

**2019/07/10-01**

**WORKERS' COMPENSATION BOARD  
("WorkSafeBC")**

**RESOLUTION OF THE BOARD OF DIRECTORS**

**RE: Amendments to the Statement of Investment Policies and Goals for the  
Accident Fund**

**WHEREAS:**

Pursuant to Section 82 of the *Workers Compensation Act*, RSBC 1996, Chapter 492 and amendments thereto ("*Act*"), the Board of Directors ("BOD") must set and revise as necessary the policies of WorkSafeBC, and is responsible for approving the investment of funds of WorkSafeBC in accordance with the requirements imposed under the *Act*, approving major programs and expenditures of WorkSafeBC and planning for the future of WorkSafeBC;

**AND WHEREAS:**

Section 67 of the *Act* requires WorkSafeBC to invest and reinvest money in the accident fund (the "Fund") in excess of current requirements, subject to the supervision and control of the Minister of Finance. The Fund is managed by the British Columbia Investment Management Corporation ("BCI");

**AND WHEREAS:**

In furtherance of meeting its statutory investment obligations, the BOD adopted a *Statement of Investment Policies and Goals for the Accident Fund* ("SIPG"), which has been amended by the BOD from time to time with the last amendment made by Resolution 2018/10/25-01 passed at a meeting of the BOD on October 25, 2018;

**AND WHEREAS:**

Pursuant to Section 82(3)(a) of the *Act*, the BOD established an Investment Committee ("Committee") to develop and provide advice and direction to the BOD on WorkSafeBC's investment goals and objectives and, when appropriate, assess and make recommendations for amendments to the SIPG;

**AND WHEREAS:**

In June 2019, the Committee made recommendations to the BOD to amend Section 7.2 of the SIPG to update the fixed income benchmarks' names and to amend Section 8.3 of the SIPG at subsection 8.3.5 to allow the Committee to, notwithstanding any other provision of the SIPG, invest in the "Other" asset class, provided such investments comply with the requirements set out in Section 6.1 of the SIPG, i.e., up to a maximum allocation of 5%.

**THE BOARD OF DIRECTORS RESOLVES THAT:**

1. The SIPG is amended as follows:
  - a) Section 7.2 is deleted and replaced with the Section 7.2 attached to this Resolution as Appendix A; and
  - b) Section 8.3 is deleted and replaced with the Section 8.3 attached to this Resolution as Appendix B.
2. This resolution is effective July 10, 2019.

I, Ralph McGinn, hereby certify for and on behalf of the Board of Directors of WorkSafeBC that the above resolutions were duly passed at a meeting of the Board of Directors held in Richmond, British Columbia on July 10, 2019.

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RALPH MCGINN, P. ENG  
Chair, Board of Directors  
Workers' Compensation Board

## APPENDIX A REVISED SECTION 7.2 OF THE SIPG

### 7.2 Market benchmark for each Asset Class:

<b>Asset Class</b>	<b>Benchmark</b>
Money Market	FTSE Canada 91-Day T-Bill Index
Short Term Bonds	FTSE Canada Short-Term Government Bond Index
Universe Bonds	FTSE Canada Universe Bond Index
Mortgages	BofAML 1-10 Year Canada Government Bond Index + 160 basis points
Credit	50% BofAML US Corporate Index (Hedged) + 50% BofAML BB-B Cash Pay High Yield Constrained Index (Hedged)
Canadian Equity	S&P TSX Capped Composite Index
Global Equity	MSCI World Net ex Canada Index
Emerging Markets Equity	MSCI Emerging Markets Net Index
Private Equity	75% (MSCI All Country World Net Index + 200 basis points) + 25% (8.5% Nominal)
Infrastructure and Renewable Resources	7% Nominal
Real Estate	CPI + 4%

**APPENDIX B  
REVISED SECTION 8.3 OF THE SIPG**

- 8.3 Subject to the Asset Classes stipulated in section 7, the Fund may invest directly and indirectly through derivatives in the following:
- 8.3.1 Fixed Income instruments including but not limited to: publicly traded debt, asset backed securities, mortgages, private placement debts;
  - 8.3.2 Equity instruments including but not limited to: publicly traded shares, common stock equivalents, income trusts, depository receipts, exchange traded funds, convertibles, warrants, private placement equities;
  - 8.3.3 Real Estate and Infrastructure instruments including but not limited to: real estate unit trust, shares and properties.
  - 8.3.4 Currency instruments including but not limited to: spot, future, forward and option contracts.
  - 8.3.5 Notwithstanding any other provision of this SIPG limiting investments of the Fund, investment of portions of the Fund in the “Other” asset class is permitted, provided such investments are in compliance with the requirements set out in section 6.1 of this SIPG.