, natural resource public equities, mining and minerals, commodities and energy and renewable resources.

3.4.3. Deflation Hedging

Deflation ~~H~~hedging assets include high quality sovereign fixed income securities.

3.4.4. Diversifiers

Diversifiers include cash and cash equivalents, active currency management~~,~~ and liquid alternatives including, but not limited to, strategies such as relative value, market neutral, event driven, merger arbitrage, trend following, volatility arbitrage, systematic/discretionary global macro~~,~~ and tail hedging.

3.5 Rate of Return Goals

In order of priority, it is expected that the UEP will achieve over any four~~4~~-year rolling period:

- An annualized real return that meets or exceeds total endowment spending.
- An annualized return in excess of the ~~following~~UEP benchmark. ~~The current benchmark will be modified towards the target benchmark as the strategic asset allocation is implemented.~~

The current benchmark will be modified towards the target benchmark as the strategic Asset Allocation is implemented.

UEP Policy Benchmark	Target
MSCI ACWI IMI	~~50%~~ 45%
MSCI ACWI IMI + 3% (3-month lag)	~~10%~~ 15%
IPD/Realpac Global Property Index	10%
S&P Global Natural Resources Index	10%
FTSE Canada Federal Bond Index	5%
SOFR + ~~6%~~ 3%	15%
	100%

Table formatting updated

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UEP Policy Benchmark	Target
MSCI ACWI IMI	50%
MSCI ACWI IMI + 3% (3 month lag)	10%
IPD/Realpac Global Property Index	10%
S&P Global Natural Resources Index	10%
FTSE Canada Federal Bond Index	5%
SOFR + 6%	15%
	100%

4.0. OTHER ENDOWMENTS

Other Endowments are invested with the same goals, restrictions and quality levels as the UEP described above, subject to any stipulation required by contractual agreement, or by condition of the estate~~,~~ or administrative arrangement.

5.0 ~~Nature of UEP Liabilities (Spending Policy)~~ SPENDING ALLOCATION

The UEP supports current and future beneficiaries in perpetuity. The UEP provides funding to the faculties and departments of the University to be used in accordance with the terms of each endowment. This section is designed to preserve the real value of endowment assets over time while maintaining an appropriate and stable level of support to the current generation of beneficiaries. The objective is an appropriate and stable spending allocation that maintains its purchasing power over time, as outlined in ~~the~~ this policy.~~University Endowment Pool Spending Policy~~. ~~This policy may be amended from time to time by the Board of Governors to ensure that the real value of the endowments (i.e., net of inflation) is maintained.~~

**Content moved from UEP Spending Policy (same content just reorganized)*

The **Annual Spending Allocation** is distributed to endowment holders at the beginning of each fiscal year. The Annual Spending Allocation is based on 4.0% of the 60 month average **Valuation** ending on December 31 of the prior calendar year and applied against the endowment Valuation at the beginning of each fiscal year.

5.1 Spending from the UEP shall be in accordance with the following:

5.1.1 Endowment contributions enter the UEP effective the month in which the contribution is received. **Investment Earnings** net of **Direct Costs** during the fiscal year in which an endowment contribution is received will become **Capitalized Investment Earnings**.

5.1.2 The UEP shall be subject to an~~such~~ **Administrative Assessment~~s~~** as outlined in this policy. ~~as may be approved by the Board of Governors, from time to time~~. This ~~Administrative A~~assessment shall be in addition to the Annual Spending Allocation and Direct Costs of ~~associated with~~ the endowment investment program. The Administrative Assessment rate is 0.60% and shall be calculated in accordance with the Annual Spending Allocation.~~ and shall be calculated in accordance with section 3 of this policy.~~

5.1.3 In any ~~particular~~ fiscal year, should the Rate of Return be less than the **Effective Rate of Spending**, ~~whereby Investment Earnings are insufficient to fund total spending,~~ encroachment of **Endowment Principal** will be used to fund the deficiency. This action is taken~~,~~ with the

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expectation that such amounts will be recovered from future Capitalized Investment Earnings. If ~~pursuant to the review in section 7 of this policy~~ it is determined that the encroachment is no longer temporary, an adjustment will be made to the Annual Spending Allocation and/or the Administrative Assessment.

5.2. The Annual Spending Allocation~~, as outlined in section xx3 above, to the extent of realized Investment Earnings in a fiscal year,~~ shall be applied in the following funding order:

a. The current fiscal year's Administrative Assessment and Direct Costs associated with the endowment investment program. ~~as outlined in section xx4.,~~
b. T~~t~~he current fiscal year's Annual Spending Allocation.~~;~~
c. T~~t~~he unfunded and unspent Annual Spending Allocation associated with prior fiscal years, if any.~~;~~
d. T~~t~~he encroachment of Endowment Principal used to cover prior years' endowment expenditures incurred but not funded, if any.~~, and~~
e. I~~i~~f funding is not required, ~~for the circumstances contemplated by sections xx6c and xx6d,~~ then any excess Investment Earnings become Capitalized Investment Earnings.

6.0. NON-ENDOWED INVESTMENT POOL (NEIP)

6.1. Purpose

The NEIP consists of expendable funding that is pooled for investment purposes. The two-fold purpose of the NEIP is to provide L~~l~~iquidity for the University's daily operations and return enhancement to support strategic initiatives. Cash in excess of the University's short-term obligations may be invested with a longer time horizon and with less than immediate L~~l~~iquidity.

6.2. Return and Risk

The principal investment objective of the NEIP is to generate income for the University while investing across ~~all~~three strategic classifications~~.~~: ~~Assets are allocated across three strategic classifications based on their primary roles in the portfolio, which includes~~ Liquidity, **Yield** and **Return Seeking**.

The Liquidity strategy meets the University's short-term cash flow needs~~,~~ and has a weighting that takes into account the seasonality of cash balances. In order to enhance returns, the Yield strategy takes on additional duration, credit and illiquidity across a highly diversified group of rates based asset classes.

The Return Seeking strategy has a long-term focus and is invested in the UEP for compounded growth. The allocations to the Yield and Return Seeking strategies are balanced for R~~r~~isk management and return diversification purposes.

There are many types of R~~r~~isk that impact investment performance, including, but not limited to, capital markets, economic, environmental, governance, interest rates, liquidity, political~~,~~ and social. Risks will be monitored through the use of quantitative and qualitative indicators and managed, where appropriate, via A~~a~~sset A~~a~~llocation, active management, D~~d~~erivatives and other strategies.

6.3. NEIP Asset Allocation

The strategic Aasset Aallocation is determined by the following factors:

- Cash flow requirements to meet the University's financial obligations.
- Capital preservation while seeking to grow the NEIP over time.
- Diversification to reduce the volatility of Iinvestment Eearnings.
- Income generation to support budgeted investment income and future strategic initiatives.

Given the short and long-term objectives of the NEIP, the strategic Aasset Aallocation is aligned into the following time horizons:

NEIP Strategic Asset Allocation			
	Minimum	**Target**	**Maximum**
Liquidity	105%	20%	3025%
Yield	35%	40%	5045%
Return Seeking	35%	40%	5045%

Table formatting updated

~~Strategic Asset Allocation~~			
	~~Minimum~~	~~Target~~	~~Maximum~~
~~Liquidity~~	~~15%~~	~~20%~~	~~25 %~~
~~Yield~~	~~35%~~	~~40%~~	~~45%~~
~~Return Seeking~~	~~35%~~	~~40%~~	~~45%~~

To achieve diversification within the Yield strategy, the NEIP will invest in the following asset groups and classes:

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Fixed Income			
	Minimum	**Target**	**Maximum**
Global Fixed Income (public)	20%	30%	40%
Private Credit	10%	20%	30%
Internally-managed (Canadian bonds)	0%	0%	10%
	30%	50%	70%
Preferred Shares			
Preferred Shares	0%	10%	20%
	0%	10%	20%
Real Property			
Commercial Mortgages and Mortgage Backed Securities	10%	20%	30%
Real Estate & Infrastructure	0%	0%	10%
	10%	20%	30%
Diversifiers			
Absolute Return Strategies	10%	20%	30%
Insurance Linked Securities	0%	0%	10%
	10%	20%	30%
Internally-managed (loans)			
Internally-managed (loans)	0%	0%	20%
	0%	0%	20%
Total Yield		**100%**	

Table formatting updated

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Fixed Income			
	Minimum	Target	Maximum
Global Fixed Income (public)	20%	30%	40%
Private Credit	10%	20%	30%
Internally managed (Canadian bonds)	0%	0%	10%
	30%	50%	70%
Preferred Shares			
Preferred Shares	0%	10%	20%
	0%	10%	20%
Real Property			
Commercial Mortgages and Mortgage Backed Securities	10%	20%	30%
Real Estate & Infrastructure	0%	0%	10%
	10%	20%	30%
Diversifiers			
Absolute Return Strategies	10%	20%	30%
Insurance Linked Securities	0%	0%	10%
	10%	20%	30%
Internally managed (loans)			
Internally managed (loans)	0%	0%	20%
	0%	0%	20%
Total Yield		100%	

6.4. Categories of Investments

The University Strategic Role Investment Guidelines shall be classified within the following categories:

6.4.1. Liquidity

Assets in the Liquidity category include cash, government bills or notes, bank deposits or obligations, and corporate money market securities. All Liquidity investments will have a maturity profile of one year or less.

6.4.2. Yield

The Yield strategy is broken down into the following asset groups: Fixed Income, Preferred Shares, Real Property, Diversifiers and Internal Loans. Internal loans include loans to the University of Alberta Properties Trust Inc., university faculties, departments and staff. Loans to the University of Alberta Properties Trust Inc. will be at prevailing commercial terms and conditions. The *Internal Loan Policy* approved by the Board of Governors governs internal loans.

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~~5.4.2.1. Fixed Income~~

~~Fixed income provides greater security of capital than equities, and more stable income flows over the long term. These assets will include global government, corporate, and securitized fixed income securities, bank loans and private credit.~~

~~5.4.2.2. Preferred Shares~~

~~Preferred shares have both equity and fixed income characteristics, and can provide consistent income and diversification benefits.~~

~~5.4.2.3. Real Property~~

~~Real property backed investments include asset classes that over longer time horizons can offer stable income streams, and are often structured to provide protection against inflation. Real Property assets includes commercial mortgages, mortgage backed securities, real estate, and infrastructure.~~

~~5.4.2.4. Diversifiers~~

~~Diversifiers are investment strategies that lower overall portfolio risk. Absolute Rreturn strategies include but are not limited to, multi asset strategies that aim to generate positive returns in all stages of the economic cycle. Insurance linked securities generate returns that are completely uncorrelated to capital markets.~~

~~5.4.2.5 Internal Loans~~

~~Internal loans include loans to University of Alberta Properties Trust Inc., University faculties, departments and staff. Loans to University of Alberta Properties Trust Inc. will be at prevailing commercial terms and conditions. The Internal Loan Policy approved by the Board of Governors governs internal loans.~~

6.4.3. Return Seeking

All R~~r~~eturn S~~s~~eeking funds are invested in the UEP with the objective of earning a higher long-term R~~r~~ate of R~~r~~eturn~~,~~ and are managed in accordance with ~~Sections xx2 through xx4 of~~ this policy.

6.5. Budget Considerations and Risk Management

All realized NEIP Investment Earnings not required for current budget purposes will be reinvested to build an investment income reserve. Appropriations from this investment income reserve can be made in a fiscal year when realized NEIP Investment Earnings are less than budgeted. Appropriations from this investment income reserve to the S~~s~~trategic I~~i~~nitiatives F~~f~~und can only be made when total market value of Yield and Return Seeking exceeds the underlying obligation (investment cost) by a factor of 1.17x.

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6.6. Performance Benchmarks

For each component of the NEIP the benchmark is:

	NEIP Policy Benchmark	Target
Liquidity	FTSE Canada 91 Day T-Bill Index	20%
Yield	~~Canadian Consumer Price Index (CPI)~~ FTSE Canada 91 Day T-Bill Index + 3%	40%
Return ~~S~~seeking	Current UEP benchmark ~~(section 3.4)~~	40%
		100%

Table formatting updated; section numbers to be reviewed and updated once policy is finalized.

~~NEIP Policy Benchmark~~		~~Target~~
~~Liquidity~~	~~FTSE Canada 91 Day T-Bill Index~~	~~20%~~
~~Yield~~	~~Canadian Consumer Price Index (CPI) + 3%~~	~~40%~~
~~Return-seeking~~	~~Current UEP benchmark (section 3.4)~~	~~40%~~
		~~100%~~

7.0. OTHER NON-ENDOWED FUNDS

Investment assets received through donations, bequests, contracts and spin-off companies may be subject to their specific agreements and ~~contractual stipulations, constraints, conditions of the estate, or other~~ administrative arrangements. ~~These assets may be held until such constraints are removed or the conditions of the agreements are fulfilled.~~ ~~Assets supporting the~~ Supplementary Retirement Plans shall be invested in accordance with their respective agreements. Investments recommended by the University of Alberta Innovation Fund Ltd. (UAIF)~~,~~ will be managed by UAIF and subject to the governance oversight established for that subsidiary.

8.0. RESPONSIBLE INVESTMENT~~GENERAL~~

~~2.1. Responsible Investment~~

Responsible investment involves considering environmental, social and governance (ESG) R~~r~~isks and opportunities when making investment decisions and influencing companies or assets through stewardship practices. The U~~u~~niversity recognizes that the integration of ESG R~~r~~isks and opportunities in the investment process complements traditional financial analysis and portfolio construction techniques and can lead to improved financial performance.

The U~~u~~niversity supports investee company efforts to abide by international laws and to uphold standards of responsible business conduct as outlined in international standards, including the Organization of Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

The U~~u~~niversity works with external investment managers, impacting the U~~u~~niversity's ability to influence the selection of individual assets. Therefore, the U~~u~~niversity focuses

on encouraging its external investment managers to demonstrate leadership, accountability and transparency in their approaches to responsible investment. Where applicable, the Uuniversity will regularly engage and collaborate with its external investment managers on matters related to ESG Rrisks and opportunities.

Specifically, the Uuniversity will:

- Integrate responsible investment considerations into the selection and ongoing monitoring of external investment managers.
- Obtain and evaluate annual disclosures from all external investment managers on how ESG risks and opportunities are incorporated into their investment decision-making processes.
- Regularly review and track stewardship activities by its external investment managers, including engagements with investee companies and **Pproxy** voting records on ESG-related Rrisks and opportunities, where relevant.
- Ensure its external investment managers are conducting due diligence of those companies, sectors and regions that face heightened Rrisks from, for example, conflicts, climate-related physical or transition risks, and human and labour rights abuses.
- Report with transparency and accountability to stakeholders on ESG risks and opportunities, including in the Board Investment Committee's annual report.

9.0. GENERAL

9.1 Use of Derivatives

Derivatives offer ways to enhance Rrisk-adjusted returns or to protect against unwanted market movements. Where prudent and appropriate, Dderivatives may be used to gain market exposure, assist with hedging, and/or Rrisk management.

9.2 Leverage

Leverage is an integral component of certain investment strategies. Where leverage is used, investments will be structured to limit potential maximum losses to the amount invested, or notionally collateralized by UEP and NEIP cash balances. The use of leverage will not be undertaken at the portfolio or fund level. The UEP may temporarily have a negative weight to cash for short-term cash flow management purposes.

9.3 Securities Lending and Commission Recapture

The securities may be loaned to investment dealers and banks as part of the **Ceustodian's** lending program when it is deemed that such lending may add incremental return to the funds at minimal Rrisk. External equity investment managers may be directed to participate in a commission recapture program in order to help mitigate internal investment research related expenses.

9.4 Exercise of Proxies and Voting Rights

Proxy or other voting rights will be exercised in the best interest of the University. The responsibility for voting may be delegated to the investment manager, but the University reserves the right to direct the investment manager on the voting of proxies.

9.5 Valuation of Infrequently Traded Investments

The V~~v~~aluation of infrequently traded investments shall be determined by the general partner, trustee or C~~c~~ustodian of the fund. In the case of other direct investments, the V~~v~~aluation shall be based on independent opinions of qualified appraisers as required.

9.6 Conflict of Interest Guidelines and Related Parties Transactions

The University's *Conflict of Interest and Commitment and Institutional Conflict Policy* will govern investment activities. Related p~~P~~arty transactions will be at fair market value.

9.7 Custody

~~To maintain a proper segregation of duties and adequate controls, a~~All marketable securities held shall remain with or be monitored by a third-party C~~c~~ustodian to maintain a proper segregation of duties and adequate controls.

9.8 Donated Securities

~~Subject to market conditions, d~~Donated securities are ~~will~~ generally ~~be~~ sold immediately upon receipt~~, by the University. However, where it is advantageous to do so, and subject to the constraints of this policy~~, though the University may hold these securities as other non-endowed funds if it is advantageous to do so and consistent with this policy.

~~2.2. Policy Review~~

~~This policy shall be reviewed at least annually by the Board Investment Committee, who will either confirm or recommend changes to the Board of Governors. Upon recommendation from the Board Investment Committee, the Board of Governors can approve exceptions to this policy.~~

9.9 Compliance Notification

If an A~~a~~sset A~~a~~llocation or class in section 3.3~~3.2~~ or ~~5.3~~6.3 of this policy is outside of its minimum to maximum range, but is able to be rebalanced back into the range within a three-month time frame, the Chair of the Board Investment Committee shall be notified by ~~Management~~ the University. Should the A~~a~~sset A~~a~~llocation or class be expected to be outside the range for more than three months, then ~~Management~~ the University will provide the Board Investment Committee with an explanation of the situation and a plan to bring the A~~a~~sset A~~a~~llocation or class back within the allowable ~~minimum to maximum~~ range at its next regularly scheduled meeting. ***Section numbers to be reviewed and updated once policy is finalized.***

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10.0. REVIEW AND AMENDMENTS

The Office of Administrative Responsibility will review this policy as necessary and at least once every three years.

Definitions Table

~~*Any definitions listed here apply to this policy document only with no implied or intended institution wide use.*~~ *Unless otherwise specified, these definitions apply to this policy and its associated procedures. Defined terms include their plural and grammatical variations.*	
Absolute Return	Investments and/or strategies that seek to achieve positive returns regardless of the direction of capital markets, also commonly referred to as hedge funds or liquid alternatives. These include, but are not limited to, strategies such as long/short equity ~~&~~and credit, market neutral, event driven, merger arbitrage, trend following, volatility arbitrage, systematic/ discretionary global macro~~,~~ and tail hedging.
Administrative Assessment	Indirect cost recovery for centrally funded goods and services that support the activities and development of the endowed programs. ***moved from UEP Spending Policy**
Annual Spending Allocation	Amount allocated to fund the activities of the endowed programs. ***moved from UEP Spending Policy**
Asset Allocation	The process of dividing investments into different categories (Growth, Inflation Sensitive, Deflation Hedging~~,~~ and Diversifiers) based on the role that the underlying category or investment strategy performs towards achieving the return and R~~r~~isk T~~t~~olerance objectives of the portfolio. Each category comprises a specific group of investments that have similar expected return patterns, similar expected R~~r~~isk profiles, high correlations with other investments in the same category~~;~~ or have a high sensitivity to inflation.
Capitalized Investment Earnings	The excess of Investment Earnings less total spending which includes the Annual Spending Allocation, the Administrative Assessment and Direct Costs. Capitalized Investment Earnings will be permanently endowed. ***moved from UEP Spending Policy**
~~**Consumer Price Index (CPI)**~~	~~A Statistics Canada index of retail prices for goods and services. Increases in the CPI are also referred to as increases in the cost of living and are directly correlated to increases in inflation.~~ **not used in the main text of the policy so definition removed*

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Custodian	A financial institution, usually a bank or trust company, which holds an investment portfolio's securities and cash in safekeeping.
Deflation Hedging	Any asset class that serves the primary objective of providing protection in times of market stress~~,~~ and supports spending in a prolonged deflationary period. This consists primarily of high quality government and investment grade fixed income securities.
Derivatives	A financial instrument whose value is dependent on the performance of an underlying instrument or asset, typically a commodity, bond or equity. They are also available on currencies, interest rates~~,~~ and equity indices. Futures and options are examples of D~~d~~erivatives.
Direct Costs	All expenditures that are directly attributable to the University Endowment Pool's investment program, including, but not limited to~~,~~ external investment manager costs, custodial bank charges, consulting fees and the costs of the Investments &~~and~~ Treasury unit within Finance, Procurement and Planning. ***moved from UEP Spending Policy***
Diversifiers	Any asset class or investment strategy that is expected to be uncorrelated with Growth, Inflation Sensitive~~,~~ and Deflation Hedging assets. This may include cash, active currency management, managed futures~~,~~ and hedge fund strategies including, but not limited to, low beta long/short equity, market neutral, event driven, merger arbitrage~~,~~ and global macro.
Effective Rate of Spending	The total of the Administrative Assessment, Annual Spending Allocation~~,~~ and Direct Costs expressed as a percentage of the market value of the assets in the University Endowment Pool. ***moved from UEP Spending Policy***
Endowment Principal	The total of endowment contributions and cumulative Capitalized Investment Earnings. ***moved from UEP Spending Policy***
Growth	Any asset class or investment strategy which can be expected to provide returns that exceed the inflation adjusted rate of spending over the long-term. This may include marketable equity securities, directional long/short equity hedge funds~~,~~ and credit based fixed income strategies. Private investments include private debt, private equity~~,~~ and venture capital.

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Inflation Sensitive	Any asset class or investment strategy that is expected to protect the fund from high or unanticipated inflation. This may include inflation linked bonds, real estate, infrastructure, timberland, farmland, natural resource public equities, commodities; and energy and renewable resources.
Investment Earnings	The total of realized and unrealized investment gains and losses on the assets of the UEP and NEIP for any given fiscal year,; where realized investment gains and losses are typically made up of interest, dividends, rents and capital gains/losses arising from the sale of investments.; Uunrealized investment gains and losses represent the change in fair value of assets held.
Liquidity	Any asset class or investment strategy which can be expected to preserve capital, mature in one year or less from the date of purchase and be liquidated to cash within three months.
Private Markets	Any asset class or investment strategy which is not traded on public exchanges. Private market assets are generally illiquid, with a typical investment life of seven to ten years. ~~can be expected to preserve capital, mature in one year or less from the date of purchase and be liquidated to cash within three months.~~
Proxy	A written authorization given by a shareholder to another individual, usually the company's management, in order to cast his/her vote at a shareholder meeting or at some other point in time.
Rate of Return	The percentage change in the value of an asset, including interest and dividends, over an evaluation period.
~~**Real**~~	~~Used in conjunction with asset values and rates of return and restates these nominal amounts for movements in the Consumer Price Index.~~
Real Assets	Investments and/or strategies that derive their value from physical assets. These include, but are not limited to, natural resource equities, energy and renewable resources, commodities, agriculture, timber; and farmland.
Return Seeking	Any asset class or investment strategy which can be expected to be invested without the need for Lliquidity for at least ten years.
Risk	The possibility of loss and/or the uncertainty of future returns.

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Risk Tolerance	An individual's ability to handle temporary and sustained declines in the value of their portfolio.
University Community	Academic, excluded and support staff, academic colleagues and postdoctoral scholars as outlined and defined *in the Recruitment Policy Appendix A: Definitions and Categories of Staff*; undergraduate, graduate, continuing education students and post-graduate learners; emeriti; contractors; visitors; volunteers; and members of the Board.
University Endowment Pool (UEP)	The pooling of investment assets accumulated by or donated to the University for endowment purposes to facilitate investment management and administration of the funds.
University Strategic ~~Role~~ Investment Guidelines	A statement of objectives that defines the investment rationale, asset class and/or strategy, R~~r~~isk characteristics and performance expectation.
Valuation	An accounting process that allocates each individual endowment with its proportionate share of Investment Earnings, Annual Spending Allocation, administrative costs and Direct Costs. ***moved from UEP Spending Policy***
Yield	Any asset class or investment strategy which can be expected to preserve capital and mature between one and ten years.

Parent Policy Suite

- University Funds Investment Policy
- Killam Trusts Endowments Spending Procedure ***moved from UEP Spending Policy***

Related Policy Documents

- Conflict of Interest and Commitment and Institutional Conflict Policy
- ~~Interest Procedure – Restricted Special Purpose and Restricted Research Accounts~~ Interest Procedure Restricted Accounts
- Internal Loan Policy
- ~~University Endowment Pool (UEP) Spending Policy~~

Related Links

- ~~Board Investment Committee Statement of Investment Principles & Beliefs~~
- ~~Board Investment Committee Terms of Reference~~ Board Investment Committee Terms of Reference
- University Endowment Pool Spending Allocation Estimator ***moved from UEP Spending Policy***

History

January 29, 2010	Approved.
March 28, 2025	Approved.
[Date]	[Type of approval or revision (approved or editorial amendment)]

For questions surrounding policy document interpretation or implementation, please contact the Office of Administrative Responsibility.

Contact for questions about this policy: investmentmeeting@ualberta.ca ~~policy.treasury@ualberta.ca~~

The official version of this document may be obtained from https://www.ualberta.ca/policies-procedures/index.html

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Original Approval Date: January 29, 2010
Most Recent Approval: ~~March 28, 2025~~ DRAFT
Editorial Amendments: n/a

University Funds Investment Policy

Office of Administrative Responsibility:	Finance, Procurement and Planning (Investments and Treasury)
Office of Accountability:	Office of the Vice-President (University Services, Operations and Finance)
Approving Authority:	The Governors of The University of Alberta

Purpose

This policy establishes high-level investment principles and **Risk Tolerances** for University of Alberta ("University"") funds in accordance with the authority granted to The Governors of The University of Alberta (the "Board") under the *Post-secondary Learning Act* (Alberta). This enables the investment approach to align with the University's strategic goals, supports financial sustainability and preserves the real value of endowment assets over time.

Definitions

The attached definitions table outlines the terms used in this policy that are not otherwise defined herein and any specific rules of interpretation that apply.

Scope

This policy applies to all members of the **University Community** participating in activities or functions governed by this policy and its associated procedures.

Policy

1. UNIVERSITY FUNDS AND GOVERNANCE

The Board has ultimate responsibility for this policy, including the establishment of broad Risk Tolerances, strategic **Asset Allocation** and responsible investment. The

Board has delegated investment oversight to the Board Investment Committee which is responsible for approving the **University Strategic Investment Guidelines**.

Each investment manager shall adhere to this policy and must exercise the care, skill, diligence and judgment that a prudent investor would exercise in making investments. Investment managers are expected to be in compliance with all applicable laws and regulations as well as the Code of Ethics and Standards of Professional Conduct established by the CFA Institute.

2. BOARD INVESTMENT COMMITTEE STATEMENT OF INVESTMENT PRINCIPLES AND BELIEFS

The purpose of the Board Investment Committee's Statement of Investment Principles and Beliefs is to document the consensus views of the Board Investment Committee. In general, the Board Investment Committee believes that:

2.1. Good governance is critical and effective oversight promotes better decision-making and accountability and leads to improved Risk-adjusted returns.

2.2. Risk taking is necessary in order to generate returns and investors that take more Risk should be compensated with higher returns.

2.3. 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.

2.4. Asset Allocation is the primary driver of an investment portfolio's Risk and return.

2.5. Diversification across multiple investment assets and strategies will improve Risk-adjusted returns and show better resiliency to changing economic and capital market conditions.

2.6. 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.

2.7. Market inefficiencies persist to varying degrees across all capital markets and active management can deliver better net Risk-adjusted returns over passive implementation strategies.

2.8. 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.

2.9. Costs matter and need to be taken into account when investment programs are structured and the focus needs to be on net returns.

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2.10. 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.

3. UNIVERSITY ENDOWMENT POOL (UEP)

3.1. Purpose

The UEP is a pool of the University's endowed trust funds and other funds of a long-term nature. The purpose of the UEP funds is to support an environment of academic excellence and provide a comparable level of funding to future generations as it does to current beneficiaries.

3.2 Return and Risk

The principal investment objective of the UEP is to earn a long-term real **Rate of Return** that meets or exceeds total endowment spending requirements.

At the core of this approach is a focus on intergenerational equity which requires that the UEP be managed to provide a comparable level of support to future generations as current beneficiaries receive.

Assets are allocated across four strategic classifications based on their primary role in the portfolio which includes **Growth**, **Inflation Sensitive**, **Deflation Hedging** and **Diversifiers**. The UEP maintains a majority weighting in Growth assets and less liquid investment strategies to ensure the fund's purchasing power is preserved and grown over time. This is based on projected capital market assumptions which indicate that, over long periods of time, these assets can be expected to provide returns that exceed total endowment spending. Deflation Hedging strategies are expected to help provide protection in times of equity market stress and support spending in a prolonged deflationary period. Conversely, Inflation Sensitive assets are expected to protect the UEP from high or unanticipated inflation while Diversifiers consist of investment strategies that are expected to provide uncorrelated returns to the other three classifications.

There are many types of Risk that impact investment performance, including, but not limited to, capital markets, economic, environmental, governance, interest rates, **Liquidity**, political and social. Risks will be monitored through the use of quantitative and qualitative indicators and managed, where appropriate, via Asset Allocation, active management, **Derivatives** and other strategies.

3.3 UEP Asset Allocation

The strategic Asset Allocation is determined by the following four factors:

- Objective of a real Rate of Return that equals or exceeds the total rate of spending.
- Expected long-term return, volatility and correlation expectations for individual asset classes.
- Diversification across asset classes and investment strategies.
- Projected Liquidity requirements of the UEP.

The perpetual time horizon of the UEP allows for the adoption of a strategic Asset Allocation policy with a high allocation to Growth assets along the following parameters:

UEP Strategic Asset Allocation			
	Minimum	**Target**	**Maximum**
Growth	50%	60%	70%
Inflation Sensitive	15%	20%	25%
Deflation Hedging	0%	5%	10%
Diversifiers	10%	15%	20%
Total		**100%**	

To achieve diversification, the UEP will invest in the following asset classes, as outlined in this policy:

Growth			
	Minimum	**Target**	**Maximum**
Public Equity	30%	40%	50%
Private Markets	15%	20%	25%
		60%	
Inflation-Sensitive			
Real Estate & Infrastructure	5%	10%	15%
Real Assets	5%	10%	15%
		20%	
Deflation Hedging			
Global Government Bonds	0%	5%	10%
		5%	
Diversifiers			
Absolute Return	10%	15%	20%
Cash	-5%	0%	5%
		15%	

3.4 Categories of Investments

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The University Strategic Investment Guidelines shall be classified in accordance with the following general categories in the context of overall fund objectives and the strategic Asset Allocation described above.

3.4.1. Growth

Growth assets include marketable equity securities, directional long/short equity hedge funds and credit based fixed income strategies. Private investments include private debt, private equity and venture capital.

3.4.2 Inflation Sensitive

Inflation Sensitive assets include inflation linked bonds, real estate, infrastructure, timberland, farmland, natural resource public equities, mining and minerals, commodities and energy and renewable resources.

3.4.3. Deflation Hedging

Deflation Hedging assets include high quality sovereign fixed income securities.

3.4.4. Diversifiers

Diversifiers include cash and cash equivalents, active currency management and liquid alternatives including, but not limited to, strategies such as relative value, market neutral, event driven, merger arbitrage, trend following, volatility arbitrage, systematic/discretionary global macro and tail hedging.

3.5 Rate of Return Goals

In order of priority, it is expected that the UEP will achieve over any four-year rolling period:

- An annualized real return that meets or exceeds total endowment spending.
- An annualized return in excess of the UEP benchmark.

The current benchmark will be modified towards the target benchmark as the strategic Asset Allocation is implemented.

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UEP Policy Benchmark	Target
MSCI ACWI IMI	45%
MSCI ACWI IMI + 3% (3-month lag)	15%
IPD/Realpac Global Property Index	10%
S&P Global Natural Resources Index	10%
FTSE Canada Federal Bond Index	5%
SOFR +3%	15%
	100%

4. OTHER ENDOWMENTS

Other Endowments are invested with the same goals, restrictions and quality levels as the UEP described above, subject to any stipulation required by contractual agreement, or by condition of the estate or administrative arrangement.

5. SPENDING ALLOCATION

The UEP supports current and future beneficiaries in perpetuity. The UEP provides funding to the faculties and departments of the University to be used in accordance with the terms of each endowment. This section is designed to preserve the real value of endowment assets over time while maintaining an appropriate and stable level of support to the current generation of beneficiaries. The objective is an appropriate and stable spending allocation that maintains its purchasing power over time, as outlined in this policy.

The **Annual Spending Allocation** is distributed to endowment holders at the beginning of each fiscal year. The Annual Spending Allocation is based on 4.0% of the 60 month average **Valuation** ending on December 31 of the prior calendar year and applied against the endowment Valuation at the beginning of each fiscal year.

5.1. Spending from the UEP shall be in accordance with the following:

5.1.1. Endowment contributions enter the UEP effective the month in which the contribution is received. **Investment Earnings** net of **Direct Costs** during the fiscal year in which an endowment contribution is received will become **Capitalized Investment Earnings**.

5.1.2. The Annual Spending Allocation is distributed to endowment holders at the beginning of each fiscal year. The UEP shall be subject to an **Administrative Assessment** as outlined in this policy. This assessment shall be in addition to the Annual Spending Allocation and Direct Costs of the endowment investment program. The Administrative Assessment rate is 0.60% and shall be calculated in accordance with the Annual Spending Allocation.

5.1.3. In any fiscal year, should the Rate of Return be less than the **Effective Rate of Spending**, encroachment of **Endowment Principal** will be used to fund the deficiency. This action is taken with the expectation that such amounts will be recovered from future Capitalized Investment Earnings. If it is determined that the encroachment is no longer temporary, an adjustment will be made to the Annual Spending Allocation and/or the Administrative Assessment.

5.2. The Annual Spending Allocation shall be applied in the following funding order:

5.2.1. The current fiscal year's Administrative Assessment and Direct Costs associated with the endowment investment program.

5.2.2. The current fiscal year's Annual Spending Allocation.

5.2.3. The unfunded and unspent Annual Spending Allocation associated with prior fiscal years, if any.

5.2.4. The encroachment of Endowment Principal used to cover prior years' endowment expenditures incurred but not funded, if any.

5.2.5. If funding is not required, then any excess Investment Earnings become Capitalized Investment Earnings.

6. NON-ENDOWED INVESTMENT POOL (NEIP)

6.1. Purpose

The NEIP consists of expendable funding that is pooled for investment purposes. The two-fold purpose of the NEIP is to provide Liquidity for the University's daily operations and return enhancement to support strategic initiatives. Cash in excess of the University's short-term obligations may be invested with a longer time horizon and with less than immediate Liquidity.

6.2. Return and Risk

The principal investment objective of the NEIP is to generate income for the University while investing across three strategic classifications: Liquidity, **Yield** and **Return Seeking**.

The Liquidity strategy meets the University's short-term cash flow needs and has a weighting that takes into account the seasonality of cash balances. In order to enhance returns, the Yield strategy takes on additional duration, credit and illiquidity across a highly diversified group of rates based asset classes.

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The Return Seeking strategy has a long-term focus and is invested in the UEP for compounded Growth. The allocations to the Yield and Return Seeking strategies are balanced for Risk management and return diversification purposes.

There are many types of Risk that impact investment performance, including, but not limited to, capital markets, economic, environmental, governance, interest rates, Liquidity, political and social. Risks will be monitored through the use of quantitative and qualitative indicators and managed, where appropriate, via Asset Allocation, active management, Derivatives and other strategies.

6.3. NEIP Asset Allocation

The strategic Asset Allocation is determined by the following factors:

- Cash flow requirements to meet the University's financial obligations.
- Capital preservation while seeking to grow the NEIP over time.
- Diversification to reduce the volatility of Investment Earnings.
- Income generation to support budgeted investment income and future strategic initiatives.

Given the short and long-term objectives of the NEIP, the strategic Asset Allocation is aligned into the following time horizons:

NEIP Strategic Asset Allocation			
	Minimum	**Target**	**Maximum**
Liquidity	10%	20%	30%
Yield	35%	40%	50%
Return Seeking	35%	40%	50%

To achieve diversification within the Yield strategy, the NEIP will invest in the following asset groups and classes:

Fixed Income			
	Minimum	**Target**	**Maximum**
Global Fixed Income (public)	20%	30%	40%
Private Credit	10%	20%	30%
Internally-managed (Canadian bonds)	0%	0%	10%
	30%	50%	70%
Preferred Shares			
Preferred Shares	0%	10%	20%
	0%	10%	20%
Real Property			
Commercial Mortgages and Mortgage Backed Securities	10%	20%	30%

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Real Estate & Infrastructure	0%	0%	10%
	10%	20%	30%
Diversifiers			
Absolute Return Strategies	10%	20%	30%
Insurance Linked Securities	0%	0%	10%
	10%	20%	30%
Internally-managed (loans)			
Internally-managed (loans)	0%	0%	20%
	0%	0%	20%
Total Yield		**100%**	

6.4. Categories of Investments

The University Strategic Investment Guidelines shall be classified within the following categories:

6.4.1. Liquidity

Assets in the Liquidity category include cash, government bills or notes, bank deposits or obligations and corporate money market securities. All Liquidity investments will have a maturity profile of one year or less.

6.4.2. Yield

The Yield strategy is broken down into the following asset groups: Fixed Income, Preferred Shares, Real Property, Diversifiers and Internal Loans. Internal loans include loans to the University of Alberta Properties Trust Inc., university faculties, departments and staff. Loans to the University of Alberta Properties Trust Inc. will be at prevailing commercial terms and conditions. The *Internal Loan Policy* governs internal loans.

6.4.3. Return Seeking

All Return Seeking funds are invested in the UEP with the objective of earning a higher long-term Rate of Return and are managed in accordance with this policy.

6.5. Budget Considerations and Risk Management

All realized NEIP Investment Earnings not required for current budget purposes will be reinvested to build an investment income reserve. Appropriations from this investment income reserve can be made in a fiscal year when realized NEIP Investment Earnings are less than budgeted. Appropriations from this investment income reserve to the Strategic Initiatives Fund can only be made when total

market value of Yield and Return Seeking exceeds the underlying obligation (investment cost) by a factor of 1.17x.

6.6. Performance Benchmarks

For each component of the NEIP the benchmark is:

	NEIP Policy Benchmark	Target
Liquidity	FTSE Canada 91 Day T-Bill Index	20%
Yield	FTSE Canada 91 Day T-Bill Index + 3%	40%
Return Seeking	Current UEP benchmark	40%
		100%

7.0. OTHER NON-ENDOWED FUNDS

Investment assets received through donations, bequests, contracts and spin-off companies may be subject to their specific agreements and administrative arrangements. Supplementary Retirement Plans shall be invested in accordance with their respective agreements. Investments recommended by the University of Alberta Innovation Fund Ltd. (UAIF) will be managed by UAIF and subject to the governance oversight established for that subsidiary.

8.0. RESPONSIBLE INVESTMENT

Responsible investment involves considering environmental, social and governance (ESG) Risks and opportunities when making investment decisions and influencing companies or assets through stewardship practices. The University recognizes that the integration of ESG Risks and opportunities in the investment process complements traditional financial analysis and portfolio construction techniques and can lead to improved financial performance.

The University supports investee company efforts to abide by international laws and to uphold standards of responsible business conduct as outlined in international standards, including the Organization of Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

The University works with external investment managers, impacting the University's ability to influence the selection of individual assets. Therefore, the University focuses on encouraging its external investment managers to demonstrate leadership, accountability and transparency in their approaches to responsible investment. Where applicable, the University will regularly engage and collaborate with its external investment managers on matters related to ESG Risks and opportunities.

Specifically, the University will:

- Integrate responsible investment considerations into the selection and ongoing monitoring of external investment managers.
- Obtain and evaluate annual disclosures from all external investment managers on how ESG Risks and opportunities are incorporated into their investment decision-making processes.
- Regularly review and track stewardship activities by its external investment managers, including engagements with investee companies and **Proxy** voting records on ESG-related Risks and opportunities, where relevant.
- Ensure its external investment managers are conducting due diligence of those companies, sectors and regions that face heightened Risks from, for example, conflicts, climate-related physical or transition Risks and human and labour rights abuses.
- Report with transparency and accountability to stakeholders on ESG Risks and opportunities, including in the Board Investment Committee's annual report.

9.0. GENERAL

9.1 Use of Derivatives

Derivatives offer ways to enhance Risk-adjusted returns or to protect against unwanted market movements. Where prudent and appropriate, Derivatives may be used to gain market exposure, assist with hedging and/or Risk management.

9.2 Leverage

Leverage is an integral component of certain investment strategies. Where leverage is used, investments will be structured to limit potential maximum losses to the amount invested, or notionally collateralized by UEP and NEIP cash balances. The use of leverage will not be undertaken at the portfolio or fund level. The UEP may temporarily have a negative weight to cash for short-term cash flow management purposes.

9.3 Securities Lending and Commission Recapture

The securities may be loaned to investment dealers and banks as part of the **Custodian's** lending program when it is deemed that such lending may add incremental return to the funds at minimal Risk. External equity investment managers may be directed to participate in a commission recapture program in order to help mitigate internal investment research related expenses.

9.4 Exercise of Proxies and Voting Rights

Proxy or other voting rights will be exercised in the best interest of the University. The responsibility for voting may be delegated to the investment manager, but

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the University reserves the right to direct the investment manager on the voting of proxies.

9.5 Valuation of Infrequently Traded Investments

The Valuation of infrequently traded investments shall be determined by the general partner, trustee or Custodian of the fund. In the case of other direct investments, the Valuation shall be based on independent opinions of qualified appraisers as required.

9.6 Conflict of Interest Guidelines and Related Parties Transactions

The University's *Conflict of Interest and Commitment and Institutional Conflict Policy* will govern investment activities. Related party transactions will be at fair market value.

9.7 Custody

All marketable securities held shall remain with or be monitored by a third-party Custodian to maintain a proper segregation of duties and adequate controls.

9.8 Donated Securities

Donated securities are generally sold immediately upon receipt, though the University may hold these securities as other non-endowed funds if it is advantageous to do so and consistent with this policy.

9.9 Compliance Notification

If an Asset Allocation or class in section 3.3 or 6.3 of this policy is outside of its minimum to maximum range, but is able to be rebalanced back into the range within a three-month time frame, the Chair of the Board Investment Committee shall be notified by the University. Should the Asset Allocation or class be expected to be outside the range for more than three months, then the University will provide the Board Investment Committee with an explanation of the situation and a plan to bring the Asset Allocation or class back within the allowable range at its next regularly scheduled meeting.

10.0. REVIEW AND AMENDMENTS

The Office of Administrative Responsibility will review this policy as necessary and at least once every three years.

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Definitions Table

Unless otherwise specified, these definitions apply to this policy and its associated procedures. Defined terms include their plural and grammatical variations.	
Absolute Return	Investments and/or strategies that seek to achieve positive returns regardless of the direction of capital markets, also commonly referred to as hedge funds or liquid alternatives. These include, but are not limited to, strategies such as long/short equity and credit, market neutral, event driven, merger arbitrage, trend following, volatility arbitrage, systematic/ discretionary global macro and tail hedging.
Administrative Assessment	Indirect cost recovery for centrally funded goods and services that support the activities and development of the endowed programs.
Annual Spending Allocation	Amount allocated to fund the activities of the endowed programs.
Asset Allocation	The process of dividing investments into different categories (Growth, Inflation Sensitive, Deflation Hedging and Diversifiers) based on the role that the underlying category or investment strategy performs towards achieving the return and Risk Tolerance objectives of the portfolio. Each category comprises a specific group of investments that have similar expected return patterns, similar expected Risk profiles, high correlations with other investments in the same category or have a high sensitivity to inflation.
Capitalized Investment Earnings	The excess of Investment Earnings less total spending which includes the Annual Spending Allocation, the Administrative Assessment and Direct Costs. Capitalized Investment Earnings will be permanently endowed.
Custodian	A financial institution, usually a bank or trust company, which holds an investment portfolio's securities and cash in safekeeping.
Deflation Hedging	Any asset class that serves the primary objective of providing protection in times of market stress and supports spending in a

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	prolonged deflationary period. This consists primarily of high quality government and investment grade fixed income securities.
Derivatives	A financial instrument whose value is dependent on the performance of an underlying instrument or asset, typically a commodity, bond or equity. They are also available on currencies, interest rates and equity indices. Futures and options are examples of Derivatives.
Direct Costs	All expenditures that are directly attributable to the University Endowment Pool's investment program, including, but not limited to, external investment manager costs, custodial bank charges, consulting fees and the costs of the Investments and Treasury unit within Finance, Procurement and Planning.
Diversifiers	Any asset class or investment strategy that is expected to be uncorrelated with Growth, Inflation Sensitive and Deflation Hedging assets. This may include cash, active currency management, managed futures and hedge fund strategies including, but not limited to, low beta long/short equity, market neutral, event driven, merger arbitrage and global macro.
Effective Rate of Spending	The total of the Administrative Assessment, Annual Spending Allocation and Direct Costs expressed as a percentage of the market value of the assets in the University Endowment Pool.
Endowment Principal	The total of endowment contributions and cumulative Capitalized Investment Earnings.
Growth	Any asset class or investment strategy which can be expected to provide returns that exceed the inflation adjusted rate of spending over the long-term. This may include marketable equity securities, directional long/short equity hedge funds and credit based fixed income strategies. Private investments include private debt, private equity and venture capital.
Inflation Sensitive	Any asset class or investment strategy that is expected to protect the fund from high or unanticipated inflation. This may include inflation linked bonds, real estate, infrastructure, timberland,

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	farmland, natural resource public equities, mining and minerals, commodities and energy and renewable resources.
Investment Earnings	The total of realized and unrealized investment gains and losses on the assets of the UEP and NEIP for any given fiscal year where realized investment gains and losses are typically made up of interest, dividends, rents and capital gains/losses arising from the sale of investments. Unrealized investment gains and losses represent the change in fair value of assets held.
Liquidity	Any asset class or investment strategy which can be expected to preserve capital, mature in one year or less from the date of purchase and be liquidated to cash within three months.
Private Markets	Any asset class or investment strategy which is not traded on public exchanges. Private market assets are generally illiquid, with a typical investment life of seven to ten years.
Proxy	A written authorization given by a shareholder to another individual, usually the company's management, in order to cast his/her vote at a shareholder meeting or at some other point in time.
Rate of Return	The percentage change in the value of an asset, including interest and dividends, over an evaluation period.
Real Assets	Investments and/or strategies that derive their value from physical assets. These include, but are not limited to, natural resource equities, energy and renewable resources, commodities, agriculture, timber and farmland.
Return Seeking	Any asset class or investment strategy which can be expected to be invested without the need for Liquidity for at least ten years.
Risk	The possibility of loss and/or the uncertainty of future returns.
Risk Tolerance	An individual's ability to handle temporary and sustained declines in the value of their portfolio.

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University Community	Academic, excluded and support staff, academic colleagues and postdoctoral scholars as outlined and defined *in the Recruitment Policy Appendix A: Definitions and Categories of Staff*; undergraduate, graduate, continuing education students and post-graduate learners; emeriti; contractors; visitors; volunteers; and members of the Board.
University Endowment Pool (UEP)	The pooling of investment assets accumulated by or donated to the University for endowment purposes to facilitate investment management and administration of the funds.
University Strategic Investment Guidelines (USIGs)	A statement of objectives that defines the investment rationale, asset class and/or strategy, Risk characteristics and performance expectation.
Valuation	An accounting process that allocates each individual endowment with its proportionate share of Investment Earnings, Annual Spending Allocation, administrative costs and Direct Costs.
Yield	Any asset class or investment strategy which can be expected to preserve capital and mature between one and ten years.

Parent Policy Suite

- University Funds Investment Policy
- Killam Trusts Endowments Spending Procedure

Related Policy Documents

- Conflict of Interest and Commitment and Institutional Conflict Policy
- Interest Procedure Restricted Accounts
- Internal Loan Policy

Related Links

- Board Investment Committee Terms of Reference
- University Endowment Pool Spending Allocation Estimator

History

January 29, 2010 Approved.
March 28, 2025 Approved.

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(Date)	(Approved on recommendation from the Board Investment Committee. Previous *University Endowment Pool (UEP) Policy* content consolidated into the *University Funds Investment Policy*; *UEP Policy* rescinded.)

For questions surrounding policy document interpretation or implementation, please contact the Office of Administrative Responsibility.

Contact for questions about this policy: investmentmeeting@ualberta.ca

The official version of this document may be obtained from https://www.ualberta.ca/policies-procedures/index.html

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University Endowment Pool (UEP) Spending Policy

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

Purpose

The **University Endowment Pool (UEP)** supports current and future beneficiaries in perpetuity. The UEP Spending Policy, University Funds Investment Policy, and Statement of Investment Principles and Beliefs are interrelated and designed to maintain the real value of the UEP over time in order to preserve the future purchasing power of the assets. The investment goal of the UEP is to achieve a long-term **Rate of Return** that in **Real** terms shall equal or exceed the Effective Rate of Spending established in the UEP Spending Policy, and to do so at the level of risk specified in the University Funds Investment Policy.

A prudent level of spending is one that reflects an investment Rate of Return achievable with acceptable levels of risk. The annual review of the UEP Spending Policy is designed to ensure that it remains appropriate with respect to the UEP's overall goals and objectives.

The purpose of this Spending Policy in conjunction with the University Funds Investment Policy is to preserve the Real value of endowment assets over time, while maintaining an appropriate and stable level of support to the current generation of beneficiaries.

Definitions

The attached definitions table outlines the terms used in this policy and any specific rules of interpretation that apply.

Scope/Application

Compliance with this University policy extends to all academic, support and excluded staff, postdoctoral fellows, and academic colleagues as outlined and defined in the *Recruitment Policy (Appendix A and Appendix B: Definitions and Categories).*

Policy

Spending from the UEP shall be in accordance with the following:

1. Endowment contributions enter the UEP effective the month in which the contribution is received. **Investment Earnings** net of **Direct Costs** during the fiscal year in which an endowment contribution is received will become **Capitalized Investment Earnings**.

2. The **Annual Spending Allocation** is distributed to endowment holders at the beginning of each fiscal year.

3. The Annual Spending Allocation is based on 4.0% of the 60 month average **Valuation** ending on December 31 of the prior calendar year and applied against the endowment Valuation at the beginning of each fiscal year.

4. The UEP shall be subject to such **Administrative Assessments** as may be approved by the Board from time to time. This Administrative Assessment shall be in addition to the Annual Spending Allocation and Direct Costs associated with the endowment investment program. The administrative assessment rate is 0.60%, and shall be calculated in accordance with section 3 of this policy.

5. In any particular fiscal year should the Rate of Return be less than the **Effective Rate of Spending** whereby Investment Earnings are insufficient to fund total spending, encroachment of **Endowment Principal** will be used to fund the deficiency, with the expectation that such amounts will be recovered from future Capitalized Investment Earnings. If pursuant to the review in section 7 of this policy it is determined that the encroachment is no longer temporary, an adjustment will be made to the Annual Spending Allocation and/or the Administrative Assessment.

6. The Annual Spending Allocation as outlined in section 3 above, to the extent of realized Investment Earnings in a fiscal year, shall be applied in the following funding order:

    a. the current fiscal year's Administrative Assessment and Direct Costs associated with the endowment investment program as outlined in section 4,

    b. the current fiscal year's Annual Spending Allocation,

    c. the unfunded and unspent Annual Spending Allocation associated with prior fiscal years, if any,

    d. the encroachment of Endowment Principal used to cover prior years' endowment expenditures incurred but not funded, if any, and

e. if funding is not required for the circumstances contemplated by sections 6c and 6d, then any excess Investment Earnings become Capitalized Investment Earnings.

7. The Board Investment Committee shall review this spending policy on an annual basis for continued appropriateness. As outlined in the Board Investment Committee's Terms of Reference any required changes will be presented to the Board of Governors for approval.

Definitions

Any definitions listed here apply to this policy document only with no implied or intended institution-wide use.	
Administrative Assessment	Indirect cost recovery for centrally funded goods and services that support the activities and development of the endowed programs.
Annual Spending Allocation	Amount allocated to fund the activities of the endowed programs.
Capitalized Investment Earnings	The excess of Investment Earnings less total spending which includes the Annual Spending Allocation, the Administrative Assessment and Direct Costs. Capitalized Investment Earnings will be permanently endowed.
Direct Costs	All expenditures that are directly attributable to the University Endowment Pool's investment program, including but not limited to; external investment manager costs, custodial bank charges, consulting fees and the costs of the Investment & Treasury unit within Finance, Procurement and Planning.
Effective Rate of Spending	The total of the Administrative Assessment, Annual Spending Allocation, and Direct Costs expressed as a percentage of the market value of the assets in the University Endowment Pool.
Endowment Principal	The total of endowment contributions and cumulative Capitalized Investment Earnings.
Investment Earnings	The total of realized and unrealized investment gains and losses on the assets of the UEP for any given fiscal year; where realized investment gains and losses are typically made up of interest, dividends, rents, and capital gains/losses arising from the sale of investments; unrealized investment gains and losses represent the change in fair value of assets held.

Rate of Return	The percentage change in the value of an asset, including interest and dividends, over an evaluation period.
Real	Used in conjunction with asset values and rates of return and restates these nominal amounts by inflation or deflation.
University Endowment Pool (UEP)	The pooling of investment assets accumulated by or donated to the University for endowment purposes to facilitate investment management and administration of the funds.
Valuation	An accounting process that allocates each individual endowment with its proportionate share of Investment Earnings, Annual Spending Allocation, Administrative Costs and Direct Costs.

Related Policy Documents (UAPPOL)

- Killam Trusts Endowments Spending Procedure
- University Funds Investment Policy

Related Links

- Statement of Investment Principles and Beliefs
- University Endowment Pool Spending Allocation Estimator

For questions surrounding policy document interpretation or implementation, please contact the Office of Administrative Responsibility.

Contact for questions about this policy: policy.treasury@ualberta.ca

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