THE UNIVERSITY OF MANITOBA PENSION PLAN (1993)

Independent Auditors' Report and Financial Statements
for the year ended December 31, 2016

UNIVERSITY OF MANITOBA | Pension Office

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THE UNIVERSITY OF MANITOBA PENSION PLAN (1993)

RESPONSIBILITY FOR FINANCIAL REPORTING

The Pension Committee of The University of Manitoba Pension Plan (1993) (Pension Committee) administers the Pension Plan in accordance with The Pension Benefits Act of the Province of Manitoba and with provision of the Income Tax Act (Canada). The Pension Committee's responsibilities as administrator, includes the integrity, objectivity and preparation of the accompanying financial statements and notes. The financial statements are prepared by management in accordance with Canadian accounting standards for pension plans. The financial statements have been approved by the Pension Committee.

The Pension Committee and management maintain a system of internal control to provide a reasonable assurance that the books and records from which the financial statements are derived, are complete, accurate and properly reflect all transactions. Independent custodians prepare records of all investment transactions.

KPMG has examined the financial statements and expressed a written opinion.

Cheryl A. Britton
Financial and Investment Analyst

Bernard Gold
Director, Pension Office

May 18, 2017
Winnipeg, Manitoba

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INDEPENDENT AUDITORS' REPORT

To the Legislative Assembly of Manitoba
To the Pension Committee of The University of Manitoba Pension Plan (1993)
To the Board of Governors of The University of Manitoba

We have audited the accompanying financial statements of The University of Manitoba Pension Plan (1993), which comprise the statement of financial position as at December 31, 2016, the statements of changes in net assets available for benefits and changes in pension obligations for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of 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 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 the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements present fairly, in all material respects, the financial position of The University of Manitoba Pension Plan (1993) as at December 31, 2016, and the changes in its net assets available for benefits and the changes in its pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

KPMG LLP

Chartered Professional Accountants

May 18, 2017

Winnipeg, Canada

The University of Manitoba Pension Plan (1993)

Statement of Financial Position
As at December 31, 2016
($ thousands)

	2016	2015
ASSETS		
Investments (Note 3)	$ 1,157,020	$ 1,097,981
Contribution Receivable		
Member	-	68
Employer	305	333
Accrued Income Receivable	1,563	2,375
TOTAL ASSETS	1,158,888	1,100,757
LIABILITIES		
Accounts Payable	2,386	1,309
TOTAL LIABILITIES	2,386	1,309
NET ASSETS AVAILABLE FOR BENEFITS	1,156,502	1,099,448
PENSION OBLIGATIONS (Note 2e)	1,189,088	1,161,302
PLAN DEFICIT	$ (32,586)	$ (61,854)

The University of Manitoba Pension Plan (1993)

Statement of Changes in Net Assets Available for Benefits

For the year ended December 31, 2016

($ thousands)

	Member Regular	Member Voluntary	Employer Regular	Pension Guarantee Excess Funding	Pensioner Account	Pensioner Solvency Account	Total 2016	Total 2015
INCREASE IN ASSETS								
Contributions	$ 25,462	$ -	$ 25,463	$ -	$ -	$ -	$ 50,925	$ 51,193
Transfers	-	198	-	-	-	-	198	284
Special payment for unfunded liability (Note 11)	-	-	-	-	-	5,138	5,138	5,138
Current service funding (Note 11)	-	-	-	3,491	-	-	3,491	3,544
Investment income (Note 7)	9,550	203	9,549	1,632	8,975	1,336	31,245	33,873
Current period change in fair value of investments (Note 8)	23,071	490	23,068	3,942	21,683	3,228	75,482	19,369
	58,083	891	58,080	9,065	30,658	9,702	166,479	113,401
DECREASE IN ASSETS								
Retirement benefits	23,823	57	23,824	8,679	34,555	-	90,938	84,907
Refunds and transfers	4,886	207	4,887	117	-	-	10,097	11,869
Benefits on death	481	-	481	479	141	-	1,582	2,567
Administrative expenses (Note 10)	2,081	44	2,081	355	1,956	291	6,808	6,042
	31,271	308	31,273	9,630	36,652	291	109,425	105,385
INTRA PLAN TRANSFERS								
To Pensioner Account (Note 6)	(8,808)	-	(8,808)	(5,557)	23,173	-	-	-
NET INCREASE/(DECREASE) FOR THE YEAR	18,004	583	17,999	(6,122)	17,179	9,411	57,054	8,016
NET ASSETS AVAILABLE FOR BENEFITS AT THE BEGINNING OF THE YEAR	337,247	7,021	337,216	64,046	311,720	42,198	1,099,448	1,091,432
NET ASSETS AVAILABLE FOR BENEFITS AT THE END OF THE YEAR	$ 355,251	$ 7,604	$ 355,215	$ 57,924	$ 328,899	$ 51,609	$ 1,156,502	$ 1,099,448

The University of Manitoba Pension Plan (1993)

Statement of Changes in Pension Obligations

For the year ended December 31, 2016

($ thousands)

	2016	2015
Actuarial present value of pension obligations (accrued pension benefits) at beginning of year	$ 1,161,302	$ 1,110,225
Interest accrued on benefits	85,933	51,994
Benefits accrued	56,251	54,393
Benefits paid	(102,617)	(99,343)
Experience (gains) losses	(7,479)	3,650
Assumption changes	(4,302)	40,383
Actuarial present value of pension obligations (accrued pension benefits) at end of year	$ 1,189,088	$ 1,161,302

Notes to the Financial Statements
December 31, 2016

1. Description of Plan

General

The University of Manitoba Pension Plan (1993) (the "Plan") is a trusteed plan administered in accordance with The Pension Benefits Act of the Province of Manitoba and with provisions of The Income Tax Act (Canada).

The Pension Committee of the Plan is the Administrator. The University of Manitoba (the "University") is the Plan sponsor. CIBC Mellon Trust Company has been appointed trustee and custodian in accordance with the terms of a Trust Agreement between the Pension Committee and CIBC Mellon Trust Company.

The following description of the Plan is a summary only. For more complete information, reference should be made to the plan document.

Eligibility

Staff members of the University other than those eligible for membership in either The University of Manitoba Pension Plan (1970) or The University of Manitoba GFT Pension Plan (1986) are eligible for membership in the Plan.

Funding

The Plan members contribute at the rate of 9.0% of salary less an adjustment for the Canada Pension Plan. The University matches these contributions.

If an actuarial valuation reveals a deficiency in the fund, The Pension Benefits Act of the Province of Manitoba requires that the University make additional contributions to fund the deficiency.

Retirement Benefits

At retirement, the Plan provides that the Member's Contribution Account and University Contribution Account are applied to establish retirement income known as a plan annuity. This annuity is determined using a pension factor established by the Actuary and is paid from the Plan. The Plan provides that if the defined benefit pension based on a formula involving the member's years of service and highest average earnings exceeds the plan annuity, the difference (known as a supplementary pension) is paid from the Plan. The Plan provides for retirement benefits paid from the Plan to be increased using an excess interest approach, provided such increase can be afforded by the Plan as confirmed by the Actuary.

Survivor Benefits

In the event of the death of a member who is receiving a plan annuity, the amounts payable, if any, shall be paid in accordance with the form of the retirement benefits selected. If the recipient of the death benefit is not the eligible spouse and the benefit consists of the remaining payments under a guarantee period, the recipient may elect either to receive the remaining payments on a monthly basis or to receive an actuarially equivalent lump sum benefit.

Termination Benefits

The Plan provides for full and immediate vesting on termination of employment subject to the provisions of The Pension Benefits Act of the Province of Manitoba.

Pre-retirement Death Benefits

The benefit on death prior to retirement is the accumulated values of a Member's Contribution Account and the Member's University Contribution Account, including any supplementary pension for members who are eligible to retire.

2. Significant Accounting Policies

a) Basis of Accounting

The financial statements have been prepared in accordance with Canadian accounting standards for pension plans. The Plan has adopted Part II (Private Enterprises) accounting standards for all accounting policies that do not relate to the valuation of the investment portfolio or pension obligations.

These financial statements do not reflect an individual plan member’s benefit security.

b) Financial Instruments

The financial instruments of the Plan consist of contribution receivable, accrued income receivable, investments and accounts payable which include benefits payable.

The Plan recognizes and derecognizes all financial assets and liabilities in accordance with *Financial Instruments*, Section 3856, of Part II of the CPA Canada Handbook.

All investment assets and liabilities are measured at fair value based on International Financial Reporting Standards (IFRS) 13.

Initially, all financial assets and liabilities are recorded at fair value on the Statement of Financial Position. Subsequent measurement is determined by the classification of each financial asset and liability. Investment assets and liabilities are measured at fair value with the change in fair value recognized in the Statement of Changes in Net Assets Available for Benefits. Financial instruments classified as contribution receivable, accrued income receivable and accounts payable are measured at amortized cost.

Fair values of investments are determined as follows:

Fixed Income

(i) Short-term investments are recorded at cost which approximates fair value.
(ii) The pooled mortgage funds are valued by the external fund managers.
(iii) Bonds and debentures are valued at market by an independent securities valuation company.

Equity

(i) Publicly traded securities are recorded at year end market prices.
(ii) The pooled equity funds are valued by the external fund managers.

Real Estate

(i) The pooled real estate funds are valued by the external fund managers.

c) Foreign Currency Translation

The fair value of investments denominated in foreign currencies is translated into Canadian dollars at the exchange rate in effect at year end and the resulting change is included in the change in fair value of investments. Revenue and expense transactions are translated at the exchange rates prevailing on the dates of the transactions and are included in investment income or the change in fair value of investments (realized gains or losses) or administrative expenses at the translated amounts.

d) Allocation of Income/Loss to Individual Plan Members

Investment income/loss is determined and allocated to individual member accounts monthly. Investment income/loss for a month consists of dividend and interest income, realized gains or losses on the sale of investments and unrealized investment gains or losses. Expenses as defined in the service agreement are deducted before the allocation is made. Net investment income/loss is distributed pro-rata to all member accounts based on the member's account balance at the beginning of the month.

e) Pension Obligations

The Plan is a hybrid pension plan that includes defined benefit and defined contribution components.

The pension obligations of a defined benefit pension plan are the actuarial present value of accrued pension benefits determined by applying best estimate assumptions and the projected benefit method prorated on service.

f) Use of Estimates

In preparing these financial statements, estimates and assumptions have been used that primarily affect the reported values of certain assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the period. Actual results could differ from those estimates.

3. Investments

As at December 31, 2016 ($ thousands)			
	Cost	Fair Value	% of Asset Mix at Fair Value
Cash and short-term investments	$ 21,361	$ 21,385	1.8%
Bonds and debentures	142,856	143,834	12.4%
Mortgages - pooled	166,150	163,076	14.1%
Real estate - pooled	91,734	99,061	8.6%
Canadian equities	205,099	255,768	22.1%
Foreign equities	446,238	473,896	41.0%
	$1,073,438	$1,157,020	100.0%

As at December 31, 2015 ($ thousands)			
	Cost	Fair Value	% of Asset Mix at Fair Value
Cash and short-term investments	$ 27,566	$ 27,795	2.5%
Bonds and debentures	244,390	248,350	22.6%
Mortgages - pooled	135,089	134,234	12.2%
Real estate - pooled	66,221	68,205	6.2%
Canadian equities	281,185	300,379	27.4%
Foreign equities	269,978	319,018	29.1%
	$1,024,429	$1,097,981	100.0%

4. Risk Management

Fair values of investments are exposed to market risk, credit risk and liquidity risk.

a) Market risk

Market risk consists of other price risk, interest rate risk and foreign currency risk.

i) Other price risk

Other price risk is the risk that the value of an investment will fluctuate as a result of changes in market conditions, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market.

To mitigate the impact of other price risk, the Plan invests in a diversified portfolio of investments based on an approved Statement of Investment Policies and Procedures. Asset class diversification reduces risk. Within each asset class, risk is managed by quality constraints on investments, restrictions on investments in private placements and investment style diversification. The Plan's target asset allocation reflects a risk/return trade-off which was assessed by the Pension Committee on the basis of long-term prospects in the capital market taking into account the Plan's benefits, liabilities and financial situation with consideration given to all factors that may affect funding, solvency and the ability of the Plan to meet its financial obligations.

The Plan's target asset allocation based on fair value is the following:

Fixed Income	30.0%	
Cash Account		1.0%
Universe Bonds		14.5%
Mortgages		14.5%
Equities	60.0%	
Canadian		20.0%
US		25.0%
EAFE		15.0%
Alternatives	10.0%	
Real Estate		10.0%

ii) Interest rate risk

Interest rate risk refers to the effect on the market value of assets and liabilities due to fluctuations in interest rates. The value of the Plan's bond portfolio assets are directly affected by changes in nominal and real interest rates. The impact of a change in the interest rates by 100 basis points, assuming all other variables held constant, would result in the bond portfolio market value changing by approximately $11.1 million (2015 - $17.1 million).

The established investment policies for the bond mandates have guidelines on concentration, duration, and distribution which are designed to partially mitigate the risks of interest rate volatility.

The impact of change in the interest rates by 100 basis points, assuming all other variables held constant, would result in the combined pooled mortgage and real estate portfolio's net assets changing by approximately $4.8 million (2015 - $4.0 million).

Pension liabilities are exposed to fluctuations in long-term interest rates as well as expectations in salary escalation.

iii) Foreign currency risk

Foreign currency risk is the risk that the value of an investment will fluctuate due to changes in foreign exchange rates. Forward foreign exchange contracts are used to manage currency exposure in connection with securities purchased in foreign currency. Forward contracts are contractual agreements to exchange specified securities at an agreed upon exchange rate and at a settlement date in the future.

The Plan's exposure in cash and investments to foreign currencies reported in Canadian dollars is shown below:

As at December 31, 2016	Currency Exposure ($ thousands)	Percentage
Canadian	$ 681,632	58.91%
US dollar	329,787	28.50%
Euro	46,020	3.98%
British Pound sterling	31,638	2.73%
Japanese Yen	28,467	2.46%
Swiss Franc	14,722	1.27%
Hong Kong dollar	7,826	0.68%
Brazilian Real	4,215	0.36%
Singapore dollar	3,524	0.31%
Other currencies	9,189	0.80%
Total	$1,157,020	100.00%

As at December 31, 2015	Currency Exposure ($ thousands)	Percentage
Canadian	$ 775,873	70.66%
US dollar	195,832	17.84%
Euro	37,347	3.40%
British Pound sterling	33,492	3.05%
Japanese Yen	21,493	1.96%
Swiss Franc	14,114	1.28%
Swedish Krona	4,357	0.40%
Hong Kong dollar	3,934	0.36%
Australian dollar	2,759	0.25%
Other currencies	8,780	0.80%
Total	$1,097,981	100.00%

A 10 percent increase or decrease in exchange rates, with all other variables held constant, would result in a change in unrealized gains (losses) of approximately $40.3 million (2015 - $24.9 million).

b) Credit risk

Credit risk arises from the potential for an investee to fail or for a counterparty to default on its contractual obligations to the Plan. Credit risk is limited by dealing with counterparties that are considered to be of high quality relative to their obligations, by obtaining collateral where appropriate, through investment diversification and by setting and monitoring compliance with portfolio guidelines as set in the Statement of Investment Policies and Procedures.

At December 31, 2016, the Plan's maximum credit risk exposure relates to bonds and debentures, short-term investments and cash totaling $165.22 million (2015 - $276.14 million), contributions receivable of $305,148 (2015 - $401,340) and accrued income of $1.563 million (2015 - $2.375 million) totaling $167.09 million (2015 - $278.92 million).

The Statement of Investment Policies and Procedures establishes limits for ownership of any investment and acceptable credit ratings. In the case of bonds, no more than 20% of the bond securities shall have a credit rating of BBB or lower by DBRS or the equivalent rating by another recognized agency.

The breakdown of the bond investment portfolio by credit rating from various rating agencies is presented below:

Credit Rating	December 31, 2016 Fair Value ($ thousands)		December 31, 2015 Fair Value ($ thousands)	
AAA	$ 51,339	35.7%	$ 90,380	36.4%
AA	53,082	36.9%	76,830	30.9%
A	24,547	17.1%	63,235	25.5%
BBB and lower	14,866	10.3%	17,905	7.2%
	$ 143,834	100.0%	$ 248,350	100.0%

The pooled funds are exposed to credit risk when they hold mortgages, debt securities and sales agreements. The companies of the pooled funds monitor this credit risk.

c) Liquidity risk

Liquidity risk is the risk of being unable to generate sufficient cash, or its equivalent, in a timely and cost-effective manner to meet contractual obligations as they come due. The Plan is exposed to liquidity risk through its responsibility to pay benefits on a timely basis and fund their outstanding investment contractual obligations. The established investment policies mitigate liquidity risk by holding various income producing assets and limiting exposure to non-liquid asset classes.

The term to maturity and the related market values of bond investments are as follows:

Term to Maturity ($ thousands)	December 31, 2016	December 31, 2015
Less than one year	$ 5,983	$ 2,841
One to five years	57,534	115,100
Over five years	80,317	130,409
Total fixed income investments	$ 143,834	$ 248,350

5. Valuation of Financial Instruments at Fair Value

The Plan measures the fair value of investments using the following fair value hierarchy that reflects the significant inputs used in making the measurements:

a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

b) inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and

c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The tables below analyze investments, measured at fair value at year end, by the level in the fair value hierarchy into which the fair value measurement is categorized:

December 31, 2016 ($ thousands)	Level 1	Level 2	Total
Cash	$ 4,289	$ -	$ 4,289
Short-term investments	-	17,096	17,096
Bonds and debentures	-	143,834	143,834
Mortgages - pooled	-	163,076	163,076
Real estate - pooled	-	99,061	99,061
Canadian equities	255,768	-	255,768
Foreign equities	189,007	284,889	473,896
	$ 449,064	$ 707,956	$ 1,157,020

December 31, 2015 ($ thousands)	Level 1	Level 2	Total
Cash	$ 5,128	$ -	$ 5,128
Short-term investments	-	22,667	22,667
Bonds and debentures	-	248,350	248,350
Mortgages - pooled	-	134,234	134,234
Real estate - pooled	-	68,205	68,205
Canadian equities	300,379	-	300,379
Foreign equities	238,463	80,555	319,018
	$ 543,970	$ 554,011	$ 1,097,981

For the years ended December 31, 2016 and 2015, there were no transfers between level 1 and level 2.

6. Pensioner Account

At retirement, the members of this Plan have the option of leaving their funds within the Plan. If the member selects this option, their total account is transferred from their member and university accounts to the Pensioner Account.

Effective December 1, 2008 the mortality basis changed significantly. This change was based on the recommendations from a mortality study based on the Plan’s mortality experience. As a result an amendment was made subdividing the Pensioner Account allocations between Plan Pensions for pre-December 1, 2008 and post-November 30, 2008 retirements.

7. Investment Income ($ thousands)

The following table represents the investment income for the Plan. The allocation to individual plan members is described in Note 2d.

	2016	2015
Interest	$ 10,931	$ 14,570
Dividend	20,314	19,303
Total Investment Income	$ 31,245	$ 33,873

8. Current Period Change in Fair Value of Investments ($ thousands)

The following table represents the realized and unrealized gains and losses for the Plan. The allocation to individual plan members is described in Note 2d.

	2016	2015
Net realized gains on the sale of investments	$ 65,452	$ 106,669
Net unrealized investment gains (losses)	10,030	(87,300)
Total Current Period Change in Fair Value of Investments	$ 75,482	$ 19,369

9. Administration Services

The Administration charge to the Plan represents the cost for staff dedicated to the administration of the Plan. The University provides for all office equipment and supplies to support the administration of the Plan including the costs related to the maintenance of the pension administration system, the accounting system and the human resource and payroll system used to collect data relative to the operation of the Plan.

10. Administrative Expenses ($ thousands)

The following table represents the administrative expenses for the Plan. The allocation to individual plan members is described in Note 2d.

	2016	2015
Investment Manager	$ 5,047	$ 4,058
Investment custody services	337	447
University of Manitoba administration services	631	625
Transaction costs	466	484
Consulting services	135	161
Actuarial services	77	120
Legal services	35	70
Audit services	23	23
Other expenses	57	54
Total expenses	$ 6,808	$ 6,042

11. Employer Special Payments

In accordance with the Plan document, the University is responsible to fund the Plan by matching members' contributions and to make any additional special payments required under The Pension Benefits Act. Based on the results of the Plan's Valuation report, as at December 31, 2013, the University was required to fund two types of special payments; the Going Concern deficit payments of $5.138 million (2015 - $5.138 million) and the current service cost (cost of benefits that arise in the period to the next valuation date) of $3.491 million (2015 - $3.544 million). These additional payments, which are in addition to the matching contributions, will continue to be paid by the University until the Plan's deficit is eliminated.

12. Capital Disclosures

In the context of the Plan, capital is defined as the net assets available for pension benefits. Externally imposed capital requirements relate to the administration of the Plan in accordance with the terms of the Plan, The Pension Benefits Act of the Province of Manitoba and the provisions of The Income Tax Act (Canada). The Pension Committee, as the Administrator of the Plan, have developed appropriate risk management strategies, as described in Note 4, to preserve the net assets available for pension benefits. The Plan has complied with externally imposed capital requirements during the year ended December 31, 2016.

13. Actuarial Valuation

An extrapolation to December 31, 2016 of the 2013 actuarial valuation for financial reporting purposes was completed in 2017 by Eckler Ltd., a firm of consulting actuaries.

In this extrapolation, the accrued pension obligation is the sum of the defined contribution account balances at fair value and the actuarial present value of defined benefits (pensions in pay and future supplementary pensions). The actuarial present value of defined benefits is based on a number of assumptions about future events including interest rates, rate of salary increases, mortality, retirement rates and termination rates. The major assumptions used in determining the actuarial present value of pension benefits for the defined benefit component of the Plan are:

	2016 (rates are per year)	2015 (rates are per year)
Net investment earnings[1]	6.00%	6.10%
Discount rate[2]	5.50%	5.60%
Future Base Rate[3]	3.75%	3.75%
Salary increases	1.5% to 2022 2.5% thereafter	2.00% to 2018 3.0% thereafter
Increases for "salary-related" amounts[4]	3.0%	3.0%
Merit Increases[5]	Age-related scale for academics, 0.5% to age 65, 0% thereafter for support	Age-related scale for academics, 0.5% to age 65, 0% thereafter for support
Mortality[6]	CPM2014Publ with age-related adjustments, projected generationally from 2014 using Scale CPM-B	CPM2014Publ with age-related adjustments, projected generationally from 2014 using Scale CPM-B

1. Defined contribution account balances plus future contributions to those accounts are assumed to increase at this net rate of return on investments.
2. Defined benefits are discounted at this rate, except that benefits for pensioners who retired on or after December 1, 2008 are discounted at the lesser of the discount rate and the Base Rate in effect at retirement.
3. The future Base Rate together with the mortality table is used to determine the plan annuity provided by the defined contribution account balances for future retirements.

4. Other "salary-related" amounts include yearly maximum pensionable earnings (YMPE), maximum contributions and maximum benefits.
5. In addition to salary increases, salaries for academic and support members are assumed to increase for reasons of promotion and merit at rates that vary by age.
6. The mortality assumption reflects the results of a mortality study undertaken in 2015 based on the Plan's experience for the years 2000-2014.

An actuarial valuation, for funding purposes, effective December 31, 2013, was completed in 2014 by Eckler Ltd. and filed with regulators. Pension legislation requires that a funding valuation effective December 31, 2016 be filed in 2017.

14. Investments Greater Than 1%

Based on the legislative requirements of Section 3.29 of the Pension Benefits Regulations, the following is a list of individual investments held by the Plan where the fair value is greater than one percent of the fair value of all the investments of the Plan:

Investment Description		Fair Value ($ thousands)
Bank of Nova Scotia	Common Shares	17,728
Toronto Dominion Bank	Common Shares	15,903
Canadian Natural Resources Ltd.	Common Shares	12,809
Royal Bank of Canada	Common Shares	12,754
Pooled Fund		
J.P. Morgan 130/30 US Equity Fund		131,676
Greystone Mortgage Fund		110,303
Mawer International Equity Fund		78,454
Burgundy International Equity Fund		74,759
GWL Real Estate Fund #1		58,839
GWL Mortgage Investment Fund #1		52,773
Greystone Real Estate		40,222