Fund Financial Statements of

UNIVERSITY OF WINDSOR RETIREMENT PLAN FOR FACULTY AND CERTAIN EMPLOYEES

Registration Number: 0366849
Year ended June 30, 2014

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INDEPENDENT AUDITORS' REPORT

To the Trustee of University of Windsor Retirement Plan for Faculty and Certain Employees

We have audited the accompanying financial statements of the University of Windsor Retirement Plan for Faculty and Certain Employees, which comprise the statement of net assets as at June 30, 2014, the statement of changes in net assets for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management based on the financial reporting provisions of Section 76 of the Regulations to the Pension Benefits Act (Ontario).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Section 76 of the Regulations to the Pension Benefits Act (Ontario), 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 an 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 net assets of the University of Windsor Retirement Plan for Faculty and Certain Employees as at June 30, 2014, and its changes in net assets for the year then ended in accordance with the financial reporting provisions Section 76 to the Regulations to the Pension Benefits Act (Ontario).

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describe the basis of accounting. The financial statements are prepared to assist the University of Windsor Retirement Plan for Faculty and Certain Employees to meet the requirements of the Financial Services Commission of Ontario. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Trustee of the University of Windsor Retirement Plan for Faculty and Certain Employees and the Financial Services Commission of Ontario and should not be used by parties other than the University of Windsor Retirement Plan for Faculty and Certain Employees and the Financial Services Commission of Ontario.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

November 25, 2014

Windsor, Canada

UNIVERSITY OF WINDSOR
RETIREMENT PLAN FOR FACULTY AND CERTAIN EMPLOYEES

(Registration Number: 0366849)

Statement of Net Assets

Year ended June 30, 2014, with comparative information for 2013

		2014	2013
		$	**$**
Assets			
Accrued interest and dividends		550,631	644,446
Investments	note 5	424,387,478	357,510,606
Total Assets		424,938,109	358,155,052
Liabilities			
Accrued liabilities		454,698	349,865
Net Assets		424,483,411	357,805,187

See accompanying notes to the fund financial statements.

On behalf of the Trustees:

Administrator

Administrator

UNIVERSITY OF WINDSOR

RETIREMENT PLAN FOR FACULTY AND CERTAIN EMPLOYEES

(Registration Number: 0366849)

Statement of Changes in Net Assets

Year ended June 30, 2014, with comparative information for 2013

		2014	**2013**
		$	**$**
Increase in net assets:			
Investment income	note 7	10,763,520	10,789,048
Net realized gain on sale of investments		24,982,193	6,560,713
Current period change in market values of investments		35,742,538	19,713,126
Contributions:			
Employee		6,060,494	5,904,584
Employer:			
Current service		8,180,728	7,981,723
Special		5,385,324	5,385,324
Total Employer Contributions		13,566,052	13,367,047
		91,114,797	56,334,518
Decrease in net assets:			
Benefit payments		18,618,956	17,675,139
Payments to individuals on cessation of employment:			
Transfers to other plans		3,844,404	3,125,975
Administrative expenses	note 8	1,973,213	1,597,706
		24,436,573	22,398,820
Increase in net assets		66,678,224	33,935,698
Net assets, beginning of year		357,805,187	323,869,489
Net assets, end of year		424,483,411	357,805,187

See accompanying notes to fund financial statements.

1. DESCRIPTION OF PLAN

The following description of the University of Windsor Retirement Plan for Faculty and Certain Employees (the "Plan") is a summary only. For more complete information, reference should be made to the Plan's text.

(a) General

The University of Windsor ("the University") sponsors two pension plans, the Retirement Plan for Faculty and Certain Employees ("the Faculty Plan") and the Employees' Retirement Plan ("the Employees' Plan"). The Faculty Plan is a money purchase plan with a defined benefit minimum guarantee. The Employees' Plan is a defined benefit plan.

The Master Trust Fund (the "Fund") holds the assets for both the Faculty Plan and the Employees' Plan. Although the Plans are distinct and separate, the assets are invested jointly under a Master Trust Agreement in order to maximize investment income while minimizing administrative costs and management fees.

(b) Funding policy

The Pension Benefits Act (Ontario) requires that the University, the Plan's sponsor, must fund the benefits determined under the Plan. The determinations of the value of these benefits are made on the basis of a triennial actuarial valuation and any current legislative requirements.

(c) Income taxes

The Plan is a Registered Pension Trust as defined in the Income Tax Act and is not subject to income taxes.

(d) Investment policy

The Plan invests, together with other registered participant plans, in the Fund. The Fund is administered by Northern Trust on behalf of the participant plans.

2. BASIS OF PREPARATION

(a) Basis of presentation

As permitted by the Financial Services Commission of Ontario ("FSCO"), the Plan may prepare financial statements in accordance with Canadian accounting standards for pension plans or prepare fund financial statements in accordance with Canadian accounting standards for pension plans excluding pension obligations and any resulting surplus or deficit.

2. BASIS OF PREPARATION (continued)

(a) Basis of presentation (continued)

The Plan has prepared fund financial statements in accordance with Canadian accounting standards for pension plans excluding pension obligations and any resulting surplus or deficit.

In selecting or changing accounting policies that do not relate to its investment portfolio or pension obligations, Canadian accounting standards for pension plans require the Plan to comply (on a consistent basis) with either International Financial Reporting Standards ("IFRS") in Part I of Chartered Professional Accountants Canada (“CPA Canada”) Handbook or the Canadian accounting standards for private enterprises in Part II of the CPA Canada Handbook - Accounting. The Plan has chosen to comply on a consistent basis with IFRS.

These fund financial statements have been prepared to assist the Trustees of the Plan to comply with the requirements of the FSCO under Section 76 of Regulation 909 of the Pension Benefits Act (Ontario). As a result, the fund financial statements may not be suitable for another purpose.

These fund financial statements of the Plan do not purport to show the adequacy of the Plan's assets to meet its pension obligation. Such an assessment requires additional information, such as the Plan's actuarial reports and information about the University’s financial health.

These fund financial statements have been prepared in accordance with the significant accounting policies set out below.

(b) Basis of measurement

The fund financial statements have been prepared on the historical cost basis, except for investments and derivative financial instruments which are measured at fair value through the statement of changes in net assets.

(c) Functional and presentation currency

These fund financial statements are presented in Canadian dollars, which is the Plan's functional currency.

2. BASIS OF PREPARATION (continued)

(d) Use of estimates and judgements

The preparation of the fund financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the statement of net assets and the reported amounts of changes in net assets during the year. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Fair value measurement

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.

In determining fair value, the Plan and the Fund adopted the guidance in IFRS 13, Fair Value Measurement ("IFRS 13"), in Part I of the CPA Canada Handbook. As allowed under IFRS 13, if an asset or a liability measured at fair value has a bid and an ask price, the price within the bid-ask spread that is the most representative of fair value in the circumstances shall be used to measure fair value. The Plan and the Fund use closing market price as a practical expedient for fair value measurement.

When available, the Plan and the Fund measure the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, then the Plan and the Fund establish fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Fair value measurement (continued)

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognized in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

Within the Plan and the Fund, all changes in fair value, other than interest and dividend income and expense, are recognized in the statement of changes in net assets as part of the current period change in market values of investments.

Fair values of investments are determined as follows:

Bonds and equities are valued at year-end quoted market prices where available. Where quoted prices are not available, estimated fair values are calculated using comparable securities.

Short-term notes, treasury bills and term deposits maturing within a year are stated at cost, which together with accrued interest income approximates fair value given the short-term nature of these investments.

Guaranteed investment certificates, term deposits maturing after a year and mortgages are valued at the present value of estimated future cash flows discounted at interest rates in effect on the last business day of the year for investments of a similar type, quality, and maturity.

Pooled fund investments are valued at the unit values supplied by the pooled fund administrator, which represent the Fund's proportionate share of underlying net assets at fair values, determined using closing market prices.

Investment in the Fund are valued at the unit values supplied by the Fund Manager, which represents the Plan’s proportionate share of underlying net assets at fair values determined using the accumulation of the fair values of the underlying investments determined using closing market prices.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Financial assets and financial liabilities

(i) Non-derivative financial assets

Financial assets are recognized initially on the trade date, which is the date that the Plan becomes a party to the contractual provisions of the instrument. Upon initial recognition, attributable transaction costs are recognized in the statement of changes in net assets as incurred.

The Plan measures all of its investments at fair value through the statement of changes in net assets.

All other non-derivative financial assets including contributions receivable are measured at amortized cost.

The Plan derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Plan neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

On de-recognition of a financial asset, the difference between the carrying amount of the asset and consideration received is recognized in the statement of changes in net assets as a net realized gain (loss) on sale of investments.

(ii) Non-derivative financial liabilities

All financial liabilities are recognized initially on the trade date at which the Plan becomes a party to the contractual provisions of the instrument.

The Plan derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of net assets when, and only when, the Plan has a legal right to offset the amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Plan considers its accrued liabilities to be a non-derivative financial liability.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Net realized gain (loss) on sale of investments

The net realized gain (loss) on sale of investments is the difference between proceeds received and the average cost of investments sold.

(d) Income recognition

Investment income, which is recorded on the accrual basis, includes interest and dividend income.

Brokers' commissions and other transaction costs are recognized in the statement of changes in net assets in the year incurred.

(e) Foreign currency

Transactions in foreign currencies are translated into Canadian dollars at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into Canadian dollars at the exchange rate at that date.

Foreign currency differences arising on retranslation are recognized in the statement of changes in net assets as a current period change in market value of investments.

(f) Unit valuation

Participating pension plans ("Participant") are issued units in the Fund based on the unit value at the Valuation Date, prior to which a contribution was made. Capital gains and losses, plus investment income, net of agency fees, custodian fees and fund managers' fees are allocated to each participating pension plan on a pro-rata basis. Participating pension plans' units are redeemed based on the unit value at the Valuation Date prior to which the request for redemption is made by the Participant.

4. FUNDING POLICY

The University is required to provide funding, based on triennial valuations and any current legislative requirements, necessary to ensure that benefits will be fully provided for at retirement. The University's funding policy is to make contributions from time to time using the level premium method as determined by the actuary.

The most recent actuarial valuation for funding purposes was prepared as at July 1, 2011 by William M. Mercer Limited. A copy of the valuation was filed with the Financial Services Commission of Ontario, Pension Plans Branch as required by the Pension Benefits Act (Ontario).

UNIVERSITY OF WINDSOR
RETIREMENT PLAN FOR FACULTY AND CERTAIN EMPLOYEES

(Registration Number: 0366849)

Notes to Fund Financial Statements

Year ended June 30, 2014, with comparative information for 2013

5. INVESTMENTS

The following table summarizes the Master Trust Fund's investments at fair value and cost:

	2014 Fair Value $	2014 Cost $	2013 Fair Value $	2013 Cost $
Cash and short-term investments	17,146,067	17,126,385	13,513,008	13,464,531
Canadian bonds and debentures	214,057,774	212,351,839	178,758,654	180,407,582
Canadian common and preferred shares	200,375,669	168,940,478	151,784,496	142,366,715
Investment in Canadian Master Trust	431,579,510	398,418,702	344,056,158	336,238,828
Investment in Non-Canadian Master Trust - Shares	190,233,645	119,026,573	178,162,080	133,754,020
	621,813,155	517,445,275	522,218,238	469,992,848

The following table summarizes the Plan's pro-rata share of the investments at fair value and cost in the Master Trust Fund (68.25%; 2013 – 68.46%).

	2014 Fair Value $	2014 Cost $	2013 Fair Value $	2013 Cost $
Cash and short-term investments	11,702,190	11,688,758	9,251,005	9,217,818
Canadian bonds and debentures	146,094,431	144,930,130	122,378,175	123,507,031
Canadian common and preferred shares	136,756,394	115,301,876	103,911,666	97,464,253
Investment in Canadian Master Trust	294,553,015	271,920,764	235,540,846	230,189,102
Investment in Non-Canadian Master Trust - Shares	129,834,463	81,235,636	121,969,760	91,568,002
	424,387,478	353,156,400	357,510,606	321,757,104

6. STATUTORY DISCLOSURE

The following information is provided in respect of individual investments with a cost or fair value in excess of 1% of the cost or fair value of the Master Trust Fund, as required by the Regulation to the Pension Benefits Act (Ontario).

(i) Cash and short-term investments

Issuer	2014 Fair Value $	2014 Cost $	2013 Fair Value $	2013 Cost $
Government of Canada Bonds	11,083,304	11,069,408	7,606,918	7,561,734

(ii) Canadian bonds and debentures

Canada Housing Trust	7,927,877	7,749,360	58,101,259	15,486,900
PHN Pool	74,008,518	74,980,756	59,643,814	61,862,777
PHN Long Bond Pool	44,448,582	45,602,185	33,980,773	36,138,336

(iii) Canadian common and preferred shares

Canadian equity pooled plans

FGP Small Cap Pool	10,959,739	7,632,179	8,206,182	6,916,240
SSgA Canadian Equity Index Pool	-	-	52,832,578	74,757,981
Pyramis Canadian Equity Pool	95,952,919	92,550,000	-	-
Canadian shares				
Toronto Dominion COM NPV	7,350,842	4,582,454	5,430,830	4,082,816
Bank of Nova Scotia COM NPV	7,502,281	5,401,904	5,099,098	4,473,961
Royal Bank of Canada Common	6,970,314	4,970,914	4,448,621	3,602,905

(iv) Non-Canadian shares

BG Global Alpha Pooled Fund	94,654,891	57,721,564	89,769,844	65,214,579
Sprucegrove Global Pooled Fund	95,578,754	61,305,009	88,392,238	68,539,441

7. INVESTMENT INCOME

The following investment income represents the Plan's pro-rata share of the investment income earned by the Fund:

	2014 $	2013 $
Cash and short term investments	120,036	171,924
Canadian bonds and debentures	7,589,516	7,659,590
Canadian common and preferred shares	4,518,023	6,313,980
Investment in Canadian Master Trust	12,227,575	14,145,494
Investment in Non-Canadian Master Trust- Shares	3,543,150	1,614,144
	15,770,725	15,759,638
Plan's pro-rata share of the Fund's investment income	10,763,520	10,789,048

8. ADMINISTRATIVE EXPENSES

	2014 $	2013 $
Investment management fees	1,406,775	1,112,628
Actuarial and investment consulting fees	258,542	149,098
Sponsor administrative fees	131,397	140,718
Trustee fees	71,584	82,119
Audit fees	7,833	7,837
Miscellaneous	97,082	105,306
	1,973,213	1,597,706

9. FINANCIAL INSTRUMENTS

(a) Fair values

The fair values of investments are as described in note 3(a). The fair values of other financial assets and liabilities, being accrued interest and dividends and accrued liabilities, approximate their carrying values due to the short-term nature of these financial instruments.

Fair value measurements recognized in the statement of net assets are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values.

- Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - inputs for assets and liabilities that are not based on observable market data. The Plan does not have assets classified as Level 3.

The following table illustrates the classification of the Fund's financial instruments using the fair value hierarchy as at June 30, 2014:

	Level 1 $	Level 2 $	2014 Total $	2013 Total $
Cash and short term investments	3,044,612	14,101,455	17,146,067	13,513,008
Canadian bonds and debentures	-	214,057,774	214,057,774	178,758,654
Canadian common and preferred shares	93,513,010	106,862,659	200,375,669	151,784,496
Investment in Canadian Master Trust	96,557,622	335,021,888	431,579,510	344,056,158
Investment in Non-Canadian Master Trust - Shares	-	190,233,645	190,233,645	178,162,080
	96,557,622	525,255,533	621,813,155	522,218,238
Plan's share of the Fund	65,900,577	358,486,901	424,387,478	357,510,606

(b) Associated risks

(i) Market price risk

Market price risk is the risk that value of an instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. As all of the Plan's financial instruments are carried at fair value with fair value changes recognized in the statement of changes in net assets, all changes in market conditions will directly result in an increase (decrease) in net assets.

9. FINANCIAL INSTRUMENTS (continued)

(b) Associated risks (continued)

(i) Market price risk (continued)

Market price risk is managed by the Administrator through construction of a diversified portfolio of instruments traded on various markets and across various industries. In addition, market price risk may be hedged using derivative financial instruments such as futures contracts.

The Fund's investments in equities are also sensitive to market fluctuations. An immediate hypothetical increase (decline) of 10% in equity values will impact the Fund's equity investments by an approximate gain and loss of $ 39,060,931 (2013 - $32,994,658).

The Plan's pro-rata share of this gain (loss) would be $26,659,085 (2013 - $22,588,143).

(ii) Liquidity risk

Liquidity risk is the risk that the Plan will encounter difficulty in meeting obligations associated with financial liabilities. The Plan maintains an investment policy, as approved by the Administrator, which contains assets mix guidelines which help to ensure the Plan is able to liquidate investments to meet its pension benefit or other obligations.

(iii) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Plan. The University does not expect any counterparties to fail to meet their obligations given their high credit ratings. The University has established policies and minimum credit rating requirements for such investments.

The Fund's fixed income investments are in Canadian-issued instruments and are diversified among federal, provincial, corporate and other issuers. In order to minimize the exposure of risk, a comprehensive investment policy has been developed. There were no significant concentrations of credit risk in the portfolio in either 2014 or 2013. The maximum credit risk exposure as at June 30, 2014 is $214,057,775 (2013 - $178,758,654).

9. FINANCIAL INSTRUMENTS (continued)

(b) Associated risks (continued)

(iii) Credit risk (continued)

The breakdown of the total Canadian bonds and debentures by credit ratings as at June 30, 2014 is:

Credit Rating	2014 Master Trust Fair Value $	2014 Plan's Pro-rata share $	2013 Master Trust Fair Value $	2013 Plan's Pro-rata share $
AAA	47,216,509	32,225,267	51,268,405	35,098,350
AA	17,119,427	11,684,009	11,992,931	8,210,360
AA Pooled Bonds Average Rating	118,457,099	80,846,970	93,624,587	64,095,392
A	23,671,086	16,155,516	17,015,627	11,648,899
BBB	7,593,653	5,182,669	4,857,104	3,325,174
	214,057,774	146,094,431	178,758,654	122,378,175

(iv) Interest rate risk

The following table summarizes the fair values of investments by the earlier of contractual re-pricing or maturity dates.

	2014 Master Trust Fair Value $	2014 Plan's Pro-rata share $	2013 Master Trust Fair Value $	2013 Plan's Pro-rata share $
Within 1 year	19,585,472	13,367,085	13,513,008	9,251,005
1 to 5 Years	16,101,860	10,989,519	16,948,249	11,602,771
5 to 10 Years	23,850,308	16,277,835	23,107,548	15,819,428
Over 10 Years	50,235,118	34,285,468	45,078,270	30,860,584
No Specific Maturity	512,040,397	349,467,571	423,571,163	289,976,818
	621,813,155	424,387,478	522,218,238	357,510,606

9. FINANCIAL INSTRUMENTS (continued)

(b) Associated risks (continued)

(iv) Interest rate risk (continued)

The following table summarizes the average effective yield on the Master Trust Plan's Investments at June 30, 2014.

	2014 Effective Yield		2013 Effective Yield	
	$	%	$	%
Cash and short term investments	17,146,067	1.00	13,513,008	0.80
Canadian bonds and debentures	214,057,774	2.97	178,758,654	3.27
Canadian common and preferred shares	200,375,669	2.52	151,784,496	3.19
Investment in Non-Canadian Master Trust - Shares	190,233,645	2.10	178,162,080	2.16
	621,813,155	2.50	522,218,238	2.80

Interest rate risk is the risk that the market value of the Plan's investments will fluctuate due to the changes in the market interest rates. To properly manage the Plan's interest rate risk, appropriate guidelines on the weighting and duration for the bonds and other fixed income investments are set and monitored. The Plan's investments in fixed income are sensitive to interest rate movements. An immediate hypothetical 100 basis point or 1% increase (decrease) in interest rates, with all other variables held constant, would impact Canadian bonds and debentures by an estimated loss (gain) of approximately $19,090,800 (2013 - $15,428,000).

The plans prorate share of this loss (gain) would be $13,029,500 (2013 - $10,562,000).

(v) Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign currency rates. The Plan invests in financial instruments and enters into foreign transactions denominated in Canadian dollars. The Plan is exposed to risks that the exchange rate of the foreign currency may change in a manner that has an adverse effect on the value of the portion of the Plan's underlying assets or liabilities invested in foreign transactions. The Plan's overall currency positions and exposures are monitored on a regular basis by the Administrator. The sensitivity to foreign currency risk is included in the market price risk analysis.

10. CAPITAL RISK MANAGEMENT

The capital of the Fund is represented by the net assets available for benefits. The Fund's objective when managing the capital is to safeguard its ability to continue as a going concern and to maintain adequate assets to support pension obligations. The Administrator has adopted a Statement of Investment Policies and Procedures ("the SIPP") which states investment objectives, guidelines and benchmarks used in investing the capital of the plan, permitted categories of investments, asset-mix diversification and rate of return expectations. The SIPP is reviewed annually by the Investment Committee and was last amended effective February 26, 2013.

The Plan invests in units of the Fund, which itself invests in various investment vehicles, in accordance with the SIPP and investment mandates specific to each investment manager. The Fund's investment positions expose it to a variety of financial risks which are discussed in Note 9 - Financial Instruments. The allocation of assets among various asset categories is monitored by the Administrator on a monthly basis. A comprehensive review is conducted quarterly, which includes measurement of returns, comparison of returns to appropriate benchmarks, ranking of returns to appropriate universes and risk analysis.

The University is required under the Pension Benefits Act (Ontario) to pay contributions, based on actuarial valuations, necessary to ensure the benefits are funded. More details on members and University contributions that were paid during the period can be found in Note 4 - Funding Policy. No contributions remain past due as of the end of the period covered by the financial statements.

11. RELATED PARTY TRANSACTIONS

The Plan defines its key management personnel as the University's Board of Governors and other members of senior administration responsible for planning, controlling and directing the activities of the Plan. The Plan has not paid for services provided by key management personnel.

The University provides certain administrative services to the Plan. The cost to the Plan for these services during the year ended June 30, 2014 was $131,397 (2013 - $140,718), which is included in administrative expenses in Note 8 – Administrative Expenses.