

SUBJECT	UBC FACULTY PENSION PLAN ANNUAL REPORT AND 2018 FINANCIAL STATEMENTS
MEETING DATE	JUNE 5, 2019

Forwarded on the Recommendation of the President

APPROVED FOR SUBMISSION



 Santa J. Ono, President and Vice-Chancellor

FOR INFORMATION

Report Date	April 30, 2019
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Presented By Barbara Meens Thistle, Vice-President Human Resources
 Orla Cousineau, Executive Director, Pensions

EXECUTIVE SUMMARY

The UBC Faculty Pension Plan (“Faculty Plan”) is a defined contribution pension plan for the members of the academic and administrative executive staff of the University.

The Board of Trustees is responsible for the oversight of the administration, financial reporting and investment activities of the Faculty Plan. The University has no oversight responsibility in respect of the Faculty Pension Plan.

The purpose of this report is to provide an annual update on the Faculty Plan to the Board of Governors, and to provide a copy of the Plan’s audited Financial Statements for 2018 to the Board of Governors.

Attachments

1. Financial Statements of the UBC Faculty Pension Plan

STRATEGIC CORE AREAS SUPPORTED

People and Places **Research Excellence** **Transformative Learning** **Local / Global Engagement**

DESCRIPTION & RATIONALE The Executive Director, Pensions, commencing in 2018, provides an annual update on the Faculty Plan to the Board of Governors.

The market value of the assets of the Faculty Plan was \$2.2 billion at December 31, 2018. The total members at December 31, 2018 was 6,293 (3,456 active members, 1,597 deferred members, and 1,250 retired members).

The Faculty Plan is co-administered by the UBC Pension Administration Office and Sun Life Financial that was appointed the plan recordkeeper and custodian in 2015.

The Board of Trustees selects and monitors the investment options available under the Faculty Plan, and selects and monitors the investment performance of each of the external investment managers.

There are six investment options available that provide the members with a variety of asset classes enabling them to create their own portfolio from a list of specially constructed funds. The default investment option is the Faculty Plan Balanced Fund which is a multi-manager segregated fund that consists of 13 underlying managers, and the fund management fee is currently 45 basis points. Approximately 81% of the Plan assets are invested in the Balanced Fund.

In 2018, there were no changes made to the asset mixes of each fund option or to the external investment managers used within these funds.

In March 2019, the Board of Trustees surveyed the members of the Plan to gauge the level of interest and commitment to investing in a potentially new Fossil Fuel Free Balanced option. Based on the survey results, the Board of Trustees is investigating further whether this new fund option can be offered to Plan members. There are both legal and operational issues to be satisfied before such a fund can be offered. An external consultant will be engaged to assist with the process, and we expect a new Fossil Fuel Free Balanced Fund option could possibly be available within the next 12 months.

The 2018 Annual Report – UBC Faculty Pension Plan Year in Review, was posted on the Plan’s website (<https://faculty.pensions.ubc.ca/>) in April 2019.

Financial Statements

The Board of Trustees is required, under the terms of the Trust Agreement and Plan text, to arrange for an independent audit of the Plan’s Financial Statements, and to provide a copy to the Board of Governors.

The Plan’s audited Financial Statements for 2018 have been provided to the Board Secretary and have been filed with the Superintendent of Pensions for British Columbia.

Financial statements of
The University of British Columbia
Faculty Pension Plan

December 31, 2018

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Independent Auditor's Report

To the Board of Trustees of
The University of British Columbia Faculty Pension Plan

Opinion

We have audited the financial statements of The University of British Columbia Faculty Pension Plan (the "Plan"), which comprise the statement of financial position as at December 31, 2018, and the statement of changes in net assets available for benefits for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 2018, and the changes in its net assets available for benefits for the year then ended in accordance with Canadian accounting standards for pension plans ("ASPP").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASPP, 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.

In preparing the financial statements, management is responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Plan or to cease operations, or has no realistic alternative but to do so.

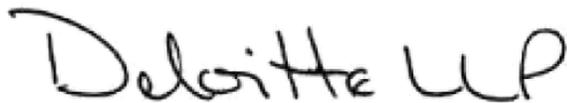
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants
Vancouver, British Columbia
March 27, 2019

The University of British Columbia**Faculty Pension Plan**

Statement of financial position

as at December 31, 2018

(Expressed in thousands of dollars)

	Notes	2018 \$	2017 \$
Assets			
Investments	3		
Balanced Fund		1,819,591	1,864,625
Bond Fund		55,454	55,852
Canadian Equity Fund		150,682	172,801
Foreign Equity Fund		153,820	145,848
Guaranteed investment certificates		21,048	16,316
Short Term Investment Fund		33,089	32,030
		2,233,684	2,287,472
Cash and cash equivalents		2,454	1,655
Investment income receivable		7,082	616
		2,243,220	2,289,743
Accounts and other receivable		2,260	2,228
		2,245,480	2,291,971
Commitments	10		
Liabilities			
Accounts payable and accrued liabilities		3,912	2,015
		3,912	2,015
Net assets available for benefits	4	2,241,568	2,289,956

The accompanying notes are an integral part of the financial statements.

Approved on behalf of the Board of Trustees

Chair

Vice-Chair

The University of British Columbia

Faculty Pension Plan

Statement of changes in net assets available for benefits

year ended December 31, 2018

(Expressed in thousands of dollars)

	Notes	2018	2017
		\$	\$
Increase in assets			
University's required contributions		42,755	41,951
Members' required contributions		22,097	21,637
Members' additional voluntary contributions		777	739
Transfers from other plans		7,009	6,039
		72,638	70,366
Investment income	5	102,742	95,891
Change in fair value of investments	6	(116,729)	86,692
		58,651	252,949
Decrease in net assets			
Payments to or on behalf of members			
Retirement benefits to members and beneficiaries		53,413	50,581
Death benefits		2,337	1,089
Members' accounts transferred and refunded		43,277	42,474
		99,027	94,144
Operations			
Administrative expenses	7	2,789	2,716
Investment			
Management fees		5,223	5,136
		107,039	101,996
Net change in net assets available for benefits		(48,388)	150,953
Net assets available for benefits, beginning of year		2,289,956	2,139,003
Net assets available for benefits, end of year		2,241,568	2,289,956

The accompanying notes are an integral part of the financial statements.

The University of British Columbia Faculty Pension Plan

Notes to the financial statements

December 31, 2018

(Expressed in thousands of dollars)

1. Description of Plan

The following description of The University of British Columbia Faculty Pension Plan (the "Plan") is a summary only. For more complete information, reference should be made to the Plan text.

(a) General

The Plan is a defined contribution pension plan sponsored by The University of British Columbia (the "University") and covers all eligible academic and administrative executive staff as defined in the Plan text. The Plan is registered under the Pension Benefits Standards Act of British Columbia (registration no. 85435). As a registered pension plan under the Income Tax Act of Canada, the Plan is exempt from taxation.

(b) Funding policy

The Plan text requires members and the University to make contributions of 5.0% and 10%, respectively, of basic salary up to the YBE, 3.2% and 8.2%, respectively, of basic salary between the YBE and the YMPE, and 5.0% and 10.0%, respectively, of basic salary in excess of the YMPE. YBE is the "year's basic exemption" and YMPE is the "year's maximum pensionable earnings", both as defined in the Canada Pension Plan.

The Trustees are authorized to receive as contributions only such amounts as are authorized by the Income Tax Act, and in the event excess funds are received, these are refunded to whoever made the contribution.

(c) Investment options

Members in the Money Purchase, Registered Retirement Income Fund ("RRIF"), or Life Income Fund ("LIF") type payment accounts can choose to invest their individual account balances in a Balanced Fund, Bond Fund, Canadian Equity Fund, Foreign Equity Fund, Guaranteed investment certificates or a Short Term Investment Fund.

(d) Retirement benefits

Normal retirement is the first day of July or January following the member's 65th birthday, whichever comes first. However, a member may retire anytime after attaining the age of 55, or may postpone retirement benefits until December 1 of the calendar year of the member's 71st birthday.

(e) Forms of retirement benefit

Upon retirement, the balance in a member's account may be:

- transferred to the Variable Payment Life Annuity account to provide a variable annuity administered by the Plan;
- transferred to the LIF type payment account (maximum withdrawal, which is based on the member's age, changes each year based on rates for long-term Government of Canada bonds) or RRIF type payment account (no maximum withdrawal) administered by the Plan;
- transferred to an approved LIF, Registered Retirement Savings Plan or RRIF administered externally;
- used to purchase an annuity from a financial institution authorized to issue such products;
- withdrawn as cash from non locked-in balances;
- deferred until December 1 in the year the member turns 71; or
- used for a combination of options.

**The University of British Columbia
Faculty Pension Plan**

Notes to the financial statements

December 31, 2018

(Expressed in thousands of dollars)

1. Description of Plan (continued)

(f) Termination and death benefits

Benefits are also paid on termination of employment or in the event of death of the member prior to retirement. Termination benefits are recorded when members' accounts are transferred and refunded on the statement of changes in net asset available for benefits.

Benefits on death subsequent to retirement are paid in accordance with the form of retirement benefit payment originally selected by the retired member.

2. Significant accounting policies

The accounting policies adopted in the preparation of these financial statements have been prepared on the basis of Part IV of the CPA Canada Handbook - Accounting ("Part IV"), Canadian Accounting Standards for Pension Plans ("ASPP").

The Plan has adopted Canadian Accounting Standards for Private Enterprises in Part II of the CPA Canada Handbook - Accounting in connection with any balances or transactions outside of the scope of Part IV.

(a) Basis of presentation

The financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity independent of the University and Plan members. The financial statements are prepared to assist Plan members and others in reviewing the activities of the Plan for the fiscal year. The statement of financial position shows the assets under control of the Trustees of the Plan.

(b) Use of estimates

The preparation of financial statements in accordance with ASPP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of increases and decreases in net assets available for benefits for the reporting period. Actual results could differ from those estimates.

(c) Investments

The Plan's investment structure comprises five segregated funds, which in turn hold pooled funds and real estate investments. The Plan also holds guaranteed investment certificates and investment in a real estate fund (Note 3).

Investments are recorded on a settlement date basis and at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values of investments are determined as follows:

- (i) Segregated funds are valued using the net asset value per unit.
- (ii) Guaranteed investments certificates ("GICs") are valued using published market closing price quotations.
- (iii) The units in the real estate funds are valued based on the fair values of the underlying real estate assets. The net assets mainly include direct real estate investments, which are valued quarterly by the real estate investment managers using a combination of internal and external appraisals to establish current market values.

**The University of British Columbia
Faculty Pension Plan**

Notes to the financial statements

December 31, 2018

(Expressed in thousands of dollars)

2. Significant accounting policies (continued)

(c) Investments (continued)

Adjustments to investments due to the fluctuation of fair values are reflected as part of the change in fair value of investments in the statement of changes in net assets available for benefits. Realized gains and losses are calculated based on the average cost of the investments. Investment income is recognized on an accrual basis. Transaction costs are included in the statement of changes in net assets available for benefits in the period incurred.

(d) Translation of foreign currency

Transactions denominated in foreign currencies are translated at the rate of exchange at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange in effect at the statement of financial position date. Unrealized exchange gains or losses on foreign currencies are included in the change in fair value of investments (Note 6).

(e) Allocation of net assets

In the allocation of net assets available for benefits to the accounts (Note 4), investment income, change in fair value of investments and operational and investment expenses are allocated monthly based on the opening account balances.

(f) Members' accounts transferred or refunded

Members' accounts transferred or refunded are recognized as a decrease in net assets on the accruals basis.

3. Investments

Information about the Plan's investments is as follows:

(a) Short-term notes

The short-term notes held in the Short Term Investment Fund are primarily securities issued by the federal government, Canadian chartered banks, or corporations that mature at various dates within the next fiscal year, as well as investments in pooled money market funds and GICs.

(b) Bonds

Investments in bonds held in the Bond Fund and Balanced Fund consist of units held in Canadian pooled bond funds.

(c) Equities

The fair values of the equity investments held in the Balanced Fund, Canadian Equity Fund, and Foreign Equity Fund are summarized as follows:

	2018	2017
	\$	\$
Canadian		
Pooled equity funds	497,959	569,772
Foreign		
Pooled equity funds	732,592	742,697
	1,230,551	1,312,469

**The University of British Columbia
Faculty Pension Plan**

Notes to the financial statements

December 31, 2018

(Expressed in thousands of dollars)

3. Investments (continued)

(d) Real estate

All real estate investments held by funds in which the Plan has invested are in Canadian properties.

(e) Fair value measurements – Hierarchy disclosure

Part IV establishes a three-tier hierarchy as a framework for disclosing fair values based on inputs used to value the Plan's investments. The hierarchy of inputs is summarized below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices) and;
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following is a summary of the identified hierarchy of inputs used as of December 31, 2018 in valuing the Plan's investments carried at fair values:

	Quoted prices in Active markets for identical assets (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
Balanced Fund				
Segregated fund	-	1,740,321	-	1,740,321
Real estate fund	-	-	79,270	79,270
Bond Fund	-	55,454	-	55,454
Canadian Equity Fund	-	150,682	-	150,682
Foreign Equity Fund	-	153,820	-	153,820
GICs	-	21,048	-	21,048
Short Term Investment Fund	-	33,089	-	33,089
Total investments	-	2,154,414	79,270	2,233,684

**The University of British Columbia
Faculty Pension Plan**

Notes to the financial statements

December 31, 2018

(Expressed in thousands of dollars)

3. Investments (continued)

(e) Fair value measurements – Hierarchy disclosure (continued)

The following is a summary of the identified hierarchy of inputs used as of December 31, 2017 in valuing the Plan's investments carried at fair values:

	Quoted prices in active markets for identical assets (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
Balanced Fund				
Segregated fund	-	1,789,459	-	1,789,459
Real estate fund	-	-	75,166	75,166
Bond Fund	-	55,852	-	55,852
Canadian Equity Fund	-	172,801	-	172,801
Foreign Equity Fund	-	145,848	-	145,848
GICs	-	16,316	-	16,316
Short Term Investment Fund	-	32,030	-	32,030
Total investments	-	2,212,306	75,166	2,287,472

The following table provides information for financial instruments recognized at fair value as at December 31, 2018 and for which Level 3 inputs were used in determining fair value:

	Balance as at December 31, 2017 \$	Reinvested income included in statement of changes in net assets available for benefits \$	Net realized and unrealized gains (losses) included in statement of changes in net assets available for benefits \$	Balance as at December 31, 2018 \$
Real estate fund	75,166	2,546	1,558	79,270

The key assumptions used in determining the fair values of the Level 3 investments included discount rates used to present value future cash flows from properties and income multiples.

**The University of British Columbia
Faculty Pension Plan**

Notes to the financial statements

December 31, 2018

(Expressed in thousands of dollars)

4. Net assets available for benefits

The net assets available for benefits as at December 31 has been allocated as follows:

	2018	2017
	\$	\$
Money Purchase account	1,450,721	1,545,080
RRIF type payment account	404,457	393,530
LIF type payment account	253,903	219,955
Variable Payment Life Annuity account	132,487	131,391
	2,241,568	2,289,956

The Money Purchase account represents assets held by the Plan for the individual accounts of all active and deferred members prior to their retirement.

The RRIF type payment account represents assets held by the Plan for the individual accounts of retired members receiving Registered Retirement Income Fund type payments administered by the Plan.

The LIF type payment account represents assets held by the Plan for the individual accounts of retired members receiving Life Income Fund type payments administered by the Plan.

The Variable Payment Life Annuity account represents assets held by the Plan for the individual accounts of retired members receiving a variable annuity administered by the Plan.

5. Investment income

Investment income earned from GICs, real estate investments and investments held in the segregated funds are as follows:

	2018	2017
	\$	\$
Interest income	29,951	38,037
Pooled fund distributions	46,022	47,981
Real estate income	26,769	9,873
	102,742	95,891

6. Change in fair value of investments

	2018	2017
	\$	\$
Realized gains (losses) on investments	5,064	2,515
Change in unrealized gains (losses) on investments	(121,793)	84,177
	(116,729)	86,692

**The University of British Columbia
Faculty Pension Plan**

Notes to the financial statements

December 31, 2018

(Expressed in thousands of dollars)

7. Administrative expenses

	2018	2017
	\$	\$
Office and administrative costs	1,437	1,413
Custodian	1,230	1,157
Other	58	77
Audit	37	36
Actuarial services	27	33
	2,789	2,716

8. Financial risk management

As a pension plan, the Plan is fundamentally concerned with the management of financial risk. This note summarizes and quantifies these risks and the way the Plan manages them.

The Plan employs a Statement of Investment Policies and Goals ("Policy") to identify, assess, manage and monitor the risks. The Policy provides asset mix ranges and limitations the Plan is to follow. The Policy is overseen by the Board of Trustees ("Board").

The Board oversees management of the Plan with a view to promoting effective plan design, governance, investment policy, financing, administration and legal compliance. The Board monitors the investment performance of the Plan, including total fund, asset class, and manager performance against specified benchmarks.

A majority of the Plan's assets are invested in segregated funds. The pooled fund investments held in the segregated funds provide a more cost effective means of achieving diversification within selected asset classes, given the size of the mandates granted to the investment managers. The managers of the investment funds held in the segregated funds are governed by the managers' own investment policy for the pooled fund. The Board is responsible for ensuring that the detailed investment policy statement setting out the investment constraints for the managers of such funds are prepared and agreed to by the managers.

(a) Credit risk

Credit risk is the risk of financial loss to the Plan if a counterparty to a financial instrument fails to meet its contractual obligations. The Plan has no specific concentration of credit risk as no significant portion of the investments are invested in securities with similar characteristics or subject to similar economic, political or other conditions. The fair value of the Plan's assets represent the Plan's maximum exposure to credit risk.

**The University of British Columbia
Faculty Pension Plan**

Notes to the financial statements

December 31, 2018

(Expressed in thousands of dollars)

8. Financial risk management (continued)

(a) Credit risk (continued)

The investment policies of the various bond managers provide limits to the credit exposure and/or sets a minimum overall average portfolio quality allowed by each manager. The overall credit ratings of fixed income securities held in the Plan's segregated funds are as follows:

	2018	2017
	%	%
AAA	43.4	43.5
AA	22.9	29.6
A	16.6	11.4
BBB	13.0	12.5
BB and below	4.1	3.0
	100.0	100.0

(b) Liquidity risk

Liquidity risk refers to the likelihood of a potential loss arising from a large percentage of requests for redemptions by Plan members. This risk is mitigated as active members and those in the Variable Payment Life Annuity ("VPLA") program cannot withdraw their funds from the Plan. The percentage of the Plan's assets with deferred, retired and LIF/RRIF members that could withdraw their funds on short notice is approximately 42% (2017 - 40%).

All of the Plan's liabilities are due within one year.

Most of the Plan's segregated funds are invested in large pooled funds of which the respective segregated fund is just one of many parties invested in these pooled funds, which provides a high degree of liquidity. The investment managers typically invest in equities and bonds that are very marketable and that have a high degree of liquidity should they need to be sold in a relatively short timeframe.

(c) Interest rate risk

The Plan is subject to interest rate risk. Interest rate risk is the risk that fixed-income securities held by the segregated funds will decline in value because of changes in market interest rates. Rising interest rates cause a decrease in bond prices. Duration is the most common measure of this risk and quantifies the effect of changes in bond prices due to a change in interest rates. The bond portfolio has an average duration of approximately 9 years (2017 - 8.8 years).

(d) Currency risk

Currency risk is the risk that the fair value or future cash flows of foreign investments, measured in Canadian dollars, will decrease because of changes in currency exchange rates. Two of the Plan's four bond managers may invest a portion of their portfolio outside of Canada but they only hold a small exposure to unhedged foreign currencies as they mostly hedge their currency exposure. Otherwise, the Plan's segregated funds' investments in U.S. and non-North American equities are generally unhedged in terms of their currency exposure. These foreign securities as of December 31, 2018 represent approximately 33% (2017 - 33%) of the Plan's segregated funds' assets which consist of 33% (2017 - 33%) in foreign currencies.

**The University of British Columbia
Faculty Pension Plan**

Notes to the financial statements

December 31, 2018

(Expressed in thousands of dollars)

8. Financial risk management (continued)

(e) Other price risk

The investments are exposed to other price risk due to changing market conditions. Investment managers manage the portfolio's other price risk by establishing and monitoring asset allocation strategies and by diversifying investments within the various asset classes to control overall price risk.

9. Capital management

The Plan's objectives when managing capital are to safeguard the ability to continue as a going concern, so that the Fund can provide sufficient benefits to the Plan members.

The Plan manages the capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of underlying assets. To maintain or adjust the capital structure, the Plan may sell assets to meet immediate obligations where appropriate. The Plan is not subject to externally imposed capital requirements.

The Board is responsible for monitoring and evaluating the Plan's performance on a regular basis, as set out in the Policy.

10. Commitments

The Plan has entered into an operating lease for office premises with an expiry date of October 31, 2022. As of December 31, 2018, the future minimum lease payments are due as follows:

	<u>\$</u>
2019	75
2020	75
2021	75
2022	<u>62</u>
	<u>287</u>