Nova Scotia Public Service
Long Term Disability Plan Trust Fund

GENERAL INVESTMENT POLICY

Purpose

To set the overall guidelines for the allocation of Trust funds between investment vehicles to meet the Nova Scotia Long Term Disability Plan Trust Fund's (Trust Fund's) objectives. The General Investment Policy should be read in conjunction with the Trust Fund's overall Funding Policy. This policy is approved by the Board and reviewed formally every two (2) years following the actuarial valuation, or as warranted.

Investment Vehicles

The Trust Fund and this policy allow the use of two investment vehicles:

1. A Liability Hedging Portfolio (i.e. Fixed income) – a fund which is invested primarily in fixed income assets, with a small allowance for cash. The detailed structure and constraints of the fund can be found in the Trust Fund's Liability Hedging Portfolio Statement of Investment Policies and Procedures. This fund is intended to provide security for the Trust Fund's liabilities.

2. A Balanced Fund Portfolio (i.e. Balanced fund) – a fund which invests in a mixture of equities, bonds and cash assets. The detailed structure and constraints of the fund can be found in the Trust Fund's Balanced Fund Portfolio Statement of Investment Policies and Procedures. This fund is intended to provide a conservative growth vehicle for a portion of the Trust Fund's assets.

Asset Mix

The majority of the Plan's funds shall be invested in the Liability Hedging Portfolio with a target allocation of 100% of the Plan's liabilities as of the last valuation. The fund shall contain no less than 100% of the liabilities as of the last valuation and should not contain more than 110% of the liabilities as of the last valuation.

The fund may also hold small amounts of cash (up to 5% of assets or one quarter's operating and claim payments, whichever is greater) if needed for cash flow and fund management purposes.

Remaining funds shall be invested in the Balanced Fund Portfolio.

Responsible Investing

The Investment Manager must have an Environmental, Social and Governance (ESG) Policy and report to the Board annually on their activities in support of their ESG Policy. In addition, being a signatory of the Principles for Responsible Investment (PRI) or the equivalent is required.

APPROVED BY MOTION October 24, 2024, Board meeting

Subsequent review approved by motion on:

- May 6, 2025

NEXT FORMAL REVIEW Spring 2027