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The report is presented by Vice-Principal (Administration and Finance) Michael Di Grappa on behalf of Mr. Joel Raby, Chair, Investment Committee.

The report arises from the Investment Committee conference-call meeting of December 4, 2014, and is presented to the Board of Governors for information.

I. FOR THE INFORMATION OF THE BOARD OF GOVERNORS

1. Recommendations to Revise PH&N's Mandate/Guidelines

The Committee, on recommendation of the Vice-Principal (Administration and Finance), approved an expansion to PH&N's mandate for the McGill Investment Pool (MIP) to permit investments in mortgages and foreign bonds in order to benefit from PH&N's diversified sources of value-added investments. The expanded mandate will align PH&N's mandates for the MIP and the McGill Pension Plan.

2. Selected Investment Data, and Market/Economic Indicators

The Committee received this report for information. The Committee discussed the MIP's recent returns, and examined the performance of the MIP's various components.

3. Updates

3.1 Update on Colchester: Global Bond Manager (approved at October 2014 meeting)

The Committee was informed that McGill's Legal Services is reviewing the legal documentation, and that the manager is expected to begin its mandate in January 2015.

3.2 Transactions Generated by the Investment Subcommittee Meeting of November 4, 2014

The Committee learned that the Investment Subcommittee met on November 4, 2014 to consider how to increase the MIP's US equity, which the Committee approved at its October 2014 meeting. Members were informed that the Subcommittee decided to increase US equity by \$50 million, funded primarily through reductions to European and emerging market equity holdings.

END OF REPORT

December 2014