

Fund Financial Statements of

**THE CONTRIBUTORY PENSION PLAN
FOR HOURLY-RATED EMPLOYEES
OF McMASTER UNIVERSITY INCLUDING
McMASTER DIVINITY COLLEGE**

Year ended June 30, 2018

Registration Number 0215418



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INDEPENDENT AUDITORS' REPORT

To the Administrator of The Contributory Pension Plan for Hourly-Rated Employees of McMaster University including McMaster Divinity College

We have audited the accompanying fund financial statements of The Contributory Pension Plan for Hourly-Rated Employees of McMaster University including McMaster Divinity College, which comprise the statement of net assets available for benefits as at June 30, 2018, the statement of changes in net assets available for benefits for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The fund financial statements have been prepared by management based on the financial reporting provisions of Section 76 of the Regulations to the Pension Benefits Act (Ontario).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these fund financial statements in accordance with the financial reporting provisions of Section 76 of the Regulations to the Pension Benefits Act (Ontario), and for such internal control as management determines is necessary to enable the preparation of fund financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these fund financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the fund financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the fund financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the fund financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the fund financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the fund financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the fund financial statements present fairly, in all material respects, the net assets available for benefits of The Contributory Pension Plan for Hourly-Rated Employees of McMaster University including McMaster Divinity College as at June 30, 2018, and its changes in net assets available for benefits for the year then ended in accordance with the financial reporting provisions of Section 76 of the Regulations to the Pension Benefits Act (Ontario).

Basis of accounting and restriction on use

Without modifying our opinion, we draw attention to Note 1 (a) to the financial statements, which describes the basis of accounting. The fund financial statements are prepared to assist the Administrator of The Contributory Pension Plan for Hourly-Rated Employees of McMaster University including McMaster Divinity College to meet the requirements of the Financial Services Commission of Ontario. As a result, the fund financial statements may not be suitable for another purpose. Our report is intended solely for the Administrator of The Contributory Pension Plan for Hourly-Rated Employees of McMaster University including McMaster Divinity College and the Financial Services Commission of Ontario for complying with Section 76 of the Regulations to the Pension Benefits Act (Ontario) and should not be used by any other parties for any other purpose.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
November 12, 2018

THE CONTRIBUTORY PENSION PLAN FOR HOURLY- RATED EMPLOYEES OF MCMASTER UNIVERSITY INCLUDING MCMASTER DIVINITY COLLEGE

Statement of Net Assets Available for Benefits

June 30, 2018, with comparative information for 2017

	2018	2017
Assets:		
Cash	\$ 235,208	\$ 398,120
Employer contributions receivable	160,229	37
Employee contributions receivable	31,676	33,334
Other receivables	17,870	20,076
Pooled fund investments (note 2)	58,230,361	55,778,306
Total assets	58,675,344	56,229,873
Liabilities:		
Accounts payable	78,736	146,083
Net assets available for benefits	\$58,596,608	\$56,083,790

See accompanying notes to fund financial statements.

On behalf of McMaster University:



Roger Couldrey
Vice-President (Administration)
McMaster University



Deidre Henne
Assistant Vice-President (Administration) & CFO
McMaster University

THE CONTRIBUTORY PENSION PLAN FOR HOURLY- RATED EMPLOYEES OF MCMASTER UNIVERSITY INCLUDING MCMASTER DIVINITY COLLEGE

Statement of Changes in Net Assets Available for Benefits

Year ended June 30, 2018, with comparative information for 2017

	2018	2017
INCREASE IN NET ASSETS:		
Net realized gain on sales of investments	\$ 1,482,022	\$ 2,563,598
Investment income	1,548,045	1,262,942
	3,030,067	3,826,540
Change in net unrealized gain in investments	322,153	1,185,433
	3,352,220	5,011,973
Contributions:		
Employer current service	613,086	666,397
Employer special	1,184,517	371,148
Employee required	444,266	482,897
	2,241,869	1,520,442
	5,594,089	6,532,415
DECREASE IN NET ASSETS:		
Payments to members:		
Pension benefits	2,558,876	2,453,771
Termination benefits	227,193	526,066
	2,786,069	2,979,837
Expenses:		
Investment manager	227,935	222,163
Professional	40,220	130,846
Trustee and custodial	14,330	12,750
Audit	9,234	9,238
Pension filing	3,483	3,559
	295,202	378,556
	3,081,271	3,358,393
Increase in net assets available for benefits	2,512,818	3,174,022
Net assets available for benefits, beginning of year	56,083,790	52,909,768
Net assets available for benefits, end of year	\$58,596,608	\$56,083,790

See accompanying notes to fund financial statements.

THE CONTRIBUTORY PENSION PLAN FOR HOURLY-RATED EMPLOYEES OF MCMASTER UNIVERSITY INCLUDING MCMASTER DIVINITY COLLEGE

Notes to Fund Financial Statements

Year ended June 30, 2018

The Contributory Pension Plan for Hourly-Rated Employees of McMaster University including McMaster Divinity College (the "Plan") is a defined benefit registered pension plan in the Province of Ontario under registration number 0215418.

The Plan is operated in accordance with the Trust and Custodial Services Agreement dated June 30, 1999, between McMaster University ("Administrator") and CIBC Mellon Trust Company ("CIBC Mellon"), as Trustee.

1. Significant accounting policies:

(a) Basis of presentation:

As permitted under Section 76 of the Regulation to the Pension Benefits Act (Ontario), the Plan has prepared fund financial statements in accordance with Canadian accounting standards for pension plans excluding pension obligations and any resulting surplus or deficit.

The Plan complies on a consistent basis with International Financial Reporting Standards ("IFRS") in Part I of The Chartered Professional Accountants' ("CPA Canada") Handbook - Accounting.

These fund financial statements have been prepared to assist the Administrator of The Contributory Pension Plan for Hourly-Rated Employees of McMaster University including McMaster Divinity College in meeting the requirements of the Financial Services Commission of Ontario under Section 76 of Regulation 909 of the Pension Benefits Act (Ontario). As a result, these fund financial statements may not be suitable for another purpose.

The fund financial statements of the Plan do not purport to show the adequacy of the Plan's assets to meet its pension obligation. Such an assessment requires additional information, such as the Plan's actuarial reports and information about McMaster University and McMaster Divinity College's financial health.

(b) Basis of measurement:

The fund financial statements have been prepared on the historical cost basis, except for investments and derivative financial instruments which are measured at fair value through the statement of changes in net assets available for benefits.

(c) Functional and presentation currency:

These fund financial statements are presented in Canadian dollars, which is the Plan's functional currency.

THE CONTRIBUTORY PENSION PLAN FOR HOURLY-RATED EMPLOYEES OF MCMASTER UNIVERSITY INCLUDING MCMASTER DIVINITY COLLEGE

Notes to Fund Financial Statements

Year ended June 30, 2018

1. Significant accounting policies (continued):

(d) Financial assets and financial liabilities:

(i) Non-derivative financial assets:

Financial assets are recognized initially on the trade date, which is the date that the Plan becomes a party to the contractual provisions of the instrument. Upon initial recognition, attributable transaction costs are recognized in the statement of changes in net assets available for benefits as incurred.

The Plan measures all of its investments at fair value through the statement of changes in net assets available for benefits.

All other non-derivative financial assets including contributions receivable are measured at amortized cost.

The Plan derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Plan neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and consideration received is recognized in the statement of changes in net assets available for benefits as a net realized gain on sale of investments.

(ii) Non-derivative financial liabilities:

All financial liabilities are recognized initially on the trade date at which the Plan becomes a party to the contractual provisions of the instrument.

The Plan derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of net assets available for benefits when, and only when, the Plan has a legal right to offset the amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Plan considers its accounts payable to be a non-derivative financial liability.

(e) Fair value measurement:

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

In determining fair value, the Plan follows the guidance in IFRS 13, Fair Value Measurement ("IFRS 13"), in Part I of the CPA Canada Handbook. As allowed under IFRS 13, if an asset or a liability measured at fair value has a bid and an ask price, the price within the bid-ask spread that is the most representative of fair value in the circumstances shall be used to measure fair value. The Plan uses closing market price as a practical expedient for fair value measurement.

THE CONTRIBUTORY PENSION PLAN FOR HOURLY-RATED EMPLOYEES OF MCMASTER UNIVERSITY INCLUDING MCMASTER DIVINITY COLLEGE

Notes to Fund Financial Statements

Year ended June 30, 2018

1. Significant accounting policies (continued):

(e) Fair value measurement (continued):

When available, the Plan measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, then the Plan establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognized in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

All changes in fair value, other than interest and dividend income, are recognized in the statement of changes in net assets available for benefits as part of the change in net unrealized gain in investments.

Pooled funds are valued at the unit values supplied by the pooled fund administrator, which represent the Plan's proportionate share of underlying net assets at fair value using closing market prices.

Fair values of investments are determined as follows:

- i) Bonds and equities are valued at year-end quoted closing prices where available. Where quoted prices are not available, estimated fair values are calculated using comparable securities.
- ii) Short-term notes, treasury bills and term deposits maturing within a year are stated at cost, which together with accrued interest income approximates fair value given the short-term nature of these investments.
- iii) Pooled funds are valued at the unit values supplied by the pooled fund administrator, which represent the Plan's proportionate share of underlying net assets at fair values determined using closing market prices.

Investment transactions are accounted for on the trade date.

(f) Investment income:

Investment income, which is recorded on the accrual basis, includes interest income, dividends and pooled fund distributions.

(g) Change in net unrealized gain in investments:

The change in net unrealized gain in investments is the change in the difference between the fair value and cost of investments from the beginning to the end of the year.

THE CONTRIBUTORY PENSION PLAN FOR HOURLY-RATED EMPLOYEES OF MCMASTER UNIVERSITY INCLUDING MCMASTER DIVINITY COLLEGE

Notes to Fund Financial Statements

Year ended June 30, 2018

1. Significant accounting policies (continued):

(h) Net realized gain on sales of investments:

The net realized gain on sales of investments is the difference between proceeds received and the average cost of investments sold.

(i) Income taxes:

The Plan is a Registered Pension Trust, as defined by the Income Tax Act (Canada) and, accordingly, is not subject to income taxes.

(j) Foreign currency:

Transactions in foreign currencies are translated into Canadian dollars at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into Canadian dollars at the exchange rate at that date.

The fair values of foreign currency denominated investments are translated into Canadian dollars at year-end rates of exchange. Gains and losses arising from transactions are included in investment income within the statement of changes in net assets available for benefits.

(k) Use of estimates:

The preparation of the fund financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the statement of net assets and the reported amounts of changes in net assets available for benefits during the year. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

2. Pooled fund investments:

The following summary of pooled fund investments includes information provided in respect of individual investments with a book value or fair value in excess of 1% of the book or fair value of the Plan as at June 30, 2018, as required by the Pension Benefits Act (Ontario), with comparative information for 2017.

Fund name	Nature of investments held	2018 Fair value	2017 Fair value
Jarislowky Fraser Bond Fund	Canadian bonds	\$ 21,751,693	\$ 20,884,783
Jarislowky Fraser Canadian Equity Fund	Canadian equities	12,098,472	11,398,168
Jarislowky Fraser U.S. Equity Fund	U.S. equities	11,942,258	11,475,072
Jarislowky Fraser International Equity Fund	International equities	12,437,938	12,020,283
		\$ 58,230,361	\$ 55,778,306

All pooled funds held by the Plan are managed by Jarislowky Fraser Limited. The book value of pooled fund investments at June 30, 2018 was \$53,160,491 (2017 - \$51,030,589).

THE CONTRIBUTORY PENSION PLAN FOR HOURLY-RATED EMPLOYEES OF MCMASTER UNIVERSITY INCLUDING MCMASTER DIVINITY COLLEGE

Notes to Fund Financial Statements

Year ended June 30, 2018

3. Related party transaction:

The Administrator has provided administrative services without charge.

4. Financial instruments:

The investment objectives of the Plan are to efficiently fund the benefits of the participating plan members. As part of the risk management process, the Administrator has established a diversification policy, set rate of return objectives and developed specific investment guidelines.

(a) Fair value:

The fair value of investments is disclosed in note 2. The fair value of the Plan's other financial assets and liabilities, being cash, employee and employer contributions receivable, other receivables, and accounts payable, approximate carrying value due to the short-term nature of the instruments.

Fair value measurements recognized in the statement of net assets available for benefits are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values.

- Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - inputs for assets and liabilities that are not based on observable market data.

The following is a summary of the Plan's assets carried at fair value:

2018	Level 1	Level 2	Level 3	Total
Canadian bonds	\$ -	\$ 21,751,693	\$ -	\$ 21,751,693
Canadian equities	-	12,098,472	-	12,098,472
U.S. equities	-	11,942,258	-	11,942,258
International equities	-	12,437,938	-	12,437,938
	\$ -	\$ 58,230,361	\$ -	\$ 58,230,361

2017	Level 1	Level 2	Level 3	Total
Canadian bonds	\$ -	\$ 20,884,783	\$ -	\$ 20,884,783
Canadian equities	-	11,398,168	-	11,398,168
U.S. equities	-	11,475,072	-	11,475,072
International equities	-	12,020,283	-	12,020,283
	\$ -	\$ 55,778,306	\$ -	\$ 55,778,306

THE CONTRIBUTORY PENSION PLAN FOR HOURLY-RATED EMPLOYEES OF MCMASTER UNIVERSITY INCLUDING MCMASTER DIVINITY COLLEGE

Notes to Fund Financial Statements

Year ended June 30, 2018

4. Financial Instruments (continued):

(b) Associated risks:

(i) Market price risk:

Market price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to an individual investment, its issuer or all other factors affecting all instruments traded in the market. As all of the Plan's financial instruments are carried at fair value with fair value changes recognized in the statement of changes in net assets available for benefits, all changes in market conditions will directly affect the net increase (decrease) in net assets available for benefits. Market price risk is managed by the Administrator through construction of a diversified portfolio of instruments traded on various markets and across various industries.

As of June 30, 2018, had the value of all equity benchmarks increased or decreased by 10% with all other variables remaining unchanged, and assuming there is a perfect positive correlation between the Plan's equities and benchmarks, the value of the Plan's total equities would have increased or decreased respectively, by approximately \$3,648,000 (2017 - \$3,489,000).

(ii) Interest rate risk:

Interest rate risk is the risk that the market value of the Plan's investments will fluctuate due to changes in market interest rates. The value of the Plan's assets is affected by short-term changes in interest rates and equity markets. Interest rate changes directly impact the value of fixed income securities held in the Bond Fund.

As at June 30, 2018, had the prevailing interest rates increased or decreased by 1% with all other variables remaining unchanged, the value of the bond securities component of the Plan would have increased or decreased by approximately \$1,570,000 (2017 - \$1,537,000).

(iii) Liquidity risk:

Liquidity risk is the risk that the Plan may be unable to meet pension payment obligations in a timely manner and at a reasonable cost. Management of liquidity seeks to ensure that even under adverse conditions, the Plan has access to immediate cash that is necessary to cover benefits payable, withdrawals and other liabilities. The Statement of Investment Policies & Procedures requires the Plan's investments to be highly liquid, so they can be converted into cash on short notice. The Plan's exposure to liquidity risk is considered negligible.

The accrued expenses of the plan are all due within 90 days or less.

The following table summarizes the contractual maturities of all fixed income securities as at June 30, 2018, by the earlier of contractual repricing or maturity dates:

Maturity range	2018		2017	
	Fair value	Percentage of fixed income	Fair value	Percentage of fixed income
0 to 5 years	\$ 9,962,276	45.8%	\$10,533,909	50.4%
5 to 10 years	7,199,810	33.1%	5,598,248	26.8%
Over 10 years	4,589,607	21.1%	4,752,626	22.8%
	\$ 21,751,693	100.0%	\$ 20,884,783	100.0%

THE CONTRIBUTORY PENSION PLAN FOR HOURLY-RATED EMPLOYEES OF MCMASTER UNIVERSITY INCLUDING MCMASTER DIVINITY COLLEGE

Notes to Fund Financial Statements

Year ended June 30, 2018

4. Financial instruments (continued):

(b) Associated risks (continued):

(iv) Foreign currency risk:

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Plan invests in financial instruments denominated in various foreign currencies, other than its measurement currency. Consequently, the Plan is exposed to risks that the exchange of various currencies may change in a manner that has an adverse effect on the value of the portion of the Plan's assets denominated in currencies other than the Canadian dollar. The Plan's overall currency positions and exposures are monitored on a regular basis by the investment manager.

The Plan's currency exposure of its investments as at June 30, 2018, is as follows:

	2018		2017	
	Canadian dollar equivalent	Percentage of total	Canadian dollar equivalent	Percentage of total
US Dollar	\$ 12,529,109	21.5%	\$ 12,210,813	21.7%
Euro	4,755,027	8.1%	4,851,617	8.6%
Pound Sterling	2,127,067	3.6%	2,224,025	4.0%
Japanese Yen	1,809,985	3.1%	1,877,486	3.3%
Swiss Franc	1,545,958	2.6%	1,384,279	2.5%
Other	1,613,050	2.8%	947,135	1.7%
	\$ 24,380,196	41.7%	\$ 23,495,355	41.8%

As at June 30, 2018, if the Canadian dollar strengthened or weakened by 5% (2017 - 5%) in each respective foreign currency, with all other factors remaining constant, the following table summarizes the estimated impacts:

	2018		2017	
	Net exposure	Estimated impact	Net exposure	Estimated impact
US Dollar	\$ 12,529,109	\$ 626,456	\$ 12,210,813	\$ 610,541
Euro	4,755,027	237,751	4,851,617	242,581
Pound Sterling	2,127,067	106,353	2,224,025	111,201
Japanese Yen	1,809,985	90,499	1,877,486	93,874
Swiss Franc	1,545,958	77,298	1,384,279	69,214
Other	1,613,050	80,653	947,135	47,357
	\$ 24,380,196	\$ 1,219,010	\$ 23,495,355	\$ 1,174,768

THE CONTRIBUTORY PENSION PLAN FOR HOURLY-RATED EMPLOYEES OF MCMASTER UNIVERSITY INCLUDING MCMASTER DIVINITY COLLEGE

Notes to Fund Financial Statements

Year ended June 30, 2018

4. Financial Instruments (continued):

(b) Associated risks (continued):

(v) Credit risk:

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Plan. Credit risk is generally higher when a non-exchange traded financial instrument is involved because the counterparty for non-exchange traded financial instruments is not backed by an exchange clearing house. The Plan policy does not permit investments in below investment grade securities. The credit risk is minimized by dealing with borrowers considered to be of high quality and by monitoring their credit risk. The Plan records all investments at fair value and therefore the values reflected in the statement of net assets available for benefits represent the maximum credit exposure to the Plan. The following is a summary of the June 30, 2018 weighted average of funds invested, and the respective allocation targets:

	Asset Mix %	Policy Asset Mix %		Maximum
		Minimum	Benchmark	
Canadian equities	20.7%	10.0	20.0	30.0
U.S. equities	20.4%	8.0	18.0	28.0
International equities	21.3%	7.0	17.0	27.0
Total equities	62.4%	40.0	55.0	70.0
Fixed income	37.2%	25.0	45.0	65.0
Cash	0.4%	0.0	0.0	10.0
Total	100.0%		100.0	

The following are the Plan's investments in interest-bearing financial instruments and the Plan's exposure to credit risk as at June 30, 2018:

Credit rating	2018		2017	
	Fair value	Percentage of portfolio	Fair value	Percentage of portfolio
AAA	\$ 4,676,614	21.5%	\$ 4,364,920	20.9%
AA	9,657,752	44.4%	9,231,074	44.2%
A	5,916,460	27.2%	6,098,356	29.2%
BBB	1,500,867	6.9%	1,190,433	5.7%
	\$ 21,751,693	100.0%	\$ 20,884,783	100.0%

THE CONTRIBUTORY PENSION PLAN FOR HOURLY-RATED EMPLOYEES OF MCMASTER UNIVERSITY INCLUDING MCMASTER DIVINITY COLLEGE

Notes to Fund Financial Statements

Year ended June 30, 2018

4. Financial instruments (continued):

(c) Interest bearing investments:

The following information is provided in respect to interest-bearing investments:

	2018		2017	
	Investment total	Average effective yield	Investment total	Average effective yield
Cash and equivalents	\$ 235,208	0.1%	\$ 398,120	0.1%
Jarislowsky Fraser Bond Fund	\$ 21,751,693	2.8%	\$ 20,884,783	2.2%

The average effective yield is the rate at which the future cash flows of the instrument must be discounted to arrive at the fair value of the instrument.

5. Capital risk management:

The capital of the Plan is represented by the net assets available for benefits. The main objective of the Plan is to ensure the security of the promised pension benefits under the Plan. The Plan fulfils its primary objective by adhering to specific investment policies outlined in its Statement of Investment Policies and Procedures (the "SIP&P"), which is reviewed annually by the Pension Committee. The Plan manages net assets available for benefits by engaging knowledgeable investment managers who are charged with the responsibility of investing existing funds and new funds (contributions) in accordance with the approved SIP&P. The SIP&P was last amended effective October 22, 2015 to reflect changes required by the Financial Services Commission of Ontario.

Although there are no regulatory requirements relating to the level of net assets available for benefits, the funding to be maintained by the defined benefit Plan is determined through triennial actuarial valuations. No contributions remain past due as of June 30, 2018. The pension plan investments fell within the asset mix target ranges for the Plan as at June 30, 2018.

The Plan is required to file fund financial statements with the Financial Services Commission of Ontario annually.