

Lakehead University
Pension Investment Fund
Financial Statements
For the year ended December 31, 2017

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Independent Auditor's Report

To the Administrator Lakehead University Pension Investment Fund

We have audited the accompanying fund financial statements of Lakehead University Pension Investment Fund ("the Fund"), which comprise the statement of net assets available for benefits as at December 31, 2017, and the statement of changes in net assets available for benefits for the year then ended, and a summary of significant accounting policies and other explanatory information. The fund financial statements have been prepared by management based on the financial reporting provisions of Section 76 of Regulation 909 of the Pension Benefits Act of Ontario.

Management's Responsibility for the Fund Financial Statements

Management is responsible for the preparation and fair presentation of these fund financial statements in accordance with the financial reporting provisions of Section 76 of Regulation 909 of the Pension Benefits Act of Ontario, and for such internal control as management determines is necessary to enable the preparation of fund financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these fund 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 the audit to obtain reasonable assurance about whether the fund financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the fund financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the fund financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the fund 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 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.

Independent Auditor's Report (cont'd)

Opinion

In our opinion, these fund financial statements present fairly, in all material respects, the net assets available for benefits of the Fund as at December 31, 2017, and the changes in net assets available for benefits for the year then ended in accordance with the financial reporting provisions of Section 76 of Regulation 909 of the Pension Benefits Act of Ontario.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2 in the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Administrator of the Fund 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 Administrator of the Fund and the Financial Services Commission of Ontario and should not be used by parties other than the Administrator of the Fund or the Financial Services Commission of Ontario.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Thunder Bay, Ontario
June 8, 2018

Lakehead University Pension Investment Fund Statement of Net Assets Available for Benefit

December 31 (in thousands of dollars)	2017			2016		
	Professional and Administrative Staff Plan (Ontario Registration Number 246058)	Employee Pension Plan (Ontario Registration Number 526921)	Total	Professional and Administrative Staff Plan (Ontario Registration Number 246058)	Employee Pension Plan (Ontario Registration Number 526921)	Total
Assets						
Cash and cash equivalents	\$ 1,232	\$ 230	\$ 1,462	\$ 1,464	\$ 277	\$ 1,741
Investments, at market value (Note 3, Schedules 1 and 2) (cost 2017 - \$190,672; cost 2016 - \$189,327)	191,736	35,278	227,014	185,015	34,653	219,668
HST receivable	9	2	11	10	2	12
Sponsor's contributions receivable	473	96	569	359	136	495
Employees' contributions receivable	336	100	436	308	94	402
	193,786	35,706	229,492	187,156	35,162	222,318
Liabilities						
Accounts payable (Note 4)	229	44	273	262	50	312
Deferred pension contributions (Note 5)	-	-	-	161	-	161
	229	44	273	423	50	473
Net assets available for benefits	\$193,557	\$35,662	\$229,219	\$186,733	\$35,112	\$221,845

On behalf of the Administrator

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

Lakehead University Pension Investment Fund Statement of Changes in Net Assets Available for Benefits

For the year ended December 31 (in thousands of dollars)	2017			2016		
	Professional and Administrative Staff Plan (Ontario Registration Number 246058)	Employee Pension Plan (Ontario Registration Number 526921)	Total	Professional and Administrative Staff Plan (Ontario Registration Number 246058)	Employee Pension Plan (Ontario Registration Number 526921)	Total
Income						
Investment income	\$ 4,046	\$ 755	\$ 4,801	\$ 4,290	\$ 809	\$ 5,099
Net realized gains on investments	4,530	845	5,375	9,378	1,772	11,150
Net unrealized change in market value of investments	5,222	779	6,001	6,048	833	6,881
Other cash receipts - pension transfers (Note 6)	-	30	30	-	19	19
Contributions (Note 7) - employees	2,779	751	3,530	2,578	694	3,272
- sponsor	4,472	712	5,184	4,273	705	4,978
	21,049	3,872	24,921	26,567	4,832	31,399
Expenses						
Administration and professional fees (Note 8)	807	150	957	803	154	957
Increase in net assets before benefits paid	20,242	3,722	23,964	25,764	4,678	30,442
Benefits Paid						
Pension benefits and refunds (Note 9)	13,561	3,029	16,590	17,598	1,560	19,158
Increase in net assets available for benefits	6,681	693	7,374	8,166	3,118	11,284
Net assets available for benefits, beginning of year	186,733	35,112	221,845	178,510	32,051	210,561
Interfund Pension Transfers (Note 6)	143	(143)	-	57	(57)	-
Net assets available for benefits, end of year	\$ 193,557	\$ 35,662	\$ 229,219	\$ 186,733	\$ 35,112	\$ 221,845

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

Lakehead University Pension Investment Fund

Notes to Financial Statements

December 31, 2017 (in thousands of dollars)

1. Description of Plans

The Lakehead University Pension Investment Fund ("the Fund") consists of two plans. The following description of the Professional and Administrative Staff Plan ("PP") and the Lakehead University Employee Pension Plan ("LUEPP") is a summary only. For more complete information, reference should be made to the Plan Agreements.

The Fund consists of 100% ownership of a Master Trust and a segregated short term account, the assets of which are held by Northern Trust. Addenda Capital, CGOV Asset Management, Dimensional Fund Advisors Canada ULC, Jarislowsky Fraser Limited, Letko Brosseau & Associates Inc., and State Street Global Advisors act as managers for the Fund and have discretionary investment authority. As of December 31, 2017, the LUEPP held 523,263.93 units or 15.9%, and the Professional Plan held 2,766,877.95 units or 84.1%, of a total of 3,290,141.88 units of the Master Trust.

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

Professional and Administrative Staff Plan

The Plan is a contributory defined contribution pension plan. The Plan provides for a defined benefit guarantee for service prior to January 1, 1997. Under the Plan, contributions of 6.5% (2016 - 6.5%) of earnings were made by faculty and librarians and 8.05% (2016 - 8.05%) by the Plan sponsor. For other members, contributions of 8.05% (2016 - 8.05%) of earnings were made by employees and 8.05% (2016 - 8.05%) by the Plan sponsor.

Lakehead University Employee Pension Plan

The Plan is a contributory defined contribution pension plan. Under the Plan, employees contribute 7.9% (2016 - 7.9%) of their earnings except for contracted employees who contribute 7.15% (2016 - 7.15%) of their earnings. The Plan sponsor matches employee contributions. For contract lecturers, contributions of 6.5% (2016 - 6.5%) of earnings were made by employees and 7.9% (2016 - 7.9%) by the Plan sponsor.

2. Significant Accounting Policies

Basis of Presentation

These financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the accounting requirements prescribed by the Financial Services Commission of Ontario ("FSCO") for financial statements under Section 76 of Regulation 909 of the Pension Benefits Act of the Province of Ontario. These regulations require pension plans to adhere to the provisions of *Section 4600 - Pension Plans in Part IV - Accounting Standards for Pension Plans* of the CPA Canada Handbook although they permit the exclusion of the actuarial liabilities of the Plan. Consequently, these financial statements do not purport to show the adequacy of the Plan's assets to meet its pension obligations. These financial statements have been prepared to assist in meeting the requirements of FSCO. For accounting policies that do not relate to the Fund's investment portfolio, the Fund has elected to apply Canadian accounting standards for private enterprises.

Lakehead University Pension Investment Fund Notes to Financial Statements

December 31, 2017 (in thousands of dollars)

2. Significant Accounting Policies (cont'd)

They are intended solely for the Administrator of the Fund and FSCO and should not be used by parties other than the Administrator of the Fund or FSCO.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit and term deposits with maturity dates of less than 90 days from the date that they were acquired.

Investments

Investments are stated at fair value which is based on closing quoted market prices.

Dividend income is recognized as of the ex-dividend date. The purchase and sale of securities are recorded on a trade date basis.

Realized gains and losses from security transactions are based on the average cost of the security.

Use of Estimates

The preparation of financial statements in accordance with the accounting principles described in the significant accounting policies requires the Fund Administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the Fund Administrator's best estimates as additional information becomes available in the future.

Foreign Currency Translation

At the transaction date, each asset, liability, revenue and expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year-end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date and the resulting foreign exchange gains and losses are included in income in the current period.

Lakehead University Pension Investment Fund Notes to Financial Statements

December 31, 2017 (in thousands of dollars)

3. Investments

	2017		2016	
	Market Value	Cost	Market Value	Cost
Canadian equities	\$ 29,489	\$ 25,383	\$ 31,239	\$ 26,421
Canadian unit trust equities	63,542	54,360	61,530	55,997
US unit trust equities	55,884	31,139	55,207	33,498
Canadian unit trust bonds	75,417	77,108	70,031	71,750
Accrued income	80	80	76	76
Short-term investments	2,602	2,602	1,585	1,585
	\$ 227,014	\$ 190,672	\$ 219,668	\$ 189,327

Lakehead University Pension Investment Fund Notes to Financial Statements

December 31, 2017 (in thousands of dollars)

3. Investments (cont'd)

Individually significant investments

The cost or market value of the following investments exceeds 1% of the cost or market value of total pension fund investments at December 31, 2017:

	2017 Market Value	2017 Cost
Canadian Equity Fund		
Jarislowky Fraser Investments - Equity Fund (1)	\$ 31,259	\$ 28,317
Letko Brosseau - RSP Equity Fund (2)	32,283	26,043
Bond Fund		
Addenda Capital - Bond Fund(3)	39,497	40,441
Addenda Capital - Commercial Mortgage Fund (3)	13,328	13,426
Jarislowky Fraser Investments - Bond Fund (1)	22,592	23,241
Foreign Equity Fund		
State Street Global Advisors - Global Equity Unit Trust (4)	34,246	13,995
Dimensional Fund Advisors - International Small Cap (5)	21,638	17,144
Miscellaneous - Other		
Jarislowky Fraser Investments - Short Term Investments (1)	2,602	2,602
CGOV - Canadian common stocks (6)	\$ 29,569	\$ 25,463

- (1) Jarislowky Fraser investments are pooled funds administered by Jarislowky Fraser Limited.
- (2) Letko Brosseau investments are pooled funds administered by Letko, Brosseau & Associates Inc.
- (3) Addenda Capital investments are a pooled fund administered by Addenda Capital.
- (4) State Street Global Advisors investments are a pooled fund administered by State Street Global Advisors, Ltd.
- (5) Dimensional Fund investments are pooled funds administered by Dimensional Fund Advisors Canada ULC
- (6) CGOV investments are a segregated fund administered by CGOV Asset Management

Lakehead University Pension Investment Fund Notes to Financial Statements

December 31, 2017 (in thousands of dollars)

4. Accounts Payable

	2017	2016
Investment Management		
Addenda Capital	\$ 37	\$ 26
CGOV Asset Management	32	33
Jarislowsky Fraser Limited	35	36
State Street Global Advisors, Ltd.	10	20
 Other		
BDO Canada LLP - Audit	10	10
Eckler Ltd. - Actuarial	33	34
Proteus - Investment Advisors	29	29
Northern Trust - Custodial Services	14	64
Minister of Finance	10	10
Lakehead University	63	50
	\$ 273	\$ 312

5. Actuarial Valuation

In the event that an actuarial valuation discloses a going concern unfunded liability or a solvency deficiency as defined by the Pension Benefits Act (1987), the University will be obligated to make additional contributions as required by the Act. The most recent actuarial valuation of the Plan at December 31, 2015, reported that based on then current provisions, the Plan had both a going concern unfunded liability and a solvency deficiency, and that additional University contributions would be required upon filing. The University is making special payments under Regulation 990 of the Pension Benefits Act of \$92.1 monthly to the Plan. These payments are expected to continue until the next scheduled actuarial valuation for the year ended December 31, 2018, at which point they will be reassessed.

6. Pension Transfers

Pension transfers into the Lakehead University Plans were \$30 (2016 - \$19).

Transfers between the Lakehead University Employee Pension Plan and the Professional and Administrative Staff Plan were \$143 (2016 - \$57). Funds are transferred for members of the Lakehead University Employee Pension Plan that transfer to the Professional and Administrative Staff Plan when changing benefit classification effective January 1, 2017.

Lakehead University Pension Investment Fund
Notes to Financial Statements

December 31, 2017 (in thousands of dollars)

7. Contributions

	Professional Plan 2017	LUEPP 2017	Total 2017	Professional Plan 2016	LUEPP 2016	Total 2016
Employee						
Current Service Contributions	\$ 2,779	\$ 751	\$ 3,530	\$ 2,578	\$ 694	\$ 3,272
Sponsor						
Current Service Contributions	3,367	712	4,079	3,168	705	3,873
Going Concern and Solvency Special Payments	1,105	-	1,105	1,105	-	1,105
	<u>4,472</u>	<u>712</u>	<u>5,184</u>	<u>4,273</u>	<u>705</u>	<u>4,978</u>
	<u>\$ 7,251</u>	<u>\$ 1,463</u>	<u>\$ 8,714</u>	<u>\$ 6,851</u>	<u>\$ 1,399</u>	<u>\$ 8,250</u>

As of December 31, 2017 no required contributions were past due.

Lakehead University Pension Investment Fund Notes to Financial Statements

December 31, 2017 (in thousands of dollars)

8. Administrative Expenses and Professional Fees

	2017	2016
Investment management fees	\$ 548	\$ 520
Actuarial fees	138	180
Investment counselling	113	113
Audit fees	10	10
Custodial service fees	55	49
Other - Pension Commission	10	10
Administration	94	90
Goods and services tax rebate	(11)	(15)
	\$ 957	\$ 957

9. Pension Benefits and Refunds

	2017	2016
Pension benefits	\$ 7,305	\$ 7,472
Refunds	9,285	11,686
	\$ 16,590	\$ 19,158

10. Related Party Transactions

The Pension Fund does not hold any securities of the employer sponsor or its related parties.

11. Income Taxes

The Fund is not subject to income tax since it is a Registered Pension Trust as defined by the Income Tax Act (Canada).

12. Statement of Cash Flows

A statement of cash flows is not presented since the cash flow information is readily apparent from other financial statements or is adequately disclosed in the notes to the financial statements.

Lakehead University Pension Investment Fund

Notes to Financial Statements

December 31, 2017 (in thousands of dollars)

13. Financial Instruments

The objective of the Fund is to maximize the long-term return for its defined contribution members, balanced with the relative preservation of capital, followed by capital growth in its Retirement Account. The Fund's investment policy is established by the Board of Governors and is set out in the statement of investment policies and procedures ("SIPP"). The SIPP was last amended April 27, 2017, as follows:

References to governance of the Pension Board and Advisory Committee were removed from the SIPP, as this information was duplicated from each Pension's Plan Text.

Consideration of ESG factors must now be made in investment decision-making, except with regard to the use of index or index-like funds.

The use of buy-in annuities is no longer permitted.

The phrasing regarding materiality was amended to reflect the same definition used by the Auditors of the Pension Fund.

The SIPP permits cash and cash equivalents, and fixed income investments in: bonds, debentures, coupons and residuals, mortgage and mortgage backed securities, asset-backed securities and preferred shares. It additionally permits equity investments in: publicly traded common stocks; rights, warrants, installment receipts, convertible debentures and other instruments convertible into common stocks; income trust units issued and/or registered in jurisdictions where appropriate legislation is in place to limit the liability of unitholders; American Depositary Receipts; and Global Depositary Receipts. Investments in alternative strategies that are permitted include: private equity, real estate, and hedge funds. The SIPP outlines an asset allocation target of:

Asset Class	Permissible Range
Canadian Money Market	0-20%
Canadian Fixed Income	30-50%
Canadian Equities	20-40%
Global Equities	20-40%
Alternative Assets	0-10%

Lakehead University Pension Investment Fund Notes to Financial Statements

December 31, 2017 (in thousands of dollars)

13. Financial Instruments (cont'd)

The Fund is in compliance with the SIPP's allowable asset allocation, as at December 31, 2017.

The Plan's investment performance is expected to:

- a) exceed the investment performance of the benchmark index over 3-7 year periods, with an emphasis on rolling 4-year periods; or
- b) rank in the top 50% of comparable portfolios over rolling 3-7 year periods, with an emphasis on rolling 4-year period in terms of return.

The performance of the investment manager(s) relative to an appropriate benchmark and/or peer group over 3-7 year periods will be evaluated quarterly. The performance of individual asset classes is expected to:

- a) exceed the return of their corresponding benchmark indices by an average of 0.5%; or
- b) rank in the top 50% of the appropriate investment manager performance measurement universes over 3-7 year periods, with an emphasis on rolling 4-year periods in terms of return.

In 2017, the Fund had a one year rate of return of 7.5% and a four year return of 8.2%, measured against a one year benchmark of 8.0% and a four year benchmark of 7.8%.

The carrying value of cash and cash equivalents, sponsor's and employees' contributions receivable, and accounts payable approximates their fair value because of their short-term nature.

Risks arising from financial instruments:

Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Fund's financial position and revenue. This risk arises from the Fund's investments whose returns are linked to interest rates. The Plan invests in pooled funds that may hold debt instruments linked to interest rates.

Foreign Currency Risk

Foreign currency exposure arises from the Fund's holdings of foreign equity or debt instruments. The Fund invests in mutual funds that may hold debt or equity instruments denominated in a foreign currency and as such would be exposed to fluctuations in currency risks. All of the Fund's investments are denominated in Canadian or US Dollars. US Dollar investments are translated into Canadian Dollars at the market rate at the end of the fiscal period. Investments denominated in foreign currencies are noted on the Schedule of Cost and Market Value of Investments by type (Schedule 1). An increase or decrease of 5% in the US exchange rate would result in an increase or decrease of net assets available for benefits of \$2,794.

Lakehead University Pension Investment Fund Notes to Financial Statements

December 31, 2017 (in thousands of dollars)

13. Financial Instruments (cont'd)

Market Risk

Concentrations of market risk exist when a significant portion of the portfolio is invested in securities with similar characteristics and/or similar economic, political or other conditions that may prevail. The Fund Administrator believes that the investments in which the Fund invests spreads the market risk over different market sectors. The Fund Administrator uses a variety of investment management companies to ensure the portfolio is balanced to help mitigate market risk. An increase or decrease of 10% of the Fund's investment portfolio would result in an increase or decrease of net assets available for benefits of \$22,701.

An increase or decrease of 10% in the portion of the portfolio invested in Canadian Equities would result in an increase or decrease of net assets available for benefits of \$9,311.

An increase or decrease of 10% in the portion of the portfolio invested in Foreign Equities would result in an increase or decrease of net assets available for benefits of \$5,588.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The maximum credit exposure to the Fund is represented by the fair value of the contributions receivable and investments presented in the Statement of Net Assets Available for Benefits. A portion of the Fund's cash equivalents are invested in short term debt instruments guaranteed by the Federal and certain provincial governments.

Lakehead University Pension Investment Fund Notes to Financial Statements

December 31, 2017 (in thousands of dollars)

13. Financial Instruments (cont'd)

Financial Instruments Fair Value Hierarchy

Disclosure of a three-level hierarchy for fair value measurements is based upon transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1:

For securities valued based on unadjusted quoted prices in active markets for identical assets.

Level 2:

For securities valued based on inputs, other than quoted prices included in Level 1, that are observable for the asset, either directly or indirectly.

Level 3:

For securities valued based on inputs that are based on unobservable market data.

The following tables present the Fund's financial investments evaluated at fair value as at December 31st, classified according to the fair value hierarchy described above:

	Level 1	Level 2	Level 3	2017 Total
Canadian				
Cash and cash equivalents	\$ 1,462	\$ 2,602	-	\$ 4,064
Equities - Common Stock	29,569	-	-	29,569
Unit Trusts - Bonds and debentures	-	75,417	-	75,417
Unit Trusts - Equities	-	63,542	-	63,542
Foreign				
Unit Trusts - Equities	-	55,884	-	55,884
	<u>\$ 31,031</u>	<u>\$ 197,445</u>	<u>-</u>	<u>\$ 228,476</u>

	Level 1	Level 2	Level 3	2016 Total
Canadian				
Cash and cash equivalents	\$ 1,741	\$ 1,585	-	\$ 3,326
Equities - Common Stock	31,314	-	-	31,314
Unit Trusts - Bonds and debentures	-	70,031	-	70,031
Unit Trusts - Equities	-	61,530	-	61,530
Foreign				
Unit Trusts - Equities	-	55,208	-	55,208
	<u>\$ 33,055</u>	<u>188,354</u>	<u>-</u>	<u>\$ 221,409</u>

Lakehead University Pension Investment Fund Notes to Financial Statements

December 31, 2017 (in thousands of dollars)

13. Financial Instruments (cont'd)

The following is an analysis of the investments of the Fund using the hierarchy related to the inputs to fair value measurement.

Level 1

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable quote is observable. US partnerships are classified as Level 1 when they are held in a pooled fund and a reliable quote is observable. Cash, short-term notes and treasury bills are classified as Level 1. These instruments mature within one year and are stated at cost, which, when combined with accrued interest income, approximates market value.

Level 2

These instruments mature within one year and are stated at cost, which, when combined with accrued interest income, approximates market value. The Fund classified unit trusts as Level 2.

Level 3

The Fund has no investments classified as Level 3.

As at December 31, 2017 and 2016 the Fund's investments are Level 1 and 2 within the fair value hierarchy. There were no transfers between levels during the year.

14. Capital Management

The Fund's capital is its net assets available for benefits. The Fund's objective when managing capital is to safeguard the Fund's ability to continue to provide pension and related payments to its members. The Fund is not exposed to any externally imposed capital restrictions.

Lakehead University Pension Investment Fund Notes to Financial Statements

December 31, 2017 (in thousands of dollars)

15. Contingency

The Financial Services Commission of Ontario (FSCO) has raised an issue with the Plan amendments made to the Professional and Administrative Staff Plan in 2000. The amendment provided that pensioner increases would be granted only to the extent that the funds in the Retirement Account of the Plan are sufficient to support the increase. FSCO has indicated that the amendment may be considered void unless a court agrees the amendment is necessary to rectify the language of the Plan to reflect its original intent, or the Plan is further amended to comply with requirements of the Pension Benefits Act.

The University believes that the plan amendments have been properly applied and has retained legal counsel to assist with the matter. While the ultimate outcome of the matter is uncertain, it is possible that FSCO could consider some or all of the plan amendments void. In this case, the plan actuary has estimated the potential impact as of December 31, 2016 as follows:

	Liability for Pension Increases Since 2000	Increases in Future Obligations for Pension Increases After 2016
For all pensions commencing before February 25, 2000	\$8.5 million	\$5.4 million

On April 24, 2015 FSCO corresponded with the University. The correspondence was reviewed by the Actuary and by legal counsel; a response has been provided to FSCO. There has been subsequent communication between the University and FSCO. No course of action has been decided upon.

Lakehead University Pension Investment Fund Schedule 1 - Market Value and Cost of Investments by Type

December 31 (in thousands of dollars)	2017		2016	
	Market value	Cost	Market value	Cost
Equities				
Common stock				
Canada - CAD	\$ 29,489	\$ 25,383	\$ 31,238	\$ 26,421
Unit trust equity				
Canada - CAD	63,542	54,360	61,530	55,997
Foreign - USD	55,884	31,139	55,208	33,498
Total unit trust equity	119,426	85,499	116,738	89,495
Total equities	148,915	110,882	147,976	115,916
Fixed Income				
Unit trust bonds				
Canada - CAD	75,417	77,108	70,031	71,750
	224,332	187,990		
Short term investments	2,602	2,602	1,585	1,585
Accrued income	80	80	76	76
Total investments	\$ 227,014	\$ 190,672	\$ 219,668	\$ 189,327

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

**Lakehead University Pension Investment Fund
Schedule 2 - Market Value and Cost of Investments
by Investment Manager**

December 31 (in thousands of dollars)	2017		2016	
	Market Value	Cost	Market Value	Cost
Addenda Capital	\$ 52,825	\$ 53,867	\$ 47,635	\$ 48,658
CGOV Asset Management	29,569	25,463	31,314	26,497
Dimensional Fund Advisors Canada ULC	21,638	17,144	22,660	18,239
Jarislowsky Fraser Limited	56,453	54,160	57,020	55,658
Letko, Brosseau & Associates Inc.	32,283	26,043	28,491	25,016
State Street Global Advisors	34,246	13,995	32,548	15,259
	\$ 227,014	\$ 190,672	\$ 219,668	\$ 189,327

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