



- NBIMC (www.nbimc.com) is a distinct corporate body that **operates independently from government**. The Corporation is governed by its own Board of Directors and is mandated by legislation to make its own financial investment decisions on behalf of each applicable Pension Trust Fund consistent with prudent investment practices.
- As Trustee for the three pension funds under our management we have a **legal obligation to get the best financial returns for those pension plans**. Our fiduciary duty to these pension plans requires us to hold an even hand in all investment decisions. These decisions need to be made in the best interests of all plan stakeholders, not any specific interest groups.

We guide our investment actions by Responsible Investment Guidelines (<http://nbimc.com/uploads/ResponsibleIG.pdf>) that we have developed. As outlined in the guidelines *“The Legislative Act which created NBIMC also designates NBIMC as trustee for the funds under management. Our legal fiduciary duty as trustee therefore requires NBIMC to invest in opportunities that can obtain the highest possible financial return for the funds, commensurate with acceptable levels of risk. As a fiduciary it is therefore very important that non-financial investment considerations do not preclude this risk adjusted return obligation. In most cases we believe that the laws and regulatory agencies of the specific countries in which we invest are the best served to opine on social issues. NBIMC does however believe that responsible corporate behavior is related to good long-term corporate performance. It is therefore important to point out that some social responsibility issues may very well affect our view on a specific company’s long-term shareholder value. In those cases we will use any governance related means at our disposal to address the issue with the company in question.”*

- NBIMC works closely with other groups of peer institutional public sector pension plans to engage with the companies we invest in, to ensure that they meet high standards and to help effect positive changes in their operating standards where necessary. For example, NBIMC employees are active Board members with the Pension Investment Association of Canada and the Canadian Coalition of Good Governance. We also closely follow the corporate engagement activities of our larger peer investment managers and actively use our proxy voting rights.
- There are companies which are involved with certain products such as tobacco whose stocks are part of various global public equity industry benchmarks that are typical to the investment industry and our Investment Policies. Our holdings of these companies may change both as a function of the total amount of investment assets we have under management and by the weights of each of these companies in their respective industry benchmarks (i.e. how well those companies have performed versus their index peers).
- Contrary to recent media reports, **we are not aware of any Canadian peer public sector pension plan (Provincial or the Canada Pension Plan Investment Board) making specific restrictions** to investments in companies whose business activities are lawful or would be considered lawful if operated in Canada. We are however aware that a few government entities have restricted certain investments in more specific special purpose investment pools that take their investment instructions directly from government (ex. the Alberta Heritage Savings Trust Fund).