STATEMENT OF INVESTMENT POLICY, OBJECTIVES AND GUIDELINES

Effective January 1, 2019

For the

DIRECTORS GUILD OF CANADA HEALTH AND WELFARE PLAN TRUST

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I. INTRODUCTION

The Directors Guild of Canada Health and Welfare Plan Trust (the "Plan") was established pursuant to a Trust Agreement made as of the first day of January, 2004. The Plan is a group benefits plan which provides life insurance, extended health care and dental benefits, among other benefits, to eligible members of the Directors Guild of Canada ("DGC") employed in Canada.

The administrator of the Plan is the Board of Trustees (the "Trustees") who is empowered to ensure that the assets of the Plan (the “Fund”) are managed in a prudent manner in accordance with the guidelines set out in these Investment Objectives and Guidelines (the "Investment Guidelines").

The Plan is funded by contributions from employers, and in some instances members, that are made to the Plan, either directly or through payroll companies providing services to film, new media or television productions. The Plan also includes investment earnings. Contributions are required by collective agreements between the DGC and the participating employers or production companies. The rates of contribution may vary with each collective agreement. Members' benefits are determined in accordance with the level of contributions remitted on their behalf. In addition, members are entitled to make additional contributions in order to "buy up" to higher level of benefits.

In accordance with the terms of the collective agreements, Producers remit a portion of the members’ earnings to the Plan. The Plan assigns coverage for the period of January 1 through December 31 based on the Producer Contributions received on behalf of the member during the prior two calendar years (with a six-month lag).

Benefits under the Plan include insured life insurance, a member assistance program, medical, dental, Best Doctors and critical illness benefits. Short term disability and the healthcare spending account are self-insured. The Trustees have retained a third-party administrator to keep eligibility records. In addition, staff of the DGC provides administrative services to the Trustees in respect of the Plan including managing Plan advisors, liaising and communicating with Plan members, receiving remittances, paying expenses and providing accounting services.

The Plan design is adjusted periodically in order that the costs associated with the Plan are in line with the expected level of contributions.

These Investment Guidelines were drafted by the Trustees, with input from the Trustees' benefits consultant, and have been approved by the Trustees.

II. GENERAL

The current implementation and ongoing review of the investment strategy will take into consideration the obligations imposed by the Directors Guild of Canada Health and Welfare Plan Trust Funding Policy (the "Funding Policy") as amended from time to time.

The primary reason for holding reserve funds under the Plan is to ensure that the Plan will be able to meet its obligations for future benefit payments should contributions be reduced or cease at any given point of time.

The Plan is expected to cover payments in respect of benefits and expenses for one year and to provide for the increasing costs of those benefits. The Plan must be in a position to meet its obligations to provide benefits under a wide variety of potential economic circumstances impacting such factors as interest rates and contribution levels. As a result, it is desirable to have an investment policy under which there is a matching of the nature and duration of the Plan's assets to the Plan's obligations.

As the sole sources of ongoing funding for the Plan's obligations are the negotiated contributions and investment income, the Plan's investment strategy is expected to balance current period income requirements with a growth component to satisfy future obligations.

The portfolio allocation between income seeking and growth seeking assets will be established by the Trustees, and reviewed in conjunction with the Funding Policy, to ensure continued alignment of the asset strategy with the Plan's obligations.

III. INVESTMENT OBJECTIVES

Investment Philosophy

The primary investment objective is to ensure the Fund is invested in a prudent manner so that sufficient assets and investment earnings are available to meet the Plan's obligations and continue to meet the Plan's obligations in the future.

To balance the Funding Policy obligations, desire for capital preservation, current income and future portfolio growth, the Trustees have established a strategic policy asset mix as follows:

25%	Canadian Fixed Income
25%	Canadian Equity
12%	U.S. Equity
13%	Non-North American Equity
10%	Core Plus Fixed Income
5%	Commercial Mortgages
10%	Real Estate

Liquidity Requirements

The investment strategy of the Fund should provide sufficient liquidity at all points in an economic cycle.

Expected Rate of Return

The total expected rate of return of the Fund for each year will be dependent on the Fund's strategic asset mix. The Fund will be expected to provide a rate of return equal to or greater than the return equal to the following weighted benchmark:

25%	FTSE Canada Universe Bond Index
25%	S&P/TSX Composite Index
12%	S&P 500 Index (C$)
13%	MSCI EAFE Index (C$)
10%	Core Plus Benchmark (FTSE Canada Universe Bond Index + 0.5% per annum)
5%	Mortgage Benchmark (60% FTSE Canada Short Term Bond Index + 40% FTSE Canada Mid Term Bond Index + 0.5% per annum)
10%	Real Estate Benchmark (Canadian CPI + 4.0% per annum)

Policy Implementation

To further manage risk, the Trustees have implemented the strategic asset mix using one or more investment management firms with diversified investment styles.

Each investment manager is expected to manage the portfolio in accordance with the strategic asset mix as identified above.

Investment management firms are provided a degree of latitude with respect to the actual implemented asset mix.

The Trustees will monitor, or cause to be monitored, the asset mix of each manager to within the following maximum and minimum asset allocation guidelines:

Asset Class	Minimum	Target	Maximum
Cash	0%	0%	5%
Canadian Fixed Income	20%	25%	30%
Canadian Equity	20%	25%	30%
U.S. Equity	5%	12%	20%
Non-North American Equity	5%	13%	20%
Core Plus Fixed Income	5%	10%	15%
Commercial Mortgages	2.5%	5%	7.5%
Real Estate	5%	10%	15%

The Fund may be invested in a diversified set of investments with a long-term target asset allocation weighting of 50% equities, 35% fixed income and 15% alternative assets.

Notwithstanding the above limits, the total equity allocation of the Fund should not exceed 70% of the total portfolio asset mix, the total fixed income allocation of the Fund should not exceed 45% and the total alternative assets allocation of the Fund should not exceed 22.5%.

IV. TYPES OF INVESTMENTS

The Fund may be held in qualified fixed income, equity and alternative assets as follows:

- Cash & Short Term: Cash on hand, demand deposits, treasury bills, commercial paper, short-term notes, bankers' acceptances, term deposits, Crown Corporation notes, income or royalty trusts, and guaranteed investment certificates;
- Bonds: Bonds, debentures, asset-backed securities, medium-term notes, and any security exchangeable into the above. Private debt of significant size and liquidity. All debt instruments are expected to be of investment grade quality. Foreign debt holdings are allowable provided the currency exposure is fully hedged to Canadian dollars;
- Equity: Canadian and foreign shares (common or preferred), rights, and warrants which are listed on a public exchange. Also, convertible securities, unit trusts, installment receipts, units or any other securities which are exchangeable for above listed shares, rights or warrants. Open or closed ended equity funds;
- Mortgages: First and second mortgages on Canadian commercial properties including those in the retail, office, industrial and multi-family sectors;
- Real assets: Investments in global real estate and/or infrastructure assets through the use of open or closed ended fund structures; and
- Derivatives: Derivatives securities (e.g., futures, forwards, swaps, options, sale and repurchase agreements) will be considered for implementation for the purpose of risk management strategies (e.g., currency hedging, interest rate risk management and lowering portfolio volatility) as approved by the Trustees in advance. Speculative derivatives are strictly forbidden.

Pooled Funds

When the Fund is invested in a pooled fund, the investment policies of the pooled fund will prevail over the policies described in this document. Before investing in a pooled fund, the Trustees will review the investment guidelines of the pooled fund to ensure they are comfortable with the investment parameters. The investment manager of the pooled fund is required to notify the Trustees, in advance if possible, when there is a change to their pooled fund policies.

V. QUALITY OF INVESTMENTS

The Fund will be invested so as to meet the generally accepted standards of quality which a prudent person would apply in investing the assets of another.

VI. INVESTMENT AUTHORITY

Any change in investment structure or objectives will require a Board resolution.

VII. RELATED PARTIES

Related Parties of the Plan include:

- The participants of the Plan, including spouses and beneficiaries;
- Production companies;
- The Trustees;
- The Investment Managers hired to invest the Fund;
- The custodian of the Plan as appointed by the Trustees; and
- Any persons, firms or companies engaged by the Trustees to assist in their management of the Fund.

The Fund may be invested in the securities of, or involved in a transaction with, a Related Party only to the extent permitted under applicable legislation.

VIII. RESPONSIBILITIES AND PERIODIC REVIEW

The Plan is administered by the Trustees, who have delegated the management of the Plan as follows:

Board of Trustees

- Establish and amend the Investment Guidelines as required;
- Review the Investment Guidelines at least annually and evaluate the appropriateness of the rate of return expectations and investments; and
- Determine the necessity for, and choose if necessary, an investment manager, custodian, auditor, the administrator and consultant for the Plan.

Administrative Staff

- Provide a report to the Trustees indicating whether the Plan's investment performance has met the requirements of the Investment Guidelines;
- Periodically provide the Trustees with financial reports of the assets and transactions; and
- In conjunction with the Plan's consultant as necessary, monitor the changes in

cash flow information and liquidity requirements of the Plan.

Consultant

- Advise the Trustees of any effect on assets and funding due to plan design, membership changes and cash flow changes; and
- Monitor the adequacy of the Plan's assets and the investment of those assets to meet the Plan's financial obligations.

Review

The Trustees will review the performance of the investments against stated objectives and investment guidelines on, at least, an annual basis. The Fund will be expected to outperform its weighted benchmark over a typical market cycle, generally considered to be 5 years.

Should there be significant underperformance in shorter periods or material organizational changes with investment managers, a search for alternative investment manager(s) may be conducted earlier.

IX. CONFLICT OF INTEREST

Should a conflict of interest arise, the party in the actual or perceived conflict, or any person who becomes aware of a conflict of interest situation, shall immediately disclose the conflict to the Trustees. The party to the conflict shall thereafter abstain from decision-making with respect to the area of conflict, and a written record of the conflict shall be maintained by the Trustees.

All actual or perceived conflicts will be reported to the Trustees.

Where an actual or perceived conflict of interest arises, the nature and substance of the conflict will be disclosed to all affected parties within 30 days after the conflict has arisen.

X. VOTING RIGHTS

The responsibility of exercising and directing voting rights acquired through the Plan’s investments shall normally be delegated to the Managers, who shall at all times act prudently and in the best interest of the Plan.

The Trustees reserve the right to direct or override the voting decision of any Manager if in their view such action is in the best interests of the Plan.

It is recognized that voting rights are not enforceable to the extent that the Plan is invested in pooled or mutual funds.

XI. LENDING OF CASH AND SECURITIES

No part of the Plan shall be loaned to any persons, partnership or association except as provided in this Section.

The lending of securities through the Plan's custodian is prohibited. However, the Trustees agree that the securities lending policies of the underlying pooled or mutual fund custodian(s) will take precedent over this statement.

The Fund may not be pledged, hypothecated, or otherwise encumbered in any way except to the extent that a temporary overdraft occurs in the normal course of business.

XII. VALUATION OF INVESTMENTS

It is expected that the securities held by the Plan will have an active market and, therefore, valuation will be based on market values.

If a security held by the Plan does not have an active market, then it will be valued quarterly by canvassing investment dealers broadly recognized as having a reputation of dealing in such securities or, alternatively, by using a discount rate comprised of an estimate of the risk-free rate of return, an estimate of expected inflation, and a risk premium commensurate with the uncertainty of the investment's future income stream. Any investment in a pooled, common or mutual fund which is not publicly traded shall be valued at the net asset value of the investment as most recently published by that fund.

XIII. INVESTMENT MANDATES

The Fund will be invested as follows:

Mandate	**Asset Allocation**	**4-Year Performance Objective**
Beutel Goodman Canadian Equity Fund	25%	S&P/TSX Composite Index + 1.25%
Setanta Global Equity Fund	25%	50% S&P 500 Index (C$) + 50% MSCI EAFE Index (C$) + 1.75%
Portico Universe Bond Fund	25%	FTSE Canada Universe Bond Index + 0.25%
Bissett Core Plus Bond Fund	10%	Core Plus Benchmark + 0.75%
TD Greystone Mortgage Fund	5%	Mortgage Benchmark + 0.50%
Great-West Life Real Estate Fund	10%	Real Estate Benchmark