BOARD OF GOVERNORS
9:00 a.m., Thursday, December 7, 2017
Gilmour Hall, Council Room (Room 111)

AGENDA

NOTE: Members who wish to have items moved from the Consent to the Regular Agenda should contact the University Secretariat before the Board meeting. Members may also request to have items moved when the Agenda is presented for approval at the Board meeting.

A. OPEN SESSION

1. REMARKS FROM THE CHAIR

2. NOTICE OF MEETING – November 23, 2017

3. APPROVAL OF THE AGENDA - OPEN SESSION

CONSENT (9:00 a.m.)

4. MINUTES OF PREVIOUS MEETING – October 26, 2017 (OPEN SESSION) Approval

5. BUSINESS ARISING (none)

6. REPORT FROM SENATE Approval

a. Recommendation to Revise the Terms of Reference for the Professorship in Water Policy and Research

b. Recommendation to Revise Section VIII, Clause 4a, of the Tenure and Promotion Policy

7. COMMITTEE REPORTS

a. Planning and Resources Committee

i. Audited Financial Statements of Contributory Pension Plan for Hourly-Rated Employees of McMaster University Including McMaster Divinity College as at June 30, 2017 Information
ii. Audited Financial Statements of Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College Plan 2000 as at June 30, 2017

iii. Audited Financial Statements of Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College as at June 30, 2017

iv. Amendments – Contributory Pension Plans for Salaried Employees

b. Remunerations Committee

i. Ratification of Collective Agreement – Sessional Faculty

MOTION: That items 4 to 7 be approved or received for information by consent.

REGULAR (9:05 a.m.)

8. BUSINESS ARISING (none)

9. COMMUNICATIONS (none)

10. PRESENTATION TO THE BOARD OF GOVERNORS (9:10 a.m.)

   Names: Ms S. Sammon, Director, Community Engagement and Mr. D. Heidebrecht, Manager, Community Engagement
   Title: Community Engagement Update: Progress Since FWI & Future Directions

11. PRESIDENT’S REPORT TO THE BOARD (9:40 a.m.)

   a. President’s Report

   b. Discussion of Freedom of Speech on University Campuses

12. COMMITTEE REPORTS (10:10 a.m.)

   a. Executive and Governance Committee

      i. Tobacco and Smoke-Free Campus Policy

   b. Pension Trust Committee

      i. Statement of Policies and Procedures – Contributory Pension Plan for Salaried Employees of McMaster University
13. **REPORTS RECEIVED FOR INFORMATION** (10:25 a.m.)
   
   a. Report from Health, Safety and Risk Management
   
   b. Office of Equity and Inclusion - Annual Report
   
   c. Enrolment Report

14. **OTHER BUSINESS** (10:50 a.m.)
McMaster University

MINUTES OF THE BOARD OF GOVERNORS
October 26, 2017 at 9:00 a.m.
Council Room, Gilmour Hall

PRESENT: Mr. P. Douglas (Chair), Ms E. Alfanous, Ms L. Allan, Mr. A. Colgoni, Ms. S. Cruickshanks, Dr. P. Deane, Dr. A. Holloway, Dr. R. Kleiman, Mr. C. Leeder, Mr. B. Merkel, Mr. R. Narro Perez, Dr. A. Niec, Mr. K. Nye, Mr. M. Runciman, Ms F. Samji, Mr. N. Skelding, Dr. H. Schellhorn, Dr. J. Schertzer, Dr. D. Sloboda, Ms. C. Stefkiewicz, Ms S. Stephenson, Dr. E. Szathmary, Dr. D. Wilkinson, Ms C. Garneau (University Secretary), Mr. M. Downard (Associate University Secretary)

OBSERVERS: Mr. R. Couldrey, Ms E. Davies, Dr. D. Farrar, Ms D. Henne, Dr. B. Levy, Dr. P. O’Byrne, Dr. L. Parker, Ms T. Smith, Ms M. Williams

INVITED: Dr. P. Mascher, Vice-Provost (International Affairs)
Ms L. Morine, Associate Director, Health, Safety and Risk Management
Mr. S. Van Koughnett, Associate Vice-President (Student Affairs)

REGRETS RECEIVED: Mr. Q. Broad, Dr. R. Baker, Mr. S. Donnelly, Mr. D. Feather, Dr. D. Harnish, Mr. D. Horwood, Ms R. Jamieson, Mr. C. Keizer, Ms J. Pike, Dr. S. Porter, Ms J. Rowe, Mr. T. Valeri, Mr. D. Williamson

A. OPEN SESSION

1. REMARKS FROM THE CHAIR

Mr. Merkel called the meeting to order as Mr. Douglas was delayed. He welcomed members to the meeting and introduced new members and observers to the Board.

2. NOTICE OF MEETING – October 12, 2017

The Notice of Meeting was circulated on October 12, 2017.

3. APPROVAL OF THE AGENDA – OPEN SESSION

Mr. Merkel noted that no requests had been received to move any items from the Consent to the Regular agenda of the Open Session.
IT WAS DULY MOVED AND SECONDED,

that the Board of Governors approve the Open Session agenda for the meeting of
October 26, 2017, and that items 4-7 be approved or received for information by
Consent.

The Motion was Carried.

CONSENT

4. MINUTES OF THE PREVIOUS MEETING – June 8, 2017 (OPEN SESSION)

Motion:
that the Board of Governors approve the Open Session minutes of the meeting held
on June 8, 2017 as circulated.

Approved by Consent

5. BUSINESS ARISING

6. REPORT FROM SENATE

a. Proposal to Establish the Heather M. Arthur Population Health Research
Institute/Hamilton Health Sciences Chair in Inter-Professional Health Research

Motion:
that the Board of Governors approve the establishment of the Heather M.
Arthur Population Health Research Institute/Hamilton Health Sciences Chair in
Inter-Professional Health Research, as outlined in the report from Senate.

Approved by Consent

b. Proposal to Establish the Homewood Chair in Mental Health and Trauma

Motion:
that the Board of Governors approve the establishment of the Homewood Chair
in Mental Health and Trauma, as detailed in Attachment II of the report from
the Senate.

Approved by Consent
c. Proposal to Establish the DiCenso Professorship in Advanced Practice Nursing

Motion:
that the Board of Governors approve the DiCenso Professorship in Advanced Practice Nursing, as circulated in Attachment III of the report from Senate.

Approved by Consent

d. Proposal to Revise the Terms of Reference for Director, Digital Transformation Research Centre

Motion:
that the Board of Governors approve the revised terms of reference for the Director, Digital Transformation Research Centre, as circulated in Attachment IV of the report from Senate.

Approved by Consent

7. COMMITTEE REPORTS

a. Planning and Resources Committee

i. Statement of Investment Policies and Guidelines – Cash and Short Term Investments

Motion:
that the Board of Governors approve the revisions to the Statement of Investment Policies and Guidelines for Cash and Short-term Investments as shown in Attachment I.

Approved by Consent.

b. Executive and Governance Committee

i. Terms of Reference – Provost and Vice-President (Academic)

The material was for information.

ii. Recommendation to Change the Name of the Farncombe Family Chair in Inflammatory Bowel Disease

The material was provided for information.
iii. **Recommendation to Change the Name of the MacKenzie Investments Chair in Evidence-Based Investment Management**

The material was for information.

**REGULAR**

8. **BUSINESS ARISING**

There was no business arising from the minutes of the meeting held on June 8, 2017.

9. **COMMUNICATIONS**

There were no communications for the meeting held on October 26, 2017.

10. **PRESENTATION TO THE BOARD OF GOVERNORS**

Dr. P. Mascher, Vice-Provost (International Affairs) and Professor, Faculty of Engineering, gave a presentation on internationalization.

11. **PRESIDENT’S REPORT TO THE BOARD**

Mr. Douglas assumed the Chair.

Dr. Deane discussed McMaster’s second Strategic Mandate Agreement (SMA), noting that it has recently been finalized. When appropriate, the document will be made publically available for viewing. Dr. Wilkinson provided members with details of the SMA process, as well as an overview of key elements within the agreement. It was noted that there is no funding associated with the targets, but it is anticipated that there will be a financial element in the future.

The Board was given an update on McMaster’s focus on student mental health, including recent developments related to the Student Mental Health and Well-being Strategy. This initiative is being led by Dr. Catharine Munn and Ms Allison Drew-Hassling and it has established a number of recommendations focused on the provision of education, training and campus resources, and proactive and coordinated response to student distress. Mental health and well-being is an important issue on campus, and it is a key focus for McMaster.

Dr. Deane discussed the federal government’s initiative for research superclusters, explaining that there has been a recent announcement that a short list of bids has been created. McMaster is involved in a bid related to advanced manufacturing that will be moving forward to the next round.
12. REPORT FROM SENATE

a. Establishment Proposed Policy – Copyright Ownership and a Policy Framework for Licensing Instruction Material

Dr. Deane provided an overview of the proposed policy framework for licensing instructional material. The circulated material was reviewed and approved by Senate on October 11, and outlines the principles that will facilitate the use, sharing, improvement and commercialization of instructional material. The University has also taken this opportunity to update its policy framework affirming faculty ownership related to both online and offline instructional materials.

Dr. David Wilkinson, Provost and Vice-President (Academic), answered questions on the policy framework. Following an in-depth discussion, it was agreed that a number of editorial changes should be made prior to finalization. Ms Garneau noted that a formal motion could come forward at a later date to rescind the previous policy related to copyright ownership, as there were some questions raised about its status once the new policy was approved.

IT WAS DULY MOVED AND SECONDED,

that the Board of Governors approve the proposed Copyright Ownership and a Policy Framework for Licensing Instructional Material (IM), subject to making the editorial updates suggested at the meeting.

The Motion was Carried.

13. COMMITTEE REPORTS

a. Audit Committee

i. Annual Financial Report

Members were informed that Annual Financial Report was reviewed and approved by the Audit Committee on October 10, 2017. It was also reviewed by the Planning and Resources Committee on September 28. The Report’s theme focused on change and transition, and has included photos of gardens across McMaster’s campus. The Annual Financial Report 2016-2017 consists of a detailed financial analysis and the Audited Financial Statements for the year ended April 30, 2017.
IT WAS DULY MOVED AND SECONDED,

that the Board of Governors approve the Annual Financial Report 2016-2017, which includes the Audited Financial Statements for the year ended April 30, 2017.
The Motion was Carried.

ii. Appointment of External Auditor

The Audit Committee met on October 10, 2017, and reviewed and approved the re-appointment of KPMG LLP Chartered Accountants as the Auditors for McMaster University for the 2017-2018 fiscal year.

IT WAS DULY MOVED AND SECONDED,

that the Board of Governors approve the re-appointment of KPMG LLP Chartered Accountants as the Auditors for McMaster University for the 2017-2018 fiscal year.

The Motion was Carried.

a. Planning and Resources Committee

i. Peter George Centre for Living and Learning – Budget Revision

At its meeting on July 21, 2017, the Planning and Resources Committee approved the proposed budget increase for the Peter George Centre for Living and Learning. The proposed changes will enhance the building, including improved washrooms, additional elevators stops, additional kitchen space, and operable windows in the student residence rooms. Details of the revised budget have been included in the agenda package as Attachment I.

IT WAS DULY MOVED AND SECONDED,

that the Board of Governors approve the budget revision for the Peter George Centre for Living and Learning, as contained in Attachment I.

The Motion was Carried.

14. REPORTS RECEIVED FOR INFORMATION

a. Report from Health, Safety and Risk Management

Ms Morine provided an overview of the report from Health, Safety and Risk Management.
15. OTHER BUSINESS

Mr. Douglas informed members that this would be Dr. David Wilkinson’s final meeting as Provost and Vice-President (Academic). Dr. Wilkinson was presented with a gift of appreciation and thanked for his many achievements and excellent work. Dr. Deane noted that Dr. Wilkinson has accomplished a great deal during his time as Provost, including Strategic Mandate Agreements, creating the McMaster Institute for Excellence in Teaching and Learning, and the new budget model. Governors responded with a round of applause.
a. **Recommendation to Revise the Terms of Reference for the Professorship in Water Policy and Research**

At its meeting on November 8, 2017, Senate approved a recommendation from the Committee on Appointments to revise the terms of reference of the Professorship in Water Policy and Research. Details of the proposal are contained as Attachment I of the report from Senate.

It is now recommended,

**that the Board of Governors approve the revisions to the terms of reference for the Professorship in Water Policy and Research, as contained in the attached report.**

b. **Recommendation to Revise Section VIII, Clause 4a, of the Tenure and Promotion Policy**

On November 8, 2017, Senate reviewed and approved the proposed revisions to Section VIII, Clause 4a, of the Tenure and Promotion Policy. Details of the revisions are contained in attachment II of the circulated report.

It is now recommended,

**that the Board of Governors approve the proposed revisions to Section VIII, Clause 4a, of the Tenure and Promotion Policy, as outlined in the circulated material.**
MEMORANDUM

Date: October 4, 2017
To: Senate Committee on Appointments
Cc: Dr. David Farrar, Provost
From: Ishwar Puri, Dean and Professor

SUBJECT: Revised Terms of Reference for the Professor in Water Policy and Research (Philomathia)

On behalf of the Faculty of Engineering, I would like to recommend the approval of the revised Terms of Reference for the Professorship in Water Policy and Research established in April 2012.

The Professorship in Water Policy and Research is cross-appointed to the Faculties of Engineering and Social Sciences, with an adjunct appointment at the United Nations University - Institute for Water, Environment and Health.

The revised Terms of Reference are attached.

Thank you.
Appointments:

*Engineering*: Department of Civil Engineering  
*Social Science*: Health, Aging and Society  
*UNU-INWEH*: adjunct professor  
*Term*: 3 years; renewable for an additional 3 years

Reporting:

The Professor in Water Policy and Research will provide an annual report of his/her research and water-network related service activities to the Deans of the Faculties of Engineering and Social Sciences, who will in turn report to the donor.

Service:

The Professor in Water Policy and Research will direct the *McMaster Water Network* (MWN), a university-wide network of Institutes and researchers with interests in water-related research across McMaster. The Network has several functions, including fostering relationships amongst potential collaborators and supporting the development of large research grants and teams, supporting the development of future water leaders through the Student Chapter, advancing community engagement through research and educational activities, and cultivating external relationships with researchers, institutes, industry, government etc., to benefit McMaster researchers.

In support of the MWN, annual funds of $16,000 is provided from the endowment fund in support of the following:

- Up-front support to develop a website
- Ongoing support to maintain the website
- In-kind time to support events (i.e. Water Week, Spring Water Forum), including: bookings, liaising amongst stakeholders, accounting, advertising, support for events
- Financial support for events may be supplemented on occasion by Faculties, the School of Graduate Studies and the Vice-President (Research)

Institutions/Centres synergistic with the Water Network include: McMaster Indigenous Research Institute, Centre for Peace Studies, Institute on Globalization and the Human Condition; McMaster Institute for Multi-Hazard Systemic Risk Studies; McMaster Centre for Climate Change; McMaster Institute for Healthier Environments; Michael G. DeGroote Institute for Infectious Disease Research; Sentinel Bioactive Paper Network; Centre for Health Economics and Policy Analysis; MacDATA; and others.

Participation in Departmental and Faculty committees will be assigned by the Chairs of the home departments annually, in consultation with each other and in consideration of the MWN requirements.

Research:

The Professor in Water Policy and Research is expected to maintain an active research programme at the nexus of disciplines at global to local scales. Funding of $14K annually is provided from the endowment fund in support of the Professor in Water Policy and Research.
McMaster University Revised Policy and Regulations With Respect To Academic Appointment, Tenure and Promotion [2012]

Proposed revisions to Section VIII 4 (a)

Current wording:

a) If the Senate Committee on Appointments and the MUFA Executive agree that the revisions are minor and reach agreement on the revisions, the amendments will be presented to Senate by the Senate Committee on Appointments.

Proposed wording change agreed to by Joint Committee and the MUFA Executive:

a) If the Senate Committee on Appointments and the MUFA Executive agree that the revisions are minor and reach an agreement on the revisions, the amendments will be presented to Senate by the Senate Committee on Appointments.
Fund Financial Statements of

THE CONTRIBUTORY PENSION PLAN FOR HOURLY-RATED EMPLOYEES OF McMaster University INCLUDING McMaster Divinity College

Year ended June 30, 2017

Registration Number 0215418
INDEPENDENT AUDITORS' REPORT

To the Administrator of The Contributory Pension Plan for Hourly-Rated Employees of McMaster University including McMaster Divinity College

We have audited the accompanying fund financial statements of The Contributory Pension Plan for Hourly-Rated Employees of McMaster University including McMaster Divinity College, which comprise the statement of net assets available for benefits as at June 30, 2017, the statement of changes in net assets available for benefits for the year then ended, and notes, comprising 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 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 fund 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 fund 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 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 an 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 our 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, we consider 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 overall presentation of the fund 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 fund financial statements present fairly, in all material respects, the net assets available for benefits of The Contributory Pension Plan for Hourly-Rated Employees of McMaster University including McMaster Divinity College as at June 30, 2017, and its changes in net assets available for benefits for the year then ended in accordance with the financial reporting provisions of Section 76 of the Regulations to the Pension Benefits Act (Ontario).

Basis of accounting and restriction on use

Without modifying our opinion, we draw attention to Note 1 (a) to the financial statements, which describes the basis of accounting. The fund financial statements are prepared to assist the Administrator of The Contributory Pension Plan for Hourly-Rated Employees of McMaster University including McMaster Divinity College to meet the requirements of the Financial Services Commission of Ontario. As a result, the fund financial statements may not be suitable for another purpose. Our report is intended solely for the Administrator of The Contributory Pension Plan for Hourly-Rated Employees of McMaster University including McMaster Divinity College and the Financial Services Commission of Ontario for complying with Section 76 of the Regulations to the Pension Benefits Act (Ontario) and should not be used by any other parties for any other purpose.

Chartered Professional Accountants, Licensed Public Accountants

November 6, 2017
Hamilton, Canada
THE CONTRIBUTORY PENSION PLAN FOR HOURLY-RATED EMPLOYEES OF MCMASTER UNIVERSITY INCLUDING MCMASTER DIVINITY COLLEGE

Statement Net Assets Available for Benefits

June 30, 2017, with comparative information for 2016

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$398,120</td>
<td>$256,758</td>
</tr>
<tr>
<td>Employer contributions receivable</td>
<td>37</td>
<td>90,924</td>
</tr>
<tr>
<td>Employee contributions receivable</td>
<td>33,394</td>
<td>37,811</td>
</tr>
<tr>
<td>Other receivables</td>
<td>20,076</td>
<td>10,225</td>
</tr>
<tr>
<td>Pooled fund investments (note 2)</td>
<td>55,778,306</td>
<td>52,591,285</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>56,228,873</td>
<td>52,967,003</td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>146,083</td>
<td>77,235</td>
</tr>
<tr>
<td><strong>Net assets available for benefits</strong></td>
<td>$55,083,790</td>
<td>$52,909,768</td>
</tr>
</tbody>
</table>

See accompanying notes to fund financial statements.

On behalf of McMaster University:

Roger Couldey  
Vice-President (Administration)  
McMaster University

Deidre Henne  
Assistant Vice-President (Administration) & CFO  
McMaster University
THE CONTRIBUTORY PENSION PLAN FOR HOURLY-RATED EMPLOYEES OF MCMASTER UNIVERSITY INCLUDING MCMASTER DIVINITY COLLEGE

Statement of Changes in Net Assets Available for Benefits

Year ended June 30, 2017, with comparative information for 2016

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCREASE IN NET ASSETS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net realized gain on sales of investments</td>
<td>2,563,598</td>
<td>4,125,099</td>
</tr>
<tr>
<td>Investment income</td>
<td>1,262,942</td>
<td>1,515,615</td>
</tr>
<tr>
<td>Change in net unrealized gain in investments</td>
<td>3,826,540</td>
<td>5,640,714</td>
</tr>
<tr>
<td>Contributions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employer current service</td>
<td>666,397</td>
<td>591,201</td>
</tr>
<tr>
<td>Employer special</td>
<td>371,148</td>
<td>587,448</td>
</tr>
<tr>
<td>Employee required</td>
<td>482,897</td>
<td>532,614</td>
</tr>
<tr>
<td></td>
<td>1,520,442</td>
<td>1,711,263</td>
</tr>
<tr>
<td><strong>Total Increase in Net Assets</strong></td>
<td>6,532,415</td>
<td>7,351,977</td>
</tr>
</tbody>
</table>

| **DECREASE IN NET ASSETS:**    |          |          |
| Change in net unrealized gain in investments | -       | 4,079,939 |
| Payments to members:            |          |          |
| Pension benefits                | 2,453,771| 2,388,812|
| Termination benefits            | 526,065  | 172,845  |
|                                 | 2,979,837| 2,561,457|
| Expenses:                       |          |          |
| Investment manager              | 222,163  | 209,340  |
| Professional                    | 130,846  | 45,639   |
| Trustee and custodian           | 12,750   | 13,392   |
| Audit                           | 9,238    | 10,899   |
| Pension filing                  | 3,559    | 3,707    |
|                                 | 378,556  | 282,977  |
| **Total Decrease in Net Assets**| 3,358,393| 6,924,373|

| Increase in net assets available for benefits | 3,174,022 | 427,604 |
| Net assets available for benefits, beginning of year | 52,809,768 | 52,482,164 |
| **Net assets available for benefits, end of year** | $56,083,790 | $52,909,768 |

See accompanying notes to fund financial statements.
The Contributory Pension Plan for Hourly-Rated Employees of McMaster University including McMaster Divinity College (the "Plan") is a defined benefit registered pension plan in the Province of Ontario under registration number 0215418.

The Plan is operated in accordance with the Trust and Custodial Services Agreement dated June 30, 1999, between McMaster University ("Administrator") and CIBC Mellon Trust Company ("CIBC Mellon"), as Trustee.

1. Significant accounting policies:

(a) Basis of presentation:

As permitted under Section 76 of the Regulation to the Pension Benefits Act (Ontario), 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.


These fund financial statements have been prepared to assist the Administrator of The Contributory Pension Plan for Hourly-Rated Employees of McMaster University including McMaster Divinity College in meeting the requirements of the Financial Services Commission of Ontario under Section 76 of Regulation 909 of the Pension Benefits Act (Ontario). As a result, these fund financial statements may not be suitable for another purpose.

The 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 McMaster University and McMaster Divinity College's financial health.

(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 available for benefits.

(c) Functional and presentation currency:

These fund financial statements are presented in Canadian dollars, which is the Plan's functional currency.
1. Significant accounting policies (continued):

(d) 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 available for benefits as incurred.

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

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 derecognition 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 available for benefits as a net realized gain 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 available for benefits 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 accounts payable to be a non-derivative financial liability.

(e) Fair value measurement:

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction on the measurement date.

In determining fair value, the Plan follows 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 uses closing market price as a practical expedient for fair value measurement.
THE CONTRIBUTORY PENSION PLAN FOR HOURLY-RATED EMPLOYEES OF MCMASTER UNIVERSITY INCLUDING MCMASTER DIVINITY COLLEGE

Notes to Fund Financial Statements

Year ended June 30, 2017

1. Significant accounting policies (continued):

   (e) Fair value measurement (continued):

   When available, the Plan measures 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 establishes 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.

   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.

   All changes in fair value, other than interest and dividend income, are recognized in the statement of changes in net assets available for benefits as part of the change in net unrealized gain in investments.

   Pooled funds are valued at the unit values supplied by the pooled fund administrator, which represent the Plan’s proportionate share of underlying net assets at fair value using closing market prices.

   Fair values of investments are determined as follows:

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

   ii) 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.

   iii) Pooled funds are valued at the unit values supplied by the pooled fund administrator, which represent the Plan’s proportionate share of underlying net assets at fair values determined using closing market prices.

   Investment transactions are accounted for on the trade date.

   (f) Investment income:

   Investment income, which is recorded on the accrual basis, includes interest income, dividends and pooled fund distributions.

   (g) Change in net unrealized gain in investments:

   The change in net unrealized gain in investments is the change in the difference between the fair value and cost of investments from the beginning to the end of the year.
THE CONTRIBUTORY PENSION PLAN FOR HOURLY-RATED EMPLOYEES OF MCMASTER UNIVERSITY
INCLUDING MCMASTER DIVINITY COLLEGE

Notes to Fund Financial Statements

Year ended June 30, 2017

1. Significant accounting policies (continued):

   (h) Net realized gain on sales of investments:

   The net realized gain on sales of investments is the difference between proceeds received and the average cost of investments sold.

   (i) Income taxes:

   The Plan is a Registered Pension Trust, as defined by the Income Tax Act (Canada) and, accordingly, is not subject to income taxes.

   (j) 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.

   The fair values of foreign currency denominated investments are translated into Canadian dollars at year-end rates of exchange. Gains and losses arising from transactions are included in investment income within the statement of changes in net assets available for benefits.

   (k) Use of estimates:

   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 available for benefits 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.

2. Pooled fund investments:

The following summary of pooled fund investments includes information provided in respect of individual investments with a book value or fair value in excess of 1% of the book or fair value of the Plan as at June 30, 2017, as required by the Pension Benefits Act (Ontario), with comparative information for 2016.

<table>
<thead>
<tr>
<th>Fund name</th>
<th>Nature of investments held</th>
<th>2017 Fair value</th>
<th>2016 Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jarislowsky Fraser Bond Fund</td>
<td>Canadian bonds</td>
<td>$20,884,783</td>
<td>$19,522,805</td>
</tr>
<tr>
<td>Jarislowsky Fraser Canadian Equity Fund</td>
<td>Canadian equities</td>
<td>11,398,168</td>
<td>9,973,478</td>
</tr>
<tr>
<td>Jarislowsky Fraser U.S. Equity Fund</td>
<td>U.S. equities</td>
<td>11,475,072</td>
<td>12,622,012</td>
</tr>
<tr>
<td>Jarislowsky Fraser International Equity Fund</td>
<td>Foreign equities</td>
<td>12,020,283</td>
<td>10,472,990</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$55,778,306</td>
<td>$52,591,285</td>
</tr>
</tbody>
</table>

All pooled funds held by the Plan are managed by Jarislowsky Fraser Limited. The book value of pooled fund investments at June 30, 2017 was $51,030,589 (2016 - $49,029,001).
3. Related party transaction:

The Administrator has provided administrative services without charge.

4. Financial instruments:

The investment objectives of the Plan are to efficiently fund the benefits of the participating plan members. As part of the risk management process, the Administrator has established a diversification policy, set rate of return objectives and developed specific investment guidelines.

(a) Fair value:

The fair value of investments is disclosed in note 2. The fair value of the Plan's other financial assets and liabilities, being cash, employee and employer contributions receivable, other receivables, and accounts payable, approximate carrying value due to the short-term nature of the instruments.

Fair value measurements recognized in the statement of net assets available for benefits 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 following is a summary of the Plan’s assets carried at fair value:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
<td>Level 3</td>
<td>Total</td>
</tr>
<tr>
<td>Canadian bonds</td>
<td>$ -</td>
<td>$ 20,884,783</td>
<td>$ -</td>
<td>$ 20,884,783</td>
</tr>
<tr>
<td>Canadian equities</td>
<td>-</td>
<td>11,398,168</td>
<td>-</td>
<td>11,398,168</td>
</tr>
<tr>
<td>U.S. equities</td>
<td>-</td>
<td>11,475,072</td>
<td>-</td>
<td>11,475,072</td>
</tr>
<tr>
<td>International equities</td>
<td>-</td>
<td>12,020,283</td>
<td>-</td>
<td>12,020,283</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ 55,778,306</td>
<td>$ -</td>
<td>$ 55,778,306</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
<td>Level 3</td>
<td>Total</td>
</tr>
<tr>
<td>Canadian bonds</td>
<td>$ -</td>
<td>$ 19,522,805</td>
<td>$ -</td>
<td>$ 19,522,805</td>
</tr>
<tr>
<td>Canadian equities</td>
<td>-</td>
<td>9,973,478</td>
<td>-</td>
<td>9,973,478</td>
</tr>
<tr>
<td>U.S. equities</td>
<td>-</td>
<td>12,622,012</td>
<td>-</td>
<td>12,622,012</td>
</tr>
<tr>
<td>International equities</td>
<td>-</td>
<td>10,472,990</td>
<td>-</td>
<td>10,472,990</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ 52,591,285</td>
<td>$ -</td>
<td>$ 52,591,285</td>
</tr>
</tbody>
</table>
4. Financial instruments (continued):

(b) Associated risks:

(i) Market price risk:

Market price risk is the risk that the 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 other 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 available for benefits, all changes in market conditions will directly affect the net increase (decrease) in net assets available for benefits. Market price risk is managed by the Administrator through construction of a diversified portfolio of instruments traded on various markets and across various industries.

As of June 30, 2017, had the value of all equity benchmarks increased or decreased by 10% with all other variables remaining unchanged, and assuming there is a perfect positive correlation between the Plan’s equities and benchmarks, the value of the Plan’s total equities would have increased or decreased respectively, by approximately $3,489,000 (2016 - $3,307,000).

(ii) Interest rate risk:

Interest rate risk is the risk that the market value of the Plan’s investments will fluctuate due to changes in market interest rates. The value of the Plan’s assets is affected by short-term changes in interest rates and equity markets. Interest rate changes directly impact the value of fixed income securities held in the Bond Fund.

As at June 30, 2017, had the prevailing interest rates increased or decreased by 1% with all other variables remaining unchanged, the value of the bond securities component of the Plan would have increased or decreased by approximately $1,537,000 (2016 - $4,484,000).

(iii) Liquidity risk:

Liquidity risk is the risk that the Plan may be unable to meet pension payment obligations in a timely manner and at a reasonable cost. Management of liquidity seeks to ensure that even under adverse conditions, the Plan has access to immediate cash that is necessary to cover benefits payable, withdrawals and other liabilities. The Statement of Investment Policies & Procedures requires the Plan’s investments to be highly liquid, so they can be converted into cash on short notice. The Plan’s exposure to liquidity risk is considered negligible.

The accrued expenses of the plan are all due within 90 days or less.

The following table summarizes the contractual maturities of all fixed income securities as at June 30, 2017, by the earlier of contractual repricing or maturity dates:

<table>
<thead>
<tr>
<th>Maturity range</th>
<th>2017 Fair value</th>
<th>2016 Fair value</th>
<th>Percentage of fixed income</th>
<th>Percentage of fixed income</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 5 years</td>
<td>$10,538,909</td>
<td>$9,312,378</td>
<td>50.4%</td>
<td>47.7%</td>
</tr>
<tr>
<td>5 to 10 years</td>
<td>5,598,248</td>
<td>5,036,884</td>
<td>26.8%</td>
<td>25.8%</td>
</tr>
<tr>
<td>Over 10 years</td>
<td>4,752,626</td>
<td>5,173,543</td>
<td>22.8%</td>
<td>26.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$20,884,783</td>
<td>$19,522,805</td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>
4. Financial instruments (continued):

(b) Associated risks (continued):

(iv) Foreign currency risk:

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Plan invests in financial instruments denominated in various foreign currencies, other than its measurement currency. Consequently, the Plan is exposed to risks that the exchange of various currencies may change in a manner that has an adverse effect on the value of the portion of the Plan's assets denominated in currencies other than the Canadian dollar. The Plan's overall currency positions and exposures are monitored on a regular basis by the investment manager.

The Plan's currency exposure of its investments as at June 30, 2017, is as follows:

<table>
<thead>
<tr>
<th>Currency</th>
<th>Canadian dollar equivalent</th>
<th>Percentage of total</th>
<th>Canadian dollar equivalent</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Dollar</td>
<td>$12,210,813</td>
<td>21.7%</td>
<td>$13,266,569</td>
<td>25.2%</td>
</tr>
<tr>
<td>Euro</td>
<td>4,851,617</td>
<td>8.6%</td>
<td>4,098,156</td>
<td>7.8%</td>
</tr>
<tr>
<td>Pound Sterling</td>
<td>2,224,025</td>
<td>4.0%</td>
<td>2,101,185</td>
<td>4.0%</td>
</tr>
<tr>
<td>Japanese Yen</td>
<td>1,877,486</td>
<td>3.3%</td>
<td>1,641,422</td>
<td>3.1%</td>
</tr>
<tr>
<td>Swiss Franc</td>
<td>1,364,279</td>
<td>2.5%</td>
<td>1,020,082</td>
<td>2.0%</td>
</tr>
<tr>
<td>Other</td>
<td>947,135</td>
<td>1.7%</td>
<td>967,608</td>
<td>1.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$23,495,355</strong></td>
<td><strong>41.8%</strong></td>
<td><strong>$23,095,002</strong></td>
<td><strong>43.9%</strong></td>
</tr>
</tbody>
</table>

As at June 30, 2017, if the Canadian dollar strengthened or weakened by 5% (2016 - 5%) in each respective foreign currency, with all other factors remaining constant, the following table summarizes the estimated impacts:

<table>
<thead>
<tr>
<th>Currency</th>
<th>Net exposure</th>
<th>Estimated impact</th>
<th>Net exposure</th>
<th>Estimated impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Dollar</td>
<td>$12,210,813</td>
<td>$610,541</td>
<td>$13,266,569</td>
<td>$663,329</td>
</tr>
<tr>
<td>Euro</td>
<td>4,851,617</td>
<td>242,581</td>
<td>4,098,156</td>
<td>204,908</td>
</tr>
<tr>
<td>Pound Sterling</td>
<td>2,224,025</td>
<td>111,201</td>
<td>2,101,185</td>
<td>105,059</td>
</tr>
<tr>
<td>Japanese Yen</td>
<td>1,877,486</td>
<td>93,874</td>
<td>1,641,422</td>
<td>82,071</td>
</tr>
<tr>
<td>Swiss Franc</td>
<td>1,364,279</td>
<td>69,214</td>
<td>1,020,082</td>
<td>51,003</td>
</tr>
<tr>
<td>Other</td>
<td>947,135</td>
<td>47,357</td>
<td>967,608</td>
<td>48,380</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$23,495,355</strong></td>
<td><strong>$1,174,768</strong></td>
<td><strong>$23,095,002</strong></td>
<td><strong>$1,154,750</strong></td>
</tr>
</tbody>
</table>
4. Financial instruments (continued):

(b) Associated risks (continued):

(v) 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. Credit risk is generally higher when a non-exchange traded financial instrument is involved because the counterparty for non-exchange traded financial instruments is not backed by an exchange clearing house. The Plan policy does not permit investments in below investment grade securities. The credit risk is minimized by dealing with borrowers considered to be of high quality and by monitoring their credit risk. The Plan records all investments at fair value and therefore the values reflected in the statement of net assets available for benefits represent the maximum credit exposure to the Plan. The following is a summary of the June 30, 2017 weighted average of funds invested, and the respective allocation targets:

<table>
<thead>
<tr>
<th></th>
<th>Asset Mix %</th>
<th>Policy Asset Mix %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Minimum</td>
<td>Benchmark</td>
</tr>
<tr>
<td>Canadian equities</td>
<td>20.3%</td>
<td>10.0</td>
</tr>
<tr>
<td>U.S. equities</td>
<td>20.4%</td>
<td>8.0</td>
</tr>
<tr>
<td>International equities</td>
<td>21.4%</td>
<td>7.0</td>
</tr>
<tr>
<td>Total equities</td>
<td>62.1%</td>
<td>40.0</td>
</tr>
<tr>
<td>Fixed income</td>
<td>37.2%</td>
<td>25.0</td>
</tr>
<tr>
<td>Cash</td>
<td>0.7%</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

The following are the Plan’s investments in interest-bearing financial instruments and the Plan’s exposure to credit risk as at June 30, 2017:

<table>
<thead>
<tr>
<th>Credit rating</th>
<th>2017 Fair value</th>
<th>Percentage of portfolio</th>
<th>2016 Fair value</th>
<th>Percentage of portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>$4,364,920</td>
<td>20.9%</td>
<td>$3,045,557</td>
<td>15.6%</td>
</tr>
<tr>
<td>AA</td>
<td>9,231,074</td>
<td>44.2%</td>
<td>7,008,687</td>
<td>35.9%</td>
</tr>
<tr>
<td>A</td>
<td>6,098,356</td>
<td>29.2%</td>
<td>8,238,624</td>
<td>42.2%</td>
</tr>
<tr>
<td>BBB</td>
<td>1,190,433</td>
<td>5.7%</td>
<td>1,229,937</td>
<td>6.3%</td>
</tr>
<tr>
<td></td>
<td>$20,884,783</td>
<td>100.0%</td>
<td>$19,522,805</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
4. Financial instruments (continued):

(c) Interest bearing investments:

The following information is provided in respect to interest-bearing investments:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment total</td>
<td>Average effective yield</td>
</tr>
<tr>
<td>Cash and equivalents</td>
<td>$ 398,120</td>
<td>0.1%</td>
</tr>
<tr>
<td>Jarislowsky Fraser Bond Fund</td>
<td>$ 20,884,783</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

The average effective yield is the rate at which the future cash flows of the instrument must be discounted to arrive at the fair value of the instrument.

5. Capital risk management:

The capital of the Plan is represented by the net assets available for benefits. The main objective of the Plan is to ensure the security of the promised pension benefits under the Plan. The Plan fulfills its primary objective by adhering to specific investment policies outlined in its Statement of Investment Policies and Procedures (the “SIP&P”), which is reviewed annually by the Pension Committee. The Plan manages net assets available for benefits by engaging knowledgeable investment managers who are charged with the responsibility of investing existing funds and new funds (contributions) in accordance with the approved SIP&P. The SIP&P was last amended effective October 22, 2015 to reflect changes required by the Financial Services Commission of Ontario.

Although there are no regulatory requirements relating to the level of net assets available for benefits, the funding to be maintained by the defined benefit Plan is determined through triennial actuarial valuations. No contributions remain past due as of June 30, 2017. The pension plan investments fell within the asset mix target ranges for the Plan as at June 30, 2017.

The Plan is required to file fund financial statements with the Financial Services Commission of Ontario annually.
Agenda Item 7.a.ii.

DRAFT

Fund Financial Statements of

THE CONTRIBUTORY PENSION PLAN FOR SALARIED EMPLOYEES OF McMaster UNIVERSITY INCLUDING McMaster Divinity College 2000

Year ended June 30, 2017

Registration Number 1079920
INDEPENDENT AUDITORS’ REPORT

To the Administrator of The Contributory Pension Plan for Salaried Employees of McMaster University including McMaster Divinity College 2000

We have audited the accompanying fund financial statements of The Contributory Pension Plan for Salaried Employees of McMaster University including McMaster Divinity College 2000, which comprise the statement of net assets available for benefits as at June 30, 2017, the statement of changes in net assets available for benefits for the year then ended, and notes, comprising 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 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 fund 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 fund 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 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 an 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 our 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, we consider 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 overall presentation of the fund 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 fund financial statements present fairly, in all material respects, the net assets available for benefits of The Contributory Pension Plan for Salaried Employees of McMaster University including McMaster Divinity College 2000 as at June 30, 2017, and its changes in net assets available for benefits for the year then ended in accordance with the financial reporting provisions of Section 76 of the Regulations to the Pension Benefits Act (Ontario).

Basis of accounting and restriction on use

Without modifying our opinion, we draw attention to Note 1 (a) to the financial statements, which describes the basis of accounting. The fund financial statements are prepared to assist the Administrator of The Contributory Pension Plan for Salaried Employees of McMaster University including McMaster Divinity College 2000 to meet the requirements of the Financial Services Commission of Ontario. As a result, the fund financial statements may not be suitable for another purpose. Our report is intended solely for the Administrator of The Contributory Pension Plan for Salaried Employees of McMaster University including McMaster Divinity College 2000 and the Financial Services Commission of Ontario for complying with Section 76 of the Regulations to the Pension Benefits Act (Ontario) and should not be used by any other parties for any other purpose.

Chartered Professional Accountants, Licensed Public Accountants

November 9, 2017
Hamilton, Canada
THE CONTRIBUTORY PENSION PLAN FOR  
SALARIED EMPLOYEES OF MCMASTER UNIVERSITY  
INCLUDING MCMASTER DIVINITY COLLEGE 2000  
Statement of Net Assets Available for Benefits  
(thousands of dollars)  

June 30, 2017, with comparative information for 2016  

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employer contributions receivable</td>
<td>$5,182</td>
<td>$5,146</td>
</tr>
<tr>
<td>Employee contributions receivable</td>
<td>2,284</td>
<td>3,066</td>
</tr>
<tr>
<td>Investment in Master Trust (note 2)</td>
<td>1,898,620</td>
<td>1,701,705</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees payable and accrued liabilities</td>
<td>2,263</td>
<td>992</td>
</tr>
<tr>
<td><strong>Net assets available for benefits</strong></td>
<td>$1,903,823</td>
<td>$1,708,925</td>
</tr>
</tbody>
</table>

See accompanying notes to fund financial statements.

On behalf of the Administrator:

Roger Coultray  
Vice-President (Administration)  
McMaster University  

Deidre Henne  
Assistant Vice-President (Administration) & CFO  
McMaster University
THE CONTRIBUTORY PENSION PLAN FOR
SALARIED EMPLOYEES OF MCMASTER UNIVERSITY
INCLUDING MCMASTER DIVINITY COLLEGE 2000

Statement of Changes in Net Assets Available for Benefits
(thousands of dollars)

June 30, 2017, with comparative information for 2016

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCREASE IN NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income allocated by the Master Trust Fund (note 4):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>$41,698</td>
<td>$37,936</td>
</tr>
<tr>
<td>Net realized gain on sale of investments</td>
<td>45,409</td>
<td>53,886</td>
</tr>
<tr>
<td>Net realized gain on sale of units in the Master Trust Fund</td>
<td>13,140</td>
<td>12,741</td>
</tr>
<tr>
<td><strong>Total Increase in Net Assets</strong></td>
<td>$100,247</td>
<td>$104,563</td>
</tr>
<tr>
<td>Change in net unrealized gain in investments</td>
<td>96,826</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Increase in Net Assets</strong></td>
<td>$197,073</td>
<td>$104,563</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>CONTRIBUTIONS</strong></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer current service</td>
<td>28,013</td>
<td>27,832</td>
</tr>
<tr>
<td>Employer past service</td>
<td>30,361</td>
<td>30,365</td>
</tr>
<tr>
<td>Employee required</td>
<td>24,153</td>
<td>23,747</td>
</tr>
<tr>
<td>Employee transfers from other plans</td>
<td>693</td>
<td>1,218</td>
</tr>
<tr>
<td><strong>Total Contributions</strong></td>
<td>83,220</td>
<td>83,162</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>DECREASE IN NET ASSETS</strong></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net unrealized gain in investments</td>
<td>-</td>
<td>70,619</td>
</tr>
<tr>
<td>Payments to members:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension benefits</td>
<td>69,292</td>
<td>64,389</td>
</tr>
<tr>
<td>Termination benefits</td>
<td>9,838</td>
<td>12,589</td>
</tr>
<tr>
<td><strong>Total Payments to Members</strong></td>
<td>79,230</td>
<td>76,958</td>
</tr>
<tr>
<td>Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment managers</td>
<td>4,949</td>
<td>4,103</td>
</tr>
<tr>
<td>Professional</td>
<td>595</td>
<td>589</td>
</tr>
<tr>
<td>Administrative</td>
<td>298</td>
<td>287</td>
</tr>
<tr>
<td>Trustee and custodial</td>
<td>258</td>
<td>254</td>
</tr>
<tr>
<td>Pension filing</td>
<td>47</td>
<td>47</td>
</tr>
<tr>
<td>Audit</td>
<td>18</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>6,165</td>
<td>5,300</td>
</tr>
<tr>
<td><strong>Net Increase in Net Assets available for benefits</strong></td>
<td>85,395</td>
<td>152,877</td>
</tr>
<tr>
<td>Net increase in net assets available for benefits</td>
<td>194,898</td>
<td>34,848</td>
</tr>
<tr>
<td>Net assets available for benefits, beginning of year</td>
<td>1,708,925</td>
<td>1,674,077</td>
</tr>
<tr>
<td><strong>Net assets available for benefits, end of year</strong></td>
<td>$1,903,823</td>
<td>$1,708,925</td>
</tr>
</tbody>
</table>

See accompanying notes to fund financial statements.
THE CONTRIBUTORY PENSION PLAN FOR
SALARIED EMPLOYEES OF MCMASTER UNIVERSITY
INCLUDING MCMASTER DIVINITY COLLEGE 2000

Notes to Fund Financial Statements
(in thousands of dollars)

Year ended June 30, 2017

The Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College 2000 (the “Plan”) is a defined benefit registered pension plan in the Province of Ontario under registration number 1079920, the Administrator of which is McMaster University.

McMaster University operates the Master Trust Fund to facilitate the collective management of the investment assets for pension plans of McMaster University and Divinity College. These fund financial statements reflect the consolidation of net assets held by the Plan directly and its share of the net assets of the Master Trust Fund.

The Plan is operated in accordance with the Trust and Custodial Services Agreement dated July 1, 2000, between McMaster University (the “Administrator”) and CIBC Mellon Trust Company (the “Trustee”).

1. Significant accounting policies:

   (a) Basis of presentation:

       As permitted under Section 76 of the Regulation to the Pension Benefits Act (Ontario), 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.


       These fund financial statements have been prepared to assist the Administrator of The Contributory Pension Plan for Salaried Employees of McMaster University including McMaster Divinity College 2000 in meeting the requirements of the Financial Services Commission of Ontario. As a result, these 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 McMaster University including McMaster Divinity College 2000’s financial health.

   (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 available for benefits.

   (c) Functional and presentation currency:

       These fund financial statements are presented in Canadian dollars, which is the Plan’s functional currency.
1. Significant accounting policies (continued):

(d) 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 available for benefits as incurred.

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

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 available for benefits 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 fees payable and accrued liabilities to be a non-derivative financial liability.

(iii) Derivative financial instruments:

Derivative financial instruments are recognized initially at fair value and attributable transaction costs are recognized in the statement of changes in net assets available for benefits as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and all changes are recognized immediately in the statement of changes in net assets available for benefits.

(e) Fair value measurement:

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

In determining fair value, the Plan follows 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 uses closing market price as a practical expedient for fair value measurement.
1. Significant accounting policies (continued):

(e) Fair value measurement (continued):

When available, the Plan measures 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 establishes 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.

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.

All changes in fair value, other than interest and dividend income are recognized in the statement of changes in net assets available for benefits as part of the change in net unrealized gains.

Pooled funds are valued at the unit values supplied by the pooled fund administrator, which represent the Plan’s proportionate share of underlying net assets at fair value using closing market prices.

Investments are stated at fair value. Fair values of investments including those held within the Master Trust are determined as follows:

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

ii) 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.

iii) Pooled funds are valued at the unit values supplied by the pooled fund administrator, which represent the Plan’s proportionate share of underlying net assets at fair values determined using closing market prices.

iv) Investments in derivative financial instruments, including futures, forwards and option contracts, are valued at year-end quoted market prices where available. Where quoted prices are not available, values are determined using pricing models, which take into account current market and contractual prices of the underlying instruments, as well as time value and yield curve or volatility factors underlying the positions.

Unrealized gains and losses on derivative financial instruments, net of premiums paid or received on options contracts, are included in derivative contracts investments.

Investment transactions are accounted for on the trade date.
1. Significant accounting policies (continued):

(f) Investment income:

Investment income, which is recorded on the accrual basis, includes interest income, dividends and pooled fund distributions.

(g) Change in net unrealized gain in investments:

The change in net unrealized gain in investments is the change in the difference between the fair value and cost of investments from the beginning to the end of the year.

(h) 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. The fair values of foreign currency denominated investments are translated into Canadian dollars at year-end rates of exchange. Gains and losses arising from transactions are included in investment income within the statement of changes in net assets available for benefits.

(i) Net realized gain or loss on sales of investments:

The net realized gain on sale of investments represents the difference between proceeds received and the average cost of investments sold.

The net realized gain or loss on sale of units in the Master Trust Fund represents the difference between the proceeds received and the average cost of the units sold.

(j) Income taxes:

The Plan is a Registered Pension Trust as defined by the Income Tax Act (Canada) and, accordingly, is not subject to income taxes.

(k) Use of estimates:

The preparation of the fund financial statements requires management to make judgments, 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 available for benefits 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.
2. Investment in Master Trust:

Details of the Master Trust Fund Investments are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Fair Value</td>
</tr>
<tr>
<td>Canadian short-term notes and</td>
<td>$ 13,012</td>
<td>$ 13,012</td>
</tr>
<tr>
<td>treasury bills</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign short-term notes and</td>
<td>846</td>
<td>821</td>
</tr>
<tr>
<td>treasury bills</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian common and preferred</td>
<td>125,137</td>
<td>190,639</td>
</tr>
<tr>
<td>equities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign common and preferred</td>
<td>54,824</td>
<td>89,748</td>
</tr>
<tr>
<td>equities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian bonds and debentures</td>
<td>144,022</td>
<td>143,694</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian fixed income pool</td>
<td>399,526</td>
<td>420,940</td>
</tr>
<tr>
<td>funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian equity pool fund</td>
<td>172,003</td>
<td>180,909</td>
</tr>
<tr>
<td>investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign equity pool fund</td>
<td>581,938</td>
<td>251,656</td>
</tr>
<tr>
<td>investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net foreign exchange contracts</td>
<td>13,500</td>
<td>-</td>
</tr>
<tr>
<td>receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,491,308</td>
<td>1,904,919</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>368</td>
<td>368</td>
</tr>
<tr>
<td>Receivables</td>
<td>11,053</td>
<td>11,053</td>
</tr>
<tr>
<td>Accrued investment income</td>
<td>1,116</td>
<td>1,116</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(15,208)</td>
<td>(15,202)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 1,488,645</td>
<td>$ 1,902,254</td>
</tr>
</tbody>
</table>

This allocation of the investment in the Master Trust Fund to the respective pension plans is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Units</td>
<td>Fair Value</td>
</tr>
<tr>
<td>The Contributory Pension Plan</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| for Salaried Employees of Mc\-
| Master University including \-
| McMaster Divinity College 2000 | 6,787,186 | $ 1,898,620 | 6,770,226 | $ 1,701,705 |
| The Contributory Pension Plan  |       |           |       |            |
| for Salaried Employees of Mc\-
| Master University including \-
| McMaster Divinity College     | 12,988 | 3,634     | 12,436 | 3,126      |
|                                |       |           |       |            |
|                                |       |           |       |            |
|                                | $ 1,902,254 | $ 1,704,831 |

The book value of the investments in the Plan at June 30, 2017 was $1,541,919 (2016 - $1,441,830).
3. Statutory disclosures:

The following information is provided in respect of individual investments in the Master Trust Fund with a fair value in excess of 1% of the Master Trust Fund as at June 30, 2017 as required by the Pension Benefits Act (Ontario).

(a) Pooled fund investments:

<table>
<thead>
<tr>
<th>Fund name</th>
<th>Fund operator</th>
<th>Nature of investments held</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>BlackRock Russell 1000 Alpha Tilt Fund B</td>
<td>BlackRock</td>
<td>U.S. equities</td>
<td>$302,377</td>
</tr>
<tr>
<td>BlackRock Long Bond Index Class A</td>
<td>BlackRock</td>
<td>Canadian bonds and debentures</td>
<td>257,038</td>
</tr>
<tr>
<td>GMO International Opportunities Equity Allocation Fund</td>
<td>GMO</td>
<td>Non-North American equities</td>
<td>169,248</td>
</tr>
<tr>
<td>GE Asset Management Canada Fund</td>
<td>GE Asset Management</td>
<td>Canadian equities</td>
<td>167,119</td>
</tr>
<tr>
<td>GE Asset Management Canadian Equity</td>
<td>GE Asset Management</td>
<td>Canadian equities</td>
<td>167,119</td>
</tr>
<tr>
<td>NCS Canadian Institutional Trusts</td>
<td>Walter Scott</td>
<td>Non-North American equities</td>
<td>165,228</td>
</tr>
<tr>
<td>Templeton International Equity Trust</td>
<td>Franklin Templeton</td>
<td>Non-North American equities</td>
<td>118,218</td>
</tr>
<tr>
<td>T Rowe Price U.S. Large Cap Core Corp Growth Equity</td>
<td>T Rowe Price</td>
<td>US equities</td>
<td>100,519</td>
</tr>
<tr>
<td>BlackRock Universe Bond Index Class A</td>
<td>BlackRock</td>
<td>Canadian bonds and debentures</td>
<td>98,001</td>
</tr>
<tr>
<td>BlackRock Real Return Bond Index Class A</td>
<td>BlackRock</td>
<td>Canadian bonds and debentures</td>
<td>65,901</td>
</tr>
</tbody>
</table>

(b) Canadian bonds and debentures:

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Cost</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government of Canada</td>
<td>$25,475</td>
<td>$25,405</td>
</tr>
<tr>
<td>Provincials (Canadian)</td>
<td>49,631</td>
<td>49,414</td>
</tr>
<tr>
<td>Corporate</td>
<td>68,915</td>
<td>68,875</td>
</tr>
</tbody>
</table>
4. Investment income:

Details of the investment income earned by the Master Trust Fund are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ -</td>
<td>$ 1</td>
</tr>
<tr>
<td>Short-term notes and treasury bills</td>
<td>9</td>
<td>210</td>
</tr>
<tr>
<td>Canadian common and preferred equities</td>
<td>3,583</td>
<td>14,113</td>
</tr>
<tr>
<td>Foreign common and preferred equities</td>
<td>5,870</td>
<td>51,702</td>
</tr>
<tr>
<td>Bonds and debentures</td>
<td>4,220</td>
<td>5,023</td>
</tr>
<tr>
<td>Pooled fund investments</td>
<td>72,748</td>
<td>65,800</td>
</tr>
<tr>
<td>Foreign exchange losses including derivatives</td>
<td>(9,028)</td>
<td>(26,488)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 77,402</td>
<td>$ 110,361</td>
</tr>
</tbody>
</table>

The allocation of the investment income to the respective pension plans is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Contributory Pension Plan for Salaried Employees of McMaster University including McMaster Divinity College 2000</td>
<td>$ 100,247</td>
<td>$ 104,563</td>
</tr>
<tr>
<td>The Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College</td>
<td>166</td>
<td>166</td>
</tr>
<tr>
<td>Timing difference between the realization of investment income in the Master Trust Fund and its allocation to the participating Pension Trust Funds</td>
<td>(23,011)</td>
<td>5,632</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 77,402</td>
<td>$ 110,361</td>
</tr>
</tbody>
</table>

5. Related party transactions:

McMaster University provides certain administrative services to the Plan which is recorded at the amount agreed to by the parties. The cost for these services for the year ended June 30, 2017 was approximately $286 (2016 - $287), and is included in administrative expenses in the statement of changes in net assets available for benefits.
6. Financial instruments:

The investment objectives of the Plan are to efficiently fund the benefits of the participating plan members. As part of the risk management process, the Administrator has established a diversification policy, set rate of return objectives and developed specific investment guidelines.

(a) Fair value:

The fair value of investments is disclosed in note 2. The fair value of the Plan’s other financial assets and liabilities, being contributions receivable and fees payable 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 available for benefits 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’s investment in Master Trust is classified as Level 2. The following table presents the classification of the Plan’s Investments held within the Master Trust as at June 30, 2017, using the fair value hierarchy:

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian short-term notes and treasury bills</td>
<td>$</td>
<td>$13,012</td>
<td>$</td>
<td>$13,012</td>
</tr>
<tr>
<td>Foreign short-term notes and treasury bills</td>
<td>-</td>
<td>821</td>
<td>-</td>
<td>821</td>
</tr>
<tr>
<td>Canadian common and preferred equities</td>
<td>190,639</td>
<td>-</td>
<td>-</td>
<td>190,639</td>
</tr>
<tr>
<td>Foreign common and preferred equities</td>
<td>89,748</td>
<td>-</td>
<td>-</td>
<td>89,748</td>
</tr>
<tr>
<td>Canadian bonds and debentures</td>
<td>-</td>
<td>143,894</td>
<td>-</td>
<td>143,894</td>
</tr>
<tr>
<td>Canadian fixed income pool funds</td>
<td>-</td>
<td>420,940</td>
<td>-</td>
<td>420,940</td>
</tr>
<tr>
<td>Canadian equity pool fund investments</td>
<td>-</td>
<td>180,909</td>
<td>-</td>
<td>180,909</td>
</tr>
<tr>
<td>Foreign equity pool fund investments</td>
<td>-</td>
<td>851,656</td>
<td>-</td>
<td>851,656</td>
</tr>
<tr>
<td>Net foreign exchange contracts receivable</td>
<td>-</td>
<td>13,500</td>
<td>-</td>
<td>13,500</td>
</tr>
</tbody>
</table>

$280,387        $1,624,532        $       $1,904,919
THE CONTRIBUTORY PENSION PLAN FOR
SALARIED EMPLOYEES OF MCMASTER UNIVERSITY
INCLUDING MCMASTER DIVINITY COLLEGE 2000

Notes to Fund Financial Statements
(in thousands of dollars)

Year ended June 30, 2017

6. Financial instruments (continued):

(a) Fair value (continued):

<table>
<thead>
<tr>
<th>2016</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian short-term notes and treasury bills</td>
<td>-</td>
<td>15,462</td>
<td>-</td>
<td>15,462</td>
</tr>
<tr>
<td>Foreign short-term notes and treasury bills</td>
<td>-</td>
<td>1,365</td>
<td>-</td>
<td>1,365</td>
</tr>
<tr>
<td>Canadian common and preferred equities</td>
<td>168,580</td>
<td>-</td>
<td>-</td>
<td>168,580</td>
</tr>
<tr>
<td>Foreign common and preferred equities</td>
<td>83,002</td>
<td>-</td>
<td>-</td>
<td>83,002</td>
</tr>
<tr>
<td>Canadian bonds and debentures</td>
<td>-</td>
<td>133,514</td>
<td>-</td>
<td>133,514</td>
</tr>
<tr>
<td>Canadian fixed income pool funds</td>
<td>-</td>
<td>411,326</td>
<td>-</td>
<td>411,326</td>
</tr>
<tr>
<td>Canadian equity pool fund investments</td>
<td>-</td>
<td>158,771</td>
<td>-</td>
<td>158,771</td>
</tr>
<tr>
<td>Foreign equity pool fund investments</td>
<td>-</td>
<td>729,716</td>
<td>-</td>
<td>729,716</td>
</tr>
<tr>
<td>Net foreign exchange contracts receivable</td>
<td>-</td>
<td>4,385</td>
<td>-</td>
<td>4,385</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 251,582</strong></td>
<td><strong>$ 1,454,539</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ 1,706,121</strong></td>
</tr>
</tbody>
</table>

(b) Associated risks:

(i) Market price risk:

Market price risk is the risk that the 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 other 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 available for benefits, all changes in market conditions will directly affect the net increase (decrease) in net assets available for benefits. Market price risk is managed by the Administrator through construction of a diversified portfolio of instruments traded on various markets and across various industries.

As at June 30, 2017, had the unit prices of equity benchmarks increased or decreased by 10% with all other variables remaining unchanged, and assuming there is a perfect positive correlation between the Plan’s equity and pooled fund securities with all other variables held constant, the value of the Plan’s total equities would have increased or decreased by approximately $131.3 million or 6.9% of total net assets available for benefits (2016 - $114.9 million or 6.7%). The unit price of the Plan’s equity and pooled fund securities are affected by changes in market values, foreign exchange rates and interest rates impacting the underlying equity and debt instruments held within the Plan.
6. Financial Instruments (continued):

(b) Associated risks (continued):

(ii) Interest rate risk:

Interest rate risk is the risk that the market value of the Plan's investments will fluctuate due to changes in market interest rates. The Plan is exposed to the risk that the fair value or future cash flows of an investment will fluctuate because of changes in the market interest rates. The Plan mitigates this risk by diversifying the maturity schedule of its fixed income securities.

As at June 30, 2017, had the prevailing interest rates increased or decreased by 1%, with all other variables held constant, the value of the debt securities component of the Plan would have increased or decreased, respectively, by approximately $94.8 million or 5.0% of total net assets available for benefits (2016 - $66.0 million or 3.9%).

(iii) Liquidity risk:

Liquidity risk is the risk that the Plan may be unable to meet pension payment obligations in a timely manner and at a reasonable cost. Management of liquidity seeks to ensure that even under adverse conditions, the Plan has access to immediate cash that is necessary to cover benefits payable, withdrawals and other liabilities. The Statement of Investment Policies & Procedures requires the plan's investments to be highly liquid, so they can be converted into cash on short notice. The plan's exposure to liquidity risk is considered negligible.

The accrued expenses of the plan are all due within 90 days or less.

The following table summarizes the contractual maturities of all fixed income securities as at June 30th by the earlier of contractual repaying or maturity dates:

<table>
<thead>
<tr>
<th>Maturity range</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fair value</td>
<td>Percentage of fixed income</td>
</tr>
<tr>
<td>0 to 5 years</td>
<td>$126,642</td>
<td>22.4%</td>
</tr>
<tr>
<td>5 to 10 years</td>
<td>$68,398</td>
<td>12.1%</td>
</tr>
<tr>
<td>Over 10 years</td>
<td>$370,976</td>
<td>65.5%</td>
</tr>
<tr>
<td></td>
<td>$566,016</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
6. Financial instruments (continued):

(b) Associated risks (continued):

(iv) Foreign currency risk:

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Plan invests in financial instruments denominated in various foreign currencies, other than its measurement currency. Consequently, the Plan is exposed to risks that the exchange of the various currencies may change in a manner that has an adverse effect on the value of the portion of the Plan's assets denominated in currencies other than the Canadian dollar. As at June 30, 2017 and June 30, 2016, the Plan held currency contracts which mitigated its exposure to currency risk. The Plan's overall currency positions and exposures are monitored on a regular basis by the Administrator.

The Plan's currency exposure of its investments as at June 30 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Canadian dollar equivalent</td>
<td>Percentage of total</td>
</tr>
<tr>
<td>US dollar</td>
<td>$509,009</td>
<td>26.8%</td>
</tr>
<tr>
<td>Euro</td>
<td>120,425</td>
<td>6.3%</td>
</tr>
<tr>
<td>Japanese Yen</td>
<td>96,976</td>
<td>5.0%</td>
</tr>
<tr>
<td>Pound Sterling</td>
<td>64,355</td>
<td>3.4%</td>
</tr>
<tr>
<td>Hong Kong dollar</td>
<td>38,047</td>
<td>2.0%</td>
</tr>
<tr>
<td>Swiss Franc</td>
<td>26,727</td>
<td>1.4%</td>
</tr>
<tr>
<td>Other</td>
<td>87,555</td>
<td>4.6%</td>
</tr>
<tr>
<td></td>
<td>$942,094</td>
<td>49.5%</td>
</tr>
</tbody>
</table>

As at June 30, 2017, if the Canadian dollar strengthened or weakened by 5% in each respective foreign currency, with all other factors remaining constant, the following table summarizes the estimated impacts:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net exposure</td>
<td>Estimated impact</td>
</tr>
<tr>
<td>US dollar</td>
<td>$509,009</td>
<td>$25,450</td>
</tr>
<tr>
<td>Euro</td>
<td>120,425</td>
<td>6,021</td>
</tr>
<tr>
<td>Japanese Yen</td>
<td>96,976</td>
<td>4,799</td>
</tr>
<tr>
<td>Pound Sterling</td>
<td>64,355</td>
<td>3,218</td>
</tr>
<tr>
<td>Hong Kong dollar</td>
<td>38,047</td>
<td>1,902</td>
</tr>
<tr>
<td>Swiss Franc</td>
<td>26,727</td>
<td>1,336</td>
</tr>
<tr>
<td>Other</td>
<td>87,555</td>
<td>4,378</td>
</tr>
<tr>
<td></td>
<td>$942,094</td>
<td>47,104</td>
</tr>
</tbody>
</table>
6. Financial instruments (continued):

(b) Associated risks (continued):

(v) 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. Credit risk is generally higher when a non-exchange traded financial instrument is involved because the counterparty for non-exchange traded financial instruments is not backed by an exchange clearing house. The Plan policy does not permit investments in below investment grade securities. The credit risk is minimized by dealing with borrowers considered to be of high quality and by monitoring their credit risk. The Plan records all investments at fair value and therefore the values reflected in the statement of net assets available for benefits represent the maximum credit exposure to the Plan.

The following is a summary of the June 30, 2017 weighted average of funds invested, and the respective allocation targets:

<table>
<thead>
<tr>
<th>Asset Mix %</th>
<th>Minimum</th>
<th>Benchmark</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian equities</td>
<td>19.8</td>
<td>16.0</td>
<td>21.0</td>
</tr>
<tr>
<td>U.S. equities</td>
<td>25.9</td>
<td>17.0</td>
<td>22.0</td>
</tr>
<tr>
<td>International equities</td>
<td>24.0</td>
<td>17.0</td>
<td>22.0</td>
</tr>
<tr>
<td>Total equities</td>
<td>69.7</td>
<td>50.0</td>
<td>65.0</td>
</tr>
<tr>
<td>Fixed income</td>
<td>29.8</td>
<td>25.0</td>
<td>35.0</td>
</tr>
<tr>
<td>Real estate</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Cash</td>
<td>0.4</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The following at the Plan's investments in interest-bearing financial instruments and the Plan's exposure to credit risk as at June 30, 2017:

<table>
<thead>
<tr>
<th>Credit rating</th>
<th>Fair value</th>
<th>Percentage of portfolio</th>
<th>Fair value</th>
<th>Percentage of portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>$197,654</td>
<td>34.9</td>
<td>$205,351</td>
<td>37.6</td>
</tr>
<tr>
<td>AA</td>
<td>220,055</td>
<td>39.9</td>
<td>173,645</td>
<td>31.8</td>
</tr>
<tr>
<td>A</td>
<td>97,538</td>
<td>17.3</td>
<td>133,624</td>
<td>24.5</td>
</tr>
<tr>
<td>BBB</td>
<td>42,251</td>
<td>7.5</td>
<td>33,132</td>
<td>6.1</td>
</tr>
<tr>
<td>Lower than BBB</td>
<td>2,118</td>
<td>0.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$566,016</td>
<td>100.0</td>
<td>$545,752</td>
<td>100.0</td>
</tr>
</tbody>
</table>
6. Financial instruments (continued):

(c) Interest-bearing investments:

The following information is provided in respect of interest-bearing investments in the Master Trust Fund.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment total</td>
<td>Average effective yield</td>
</tr>
<tr>
<td>Short-term notes and treasury bills</td>
<td>$ 13,833</td>
<td>0.3%</td>
</tr>
<tr>
<td>Canadian bonds and debentures</td>
<td>$ 143,694</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

The average effective yield is the rate at which the future cash flows of the instrument must be discounted to arrive at the fair value of the instrument.

7. Capital risk management:

The capital of the plan is represented by the net assets available for benefits. The main objective of the defined benefit Plan is to ensure the security of the promised pension benefits under the Plan. The Plan fulfills its primary objective by adhering to specific investments policies outlined in its Statement of Investment Policies and Procedures (the "SIP & P"), which is reviewed annually by the Pension Committee. The Plan manages net assets available for benefits by engaging knowledgeable investment managers who are charged with the responsibility of investing existing funds and new funds (contributions) in accordance with the approved SIP & P. The SIP & P was last amended effective June 8, 2017. The latest amendment to the SIP & P included updates to align with industry practice and to reflect regulatory requirements, as well as updates to eligible investments, manager mandates, and investment mix.

Although there are no regulatory requirements relating to the level of net assets available for benefits, the funding to be maintained by the defined benefit Plan is determined through triennial actuarial valuations. No contributions remain past due as of June 30, 2017. The pension plan investments fell within the asset mix target ranges for the Plan as at June 30, 2017.

The Plan is required to file fund financial statements with the Financial Services Commission of Ontario annually.
Fund Financial Statements of

THE CONTRIBUTORY PENSION PLAN
FOR SALARIED EMPLOYEES
OF MACMILLAN UNIVERSITY INCLUDING
MACMILLAN DIVINITY COLLEGE

Year ended June 30, 2017
Registration Number 0215400
INDEPENDENT AUDITORS’ REPORT

To the Administrator of The Contributory Pension Plan for Salaried Employees of McMaster University including McMaster Divinity College

We have audited the accompanying fund financial statements of The Contributory Pension Plan for Salaried Employees of McMaster University including McMaster Divinity College, which comprise the statement of net assets available for benefits as at June 30, 2017, the statement of changes in net assets available for benefits for the year then ended, and notes, comprising 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 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 fund 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 fund 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 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 an 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 our 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, we consider 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 overall presentation of the fund 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 fund financial statements present fairly, in all material respects, the net assets available for benefits of The Contributory Pension Plan for Salaried Employees of McMaster University including McMaster Divinity College as at June 30, 2017, and its changes in net assets available for benefits for the year then ended in accordance with the financial reporting provisions of Section 76 of the Regulations to the Pension Benefits Act (Ontario).

Basis of accounting and restriction on use

Without modifying our opinion, we draw attention to Note 1 (a) to the financial statements, which describes the basis of accounting. The fund financial statements are prepared to assist the Administrator of The Contributory Pension Plan for Salaried Employees of McMaster University including McMaster Divinity College to meet the requirements of the Financial Services Commission of Ontario. As a result, the fund financial statements may not be suitable for another purpose. Our report is intended solely for the Administrator of The Contributory Pension Plan for Salaried Employees of McMaster University including McMaster Divinity College and the Financial Services Commission of Ontario for complying with Section 76 of the Regulations to the Pension Benefits Act (Ontario) and should not be used by any other parties for any other purpose.

Chartered Professional Accountants, Licensed Public Accountants

November 9, 2017
Hamilton, Canada
THE CONTRIBUTORY PENSION PLAN FOR
SALARIED EMPLOYEES OF MCMASTER UNIVERSITY
INCLUDING MCMASTER DIVINITY COLLEGE
Statement of Net Assets Available for Benefits
(in thousands of dollars)
June 30, 2017, with comparative information for 2016

<table>
<thead>
<tr>
<th>Assets</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer contributions receivable</td>
<td>$14</td>
<td>$14</td>
</tr>
<tr>
<td>Employee contributions receivable</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Investment in Master Trust (note 2)</td>
<td>3,634</td>
<td>3,126</td>
</tr>
<tr>
<td></td>
<td>3,652</td>
<td>3,144</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees payable and accrued liabilities</td>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>Net assets available for benefits</td>
<td>$3,638</td>
<td>$3,132</td>
</tr>
</tbody>
</table>

See accompanying notes to fund financial statements.

On behalf of the Administrator:

Roger Coulter
Vice-President (Administration)
McMaster University

Deidre Henne
Assistant Vice-President (Administration) & CFO
McMaster University
THE CONTRIBUTORY PENSION PLAN FOR
SALARIED EMPLOYEES OF MCMASTER UNIVERSITY
INCLUDING MCMASTER DIVINITY COLLEGE

Statement of Changes in Net Assets Available for Benefits
(in thousands of dollars)

June 30, 2017, with comparative information for 2016

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCREASE IN NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>78</td>
<td>68</td>
</tr>
<tr>
<td>Net realized gain on sale of investments</td>
<td>85</td>
<td>96</td>
</tr>
<tr>
<td>Net realized gain on sale of units in the Master Trust Fund</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>166</td>
<td>166</td>
</tr>
<tr>
<td>Change in net unrealized gain in investments</td>
<td>203</td>
<td>-</td>
</tr>
<tr>
<td>Contributions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employer current service</td>
<td>104</td>
<td>94</td>
</tr>
<tr>
<td>Employer past service</td>
<td>24</td>
<td>47</td>
</tr>
<tr>
<td>Employee required</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>164</td>
<td>177</td>
</tr>
<tr>
<td></td>
<td>533</td>
<td>343</td>
</tr>
<tr>
<td><strong>DECREASE IN NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net unrealized gain in investments</td>
<td>-</td>
<td>102</td>
</tr>
<tr>
<td>Payments to members:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension benefits</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Termination benefits</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment managers</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Audit</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Professional</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Trustee and custodial</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>25</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>27</td>
<td>133</td>
</tr>
<tr>
<td>Net increase in net assets available for benefits</td>
<td>506</td>
<td>210</td>
</tr>
<tr>
<td>Net assets available for benefits, beginning of year</td>
<td>3,132</td>
<td>2,922</td>
</tr>
<tr>
<td>Net assets available for benefits, end of year</td>
<td>$ 3,638</td>
<td>$ 3,132</td>
</tr>
</tbody>
</table>

See accompanying notes to fund financial statements.
THE CONTRIBUTORY PENSION PLAN FOR
SALARIED EMPLOYEES OF MCMASTER UNIVERSITY
INCLUDING MCMASTER DIVINITY COLLEGE
Notes to Fund Financial Statements
(in thousands of dollars)
Year ended June 30, 2017

The Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College (the "Plan") is a defined benefit registered pension plan in the Province of Ontario under registration number 0215400, the Administrator of which is McMaster University.

McMaster University operates the Master Trust Fund to facilitate the collective management of the investment assets for pension plans of McMaster University and Divinity College. These fund financial statements reflect the consolidation of net assets held by the Plan directly and its share of the net assets of the Master Trust Fund.

The Plan is operated in accordance with the Trust and Custodial Services Agreement dated July 1, 2000, between McMaster University (the "Administrator") and CIBC Mellon Trust Company (the "Trustee").

1. Significant accounting policies:

(a) Basis of presentation:

As permitted under Section 76 of the Regulation to the Pension Benefits Act (Ontario), 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.


These fund financial statements have been prepared to assist the Administrator of The Contributory Pension Plan for Salaried Employees of McMaster University including McMaster Divinity College in meeting the requirements of the Financial Services Commission of Ontario. As a result, these 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 McMaster University including McMaster Divinity College's financial health.

(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 available for benefits.

(c) Functional and presentation currency:

These fund financial statements are presented in Canadian dollars, which is the Plan's functional currency.
THE CONTRIBUTORY PENSION PLAN FOR
SALARIED EMPLOYEES OF MCMASTER UNIVERSITY
INCLUDING MCMASTER DIVINITY COLLEGE
Notes to Fund Financial Statements
(in thousands of dollars)
Year ended June 30, 2017

1. Significant accounting policies (continued):
   (d) 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 available for benefits as incurred.

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

   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 available for benefits 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 fees payable and accrued liabilities to be a non-derivative financial liability.

   (iii) Derivative financial instruments:

   Derivative financial instruments are recognized initially at fair value and attributable transaction costs are recognized in the statement of changes in net assets available for benefits as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and all changes are recognized immediately in the statement of changes in net assets available for benefits.

   (e) Fair value measurement:

   Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

   In determining fair value, the Plan follows 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 uses closing market price as a practical expedient for fair value measurement.
1. Significant accounting policies (continued):

(e) Fair value measurement (continued):

When available, the Plan measures 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 establishes 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.

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.

All changes in fair value, other than interest and dividend income are recognized in the statement of changes in net assets available for benefits as part of the change in net unrealized gains.

Pooled funds are valued at the unit values supplied by the pooled fund administrator, which represent the Plan’s proportionate share of underlying net assets at fair value using closing market prices.

Investments are stated at fair value. Fair values of investments including those held within the Master Trust are determined as follows:

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

ii) 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.

iii) Pooled funds are valued at the unit values supplied by the pooled fund administrator, which represent the Plan’s proportionate share of underlying net assets at fair values determined using closing market prices.

iv) Investments in derivative financial instruments, including futures, forwards and option contracts, are valued at year-end quoted market prices where available. Where quoted prices are not available, values are determined using pricing models, which take into account current market and contractual prices of the underlying instruments, as well as time value and yield curve or volatility factors underlying the positions.

Unrealized gains and losses on derivative financial instruments, net of premiums paid or received on options contracts, are included in derivative contracts investments.

Investment transactions are accounted for on the trade date.
THE CONTRIBUTORY PENSION PLAN FOR
SALARIED EMPLOYEES OF MCMASTER UNIVERSITY
INCLUDING MCMASTER DIVINITY COLLEGE
Notes to Fund Financial Statements
(In thousands of dollars)
Year ended June 30, 2017

1. Significant accounting policies (continued):

(f) Investment income:

Investment income, which is recorded on the accrual basis, includes interest income, dividends and pooled fund distributions.

(g) Change in net unrealized gain in investments:

The change in net unrealized gain in investments is the change in the difference between the fair value and cost of investments from the beginning to the end of the year.

(h) 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.

The fair values of foreign currency denominated investments are translated into Canadian dollars at year-end rates of exchange. Gains and losses arising from transactions are included in investment income within the statement of changes in net assets available for benefits.

(i) Net realized gain or loss on sales of investments:

The net realized gain on sale of investments represents the difference between proceeds received and the average cost of investments sold.

The net realized gain or loss on sale of units in the Master Trust Fund represents the difference between the proceeds received and the average cost of the units sold.

(j) Income taxes:

The Plan is a Registered Pension Trust as defined by the Income Tax Act (Canada) and, accordingly, is not subject to income taxes.

(k) Use of estimates:

The preparation of the fund financial statements requires management to make judgments, 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 available for benefits 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.
2. Investment in Master Trust:

Details of the Master Trust Fund investments are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2017 Cost</th>
<th>2017 Fair Value</th>
<th>2016 Cost</th>
<th>2016 Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian short-term notes and</td>
<td>$13,012</td>
<td>$13,012</td>
<td>$15,462</td>
<td>$15,462</td>
</tr>
<tr>
<td>treasury bills</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign short-term notes and</td>
<td>846</td>
<td>821</td>
<td>1,401</td>
<td>1,365</td>
</tr>
<tr>
<td>treasury bills</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian common and preferred</td>
<td>125,137</td>
<td>160,639</td>
<td>120,394</td>
<td>168,580</td>
</tr>
<tr>
<td>equities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign common and preferred equities</td>
<td>54,824</td>
<td>89,748</td>
<td>53,854</td>
<td>83,002</td>
</tr>
<tr>
<td>Canadian bonds and debentures</td>
<td>144,022</td>
<td>143,694</td>
<td>130,267</td>
<td>133,514</td>
</tr>
<tr>
<td>Canadian fixed income pool funds</td>
<td>399,526</td>
<td>420,940</td>
<td>389,633</td>
<td>411,326</td>
</tr>
<tr>
<td>Canadian equity pool fund investments</td>
<td>172,003</td>
<td>180,909</td>
<td>148,446</td>
<td>158,771</td>
</tr>
<tr>
<td>Foreign equity pool fund investments</td>
<td>581,938</td>
<td>657,656</td>
<td>573,095</td>
<td>729,716</td>
</tr>
<tr>
<td>Net foreign exchange contracts</td>
<td>13,500</td>
<td></td>
<td></td>
<td>4,385</td>
</tr>
<tr>
<td>receivable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,491,808</td>
<td>1,904,919</td>
<td>1,412,552</td>
<td>1,706,121</td>
</tr>
<tr>
<td>Cash</td>
<td>368</td>
<td>368</td>
<td>272</td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>11,061</td>
<td>11,053</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued investment income</td>
<td>1,116</td>
<td>1,116</td>
<td>1,692</td>
<td>1,692</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(15,208)</td>
<td>(15,202)</td>
<td>(3,254)</td>
<td>(3,254)</td>
</tr>
</tbody>
</table>

This allocation of the investment in the Master Trust Fund to the respective pension plans is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2017 Units</th>
<th>2017 Fair Value</th>
<th>2016 Units</th>
<th>2016 Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Contributory Pension Plan for Salaried</td>
<td>6,787,186</td>
<td>$1,898,620</td>
<td>6,770,226</td>
<td>$1,701,705</td>
</tr>
<tr>
<td>Employees of McMaster University including</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mcmaster Divinity College 2000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Contributory Pension Plan for Salaried</td>
<td>12,988</td>
<td>3,634</td>
<td>12,436</td>
<td>3,126</td>
</tr>
<tr>
<td>Employees of Mcmaster University including</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mcmaster Divinity College</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The book value of the investments in the Plan at June 30, 2017 was $3,004 (2016 - $2,699).
3. Statutory disclosures:

The following information is provided in respect of individual investments in the Master Trust Fund with a fair value in excess of 1% of the Master Trust Fund as at June 30, 2017 as required by the Pension Benefits Act (Ontario).

(a) Pooled fund investments:

<table>
<thead>
<tr>
<th>Fund name</th>
<th>Fund operator</th>
<th>Nature of Investments held</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>BlackRock Russell 1000 Alpha Tilts Fund B</td>
<td>BlackRock</td>
<td>U.S. equities</td>
<td>$ 302,377</td>
</tr>
<tr>
<td>BlackRock Long Bond Index Class A</td>
<td>BlackRock</td>
<td>Canadian bonds and debentures</td>
<td>257,038</td>
</tr>
<tr>
<td>GMO International Opportunities Equity Allocation Fund</td>
<td>GMO</td>
<td>Non-North American equities</td>
<td>169,248</td>
</tr>
<tr>
<td>GE Asset Management Canada Fund</td>
<td>GE Asset Management</td>
<td>Canadian equities</td>
<td>167,119</td>
</tr>
<tr>
<td>GE Asset Management Canadian Equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NCS Canadian Institutional Trusts</td>
<td>Walter Scott</td>
<td>Non-North American equities</td>
<td>165,228</td>
</tr>
<tr>
<td>Templeton International Equity Trust</td>
<td>Franklin Templeton</td>
<td>Non-North American equities</td>
<td>118,218</td>
</tr>
<tr>
<td>T Rowe Price US Large Cap Core Corp Growth Equity</td>
<td>T Rowe Price</td>
<td>US equities</td>
<td>100,519</td>
</tr>
<tr>
<td>BlackRock Universe Bond Index Class A</td>
<td>BlackRock</td>
<td>Canadian bonds and debentures</td>
<td>98,001</td>
</tr>
<tr>
<td>BlackRock Real Return Bond Index Class A</td>
<td>BlackRock</td>
<td>Canadian bonds and debentures</td>
<td>65,901</td>
</tr>
</tbody>
</table>

(b) Canadian bonds and debentures:

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Cost</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government of Canada</td>
<td>$ 25,475</td>
<td>$ 25,405</td>
</tr>
<tr>
<td>Provincials (Canadian)</td>
<td>49,631</td>
<td>49,414</td>
</tr>
<tr>
<td>Corporate</td>
<td>68,915</td>
<td>68,875</td>
</tr>
</tbody>
</table>
THE CONTRIBUTORY PENSION PLAN FOR
SALARIED EMPLOYEES OF MCMASTER UNIVERSITY
INCLUDING MCMASTER DIVINITY COLLEGE
Notes to Fund Financial Statements
(in thousands of dollars)

Year ended June 30, 2017

4. Investment income:

Details of the investment income earned by the Master Trust Fund are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$</td>
<td>$1</td>
</tr>
<tr>
<td>Short-term notes and treasury bills</td>
<td>9</td>
<td>210</td>
</tr>
<tr>
<td>Canadian common and preferred equities</td>
<td>3,583</td>
<td>14,113</td>
</tr>
<tr>
<td>Foreign common and preferred equities</td>
<td>5,870</td>
<td>51,702</td>
</tr>
<tr>
<td>Bonds and debentures</td>
<td>4,220</td>
<td>5,023</td>
</tr>
<tr>
<td>Pooled fund investments</td>
<td>72,748</td>
<td>65,800</td>
</tr>
<tr>
<td>Foreign exchange losses including derivatives</td>
<td>(9,028)</td>
<td>(26,488)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>77,402</strong></td>
<td><strong>110,361</strong></td>
</tr>
</tbody>
</table>

The allocation of the investment income to the respective pension plans is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Contributory Pension Plan for Salaried Employees of McMaster University including McMaster Divinity College 2000</td>
<td>$100,247</td>
<td>$104,563</td>
</tr>
<tr>
<td>The Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College</td>
<td>166</td>
<td>166</td>
</tr>
<tr>
<td>Timing difference between the realization of investment income in the Master Trust Fund and its allocation to the participating Pension Trust Funds</td>
<td>$100,413</td>
<td>$104,729</td>
</tr>
<tr>
<td></td>
<td>(23,011)</td>
<td>5,632</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>77,402</strong></td>
<td><strong>110,361</strong></td>
</tr>
</tbody>
</table>

5. Related party transactions:

McMaster University provides certain administrative services to the Plan which is recorded at the amount agreed to by the parties. The cost for these services for the year ended June 30, 2017 was approximately $1 (2016 - $1), and is included in professional fees in the statement of changes in net assets available for benefits.
6. Financial instruments:

The investment objectives of the Plan are to efficiently fund the benefits of the participating plan members. As part of the risk management process, the Administrator has established a diversification policy, set rate of return objectives and developed specific investment guidelines.

(a) Fair value:

The fair value of investments is disclosed in note 2. The fair value of the Plan’s other financial assets and liabilities, being contributions receivable and fees payable 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 available for benefits 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’s investment in Master Trust is classified as Level 2. The following table presents the classification of the Plan’s investments held within the Master Trust as at June 30, 2017, using the fair value hierarchy:

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian short-term</td>
<td>-</td>
<td>13,012</td>
<td>-</td>
<td>13,012</td>
</tr>
<tr>
<td>notes and treasury</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>bills</td>
<td></td>
<td>821</td>
<td></td>
<td>821</td>
</tr>
<tr>
<td>Foreign short-term</td>
<td>190,639</td>
<td>-</td>
<td>-</td>
<td>190,639</td>
</tr>
<tr>
<td>notes and treasury</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>bills</td>
<td>99,748</td>
<td>-</td>
<td>-</td>
<td>99,748</td>
</tr>
<tr>
<td>Canadian common and</td>
<td>-</td>
<td>143,694</td>
<td>-</td>
<td>143,694</td>
</tr>
<tr>
<td>preferred equities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign common and</td>
<td>-</td>
<td>420,940</td>
<td>-</td>
<td>420,940</td>
</tr>
<tr>
<td>preferred equities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian bonds and</td>
<td>-</td>
<td>180,909</td>
<td>-</td>
<td>180,909</td>
</tr>
<tr>
<td>debentures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian fixed income</td>
<td>-</td>
<td>851,656</td>
<td>-</td>
<td>851,656</td>
</tr>
<tr>
<td>pool funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian equity pool</td>
<td>-</td>
<td>13,500</td>
<td>-</td>
<td>13,500</td>
</tr>
<tr>
<td>fund investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign equity pool</td>
<td>-</td>
<td>851,656</td>
<td>-</td>
<td>851,656</td>
</tr>
<tr>
<td>fund investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net foreign exchange</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>contracts receivable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$ 280,387 $ 1,624,532 $ - $ 1,904,919
6. Financial instruments (continued):

(a) Fair value (continued):

<table>
<thead>
<tr>
<th>2016</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian short-term notes and treasury bills</td>
<td>-</td>
<td>$15,462</td>
<td>-</td>
<td>$15,462</td>
</tr>
<tr>
<td>Foreign short-term notes and treasury bills</td>
<td>-</td>
<td>$1,365</td>
<td>-</td>
<td>$1,365</td>
</tr>
<tr>
<td>Canadian common and preferred equities</td>
<td>168,580</td>
<td>-</td>
<td>-</td>
<td>168,580</td>
</tr>
<tr>
<td>Foreign common and preferred equities</td>
<td>83,002</td>
<td>-</td>
<td>-</td>
<td>83,002</td>
</tr>
<tr>
<td>Canadian bonds and debentures</td>
<td>-</td>
<td>133,514</td>
<td>-</td>
<td>133,514</td>
</tr>
<tr>
<td>Canadian fixed income pool funds</td>
<td>-</td>
<td>411,326</td>
<td>-</td>
<td>411,326</td>
</tr>
<tr>
<td>Canadian equity pool fund investments</td>
<td>-</td>
<td>158,771</td>
<td>-</td>
<td>158,771</td>
</tr>
<tr>
<td>Foreign equity pool fund investments</td>
<td>-</td>
<td>729,716</td>
<td>-</td>
<td>729,716</td>
</tr>
<tr>
<td>Net foreign exchange contracts receivable</td>
<td>-</td>
<td>4,385</td>
<td>-</td>
<td>4,385</td>
</tr>
<tr>
<td></td>
<td>$251,582</td>
<td>$1,454,539</td>
<td>-</td>
<td>$1,706,121</td>
</tr>
</tbody>
</table>

(b) Associated risks:

(i) Market price risk:

Market price risk is the risk that the 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 other 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 available for benefits, all changes in market conditions will directly affect the net increase (decrease) in net assets available for benefits. Market price risk is managed by the Administrator through construction of a diversified portfolio of instruments traded on various markets and across various industries.

As at June 30, 2017, had the unit prices of equity benchmarks increased or decreased by 10% with all other variables remaining unchanged, and assuming there is a perfect positive correlation between the Plan’s equity and pooled fund securities with all other variables held constant, the value of the Plan’s total equities would have increased or decreased by approximately $249 or 6.9% of total net assets available for benefits (2016 - $207 or 6.6%). The unit price of the Plan’s equities and pooled fund securities are affected by changes in market values, foreign exchange rates and interest rates impacting the underlying equity and debt instruments held within the Plan.
6. Financial instruments (continued):

(b) Associated risks (continued):

(ii) Interest rate risk:

Interest rate risk is the risk that the market value of the Plan’s investments will fluctuate due to changes in market interest rates. The Plan is exposed to the risk that the fair value of future cash flows of an investment will fluctuate because of changes in the market interest rates. The Plan mitigates this risk by diversifying the maturity schedule of its fixed income securities.

As at June 30, 2017, had the prevailing interest rates increased or decreased by 1%, with all other variables held constant, the value of the debt securities component of the Plan would have increased or decreased, respectively, by approximately $180 or 5.0% of total net assets available for benefits (2016 - $119 or 3.8%).

(iii) Liquidity risk:

Liquidity risk is the risk that the Plan may be unable to meet pension payment obligations in a timely manner and at a reasonable cost. Management of liquidity seeks to ensure that even under adverse conditions, the Plan has access to immediate cash that is necessary to cover benefits payable, withdrawals and other liabilities. The Statement of Investment Policies & Procedures requires the plan’s investments to be highly liquid, so they can be converted into cash on short notice. The plan’s exposure to liquidity risk is considered negligible.

The accrued expenses of the plan are all due within 90 days or less.

The following table summarizes the contractual maturities of all fixed income securities as at June 30th by the earlier of contractual repricing or maturity dates:

<table>
<thead>
<tr>
<th>Maturity range</th>
<th>Fair value</th>
<th>Percentage of fixed income</th>
<th>Fair value</th>
<th>Percentage of fixed income</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 5 years</td>
<td>$241</td>
<td>22.4%</td>
<td>$190</td>
<td>19.0%</td>
</tr>
<tr>
<td>5 to 10 years</td>
<td>$130</td>
<td>12.1%</td>
<td>$127</td>
<td>12.7%</td>
</tr>
<tr>
<td>Over 10 years</td>
<td>$705</td>
<td>65.5%</td>
<td>$684</td>
<td>68.3%</td>
</tr>
<tr>
<td></td>
<td>$1,076</td>
<td>100.0%</td>
<td>$1,001</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
6. Financial instruments (continued):

(b) Associated risks (continued):

(iv) Foreign currency risk:

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Plan invests in financial instruments denominated in various foreign currencies, other than its measurement currency. Consequently, the Plan is exposed to risks that the exchange of the various currencies may change in a manner that has an adverse effect on the value of the portion of the Plan’s assets denominated in currencies other than the Canadian dollar. As at June 30, 2017 and June 30, 2016, the Plan held currency contracts which mitigated its exposure to currency risk. The Plan’s overall currency positions and exposures are monitored on a regular basis by the Administrator.

The Plan’s currency exposure of its investments as at June 30 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th></th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Canadian dollar equivalent</td>
<td>Percentage of total</td>
<td>Canadian dollar equivalent</td>
</tr>
<tr>
<td>US dollar</td>
<td>$967</td>
<td>26.8%</td>
<td>$835</td>
</tr>
<tr>
<td>Euro</td>
<td>229</td>
<td>6.3%</td>
<td>181</td>
</tr>
<tr>
<td>Japanese Yen</td>
<td>182</td>
<td>5.0%</td>
<td>138</td>
</tr>
<tr>
<td>Pound Sterling</td>
<td>322</td>
<td>3.4%</td>
<td>105</td>
</tr>
<tr>
<td>Hong Kong dollar</td>
<td>72</td>
<td>2.0%</td>
<td>57</td>
</tr>
<tr>
<td>Swiss Franc</td>
<td>51</td>
<td>1.4%</td>
<td>54</td>
</tr>
<tr>
<td>Other</td>
<td>166</td>
<td>4.6%</td>
<td>98</td>
</tr>
<tr>
<td></td>
<td>$1,789</td>
<td>49.5%</td>
<td>$1,468</td>
</tr>
</tbody>
</table>

As at June 30, 2017, if the Canadian dollar strengthened or weakened by 5% in each respective foreign currency, with all other factors remaining constant, the following table summarizes the estimated impacts:

<table>
<thead>
<tr>
<th></th>
<th>2017 Net exposure</th>
<th>Estimated impact</th>
<th>2016 Net exposure</th>
<th>Estimated impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>US dollar</td>
<td>$967</td>
<td>$48</td>
<td>$835</td>
<td>$42</td>
</tr>
<tr>
<td>Euro</td>
<td>229</td>
<td>11</td>
<td>181</td>
<td>9</td>
</tr>
<tr>
<td>Japanese Yen</td>
<td>182</td>
<td>9</td>
<td>138</td>
<td>7</td>
</tr>
<tr>
<td>Pound Sterling</td>
<td>122</td>
<td>6</td>
<td>105</td>
<td>5</td>
</tr>
<tr>
<td>Hong Kong dollar</td>
<td>72</td>
<td>4</td>
<td>57</td>
<td>3</td>
</tr>
<tr>
<td>Swiss Franc</td>
<td>51</td>
<td>3</td>
<td>54</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>166</td>
<td>8</td>
<td>98</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>$1,789</td>
<td>89</td>
<td>$1,468</td>
<td>74</td>
</tr>
</tbody>
</table>
6. Financial instruments (continued):

(b) Associated risks (continued):

(v) 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. Credit risk is generally higher when a non-exchange traded financial instrument is involved because the counterparty for non-exchange traded financial instruments is not backed by an exchange clearing house. The Plan policy does not permit investments in below investment grade securities. The credit risk is minimized by dealing with borrowers considered to be of high quality and by monitoring their credit risk. The Plan records all investments at fair value and therefore the values reflected in the statement of net assets available for benefits represent the maximum credit exposure to the Plan. The following is a summary of the June 30, 2017 weighted average of funds invested, and the respective allocation targets:

<table>
<thead>
<tr>
<th>Policy Asset Mix %</th>
<th>Asset Mix %</th>
<th>Minimum</th>
<th>Benchmark</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian equities</td>
<td>19.8</td>
<td>16.0</td>
<td>21.0</td>
<td>26.0</td>
</tr>
<tr>
<td>U.S. equities</td>
<td>25.9</td>
<td>17.9</td>
<td>22.0</td>
<td>27.0</td>
</tr>
<tr>
<td>International equities</td>
<td>24.0</td>
<td>17.0</td>
<td>22.0</td>
<td>27.0</td>
</tr>
</tbody>
</table>

| Total equities     | 69.7        | 50.0    | 65.0      | 80.0    |

| Fixed income       | 29.8        | 25.0    | 35.0      | 45.0    |
| Real estate        | 0.1         | 0.0     | 0.0       | 10.0    |
| Cash               | 0.4         | 0.0     | 0.0       | 10.0    |

| #                     | 100.0       | 100.0   |           |         |

The following is an analysis of the Plan’s investments in interest-bearing financial instruments and the Plan’s exposure to credit risk as at June 30, 2017:

<table>
<thead>
<tr>
<th>Credit rating</th>
<th>2017 Fair value</th>
<th>2017 Percentage of portfolio</th>
<th>2016 Fair value</th>
<th>2016 Percentage of portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>$376</td>
<td>34.9</td>
<td>$377</td>
<td>37.6</td>
</tr>
<tr>
<td>AA</td>
<td>430</td>
<td>36.8</td>
<td>318</td>
<td>31.8</td>
</tr>
<tr>
<td>A</td>
<td>186</td>
<td>17.3</td>
<td>245</td>
<td>24.5</td>
</tr>
<tr>
<td>BBB</td>
<td>80</td>
<td>7.5</td>
<td>61</td>
<td>6.1</td>
</tr>
<tr>
<td>Lower than BBB</td>
<td>4</td>
<td>0.4</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

| #                     | 1,076          | 100.0                         | 1,001           | 100.0                        |
6. Financial instruments (continued):

(c) Interest-bearing Investments:

The following information is provided in respect of interest-bearing investments in the Master Trust Fund.

<table>
<thead>
<tr>
<th>Investment</th>
<th>2017</th>
<th>2016</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>total</td>
<td>average</td>
<td>yield</td>
</tr>
<tr>
<td>Short-term notes and treasury bills</td>
<td>$13,833</td>
<td>0.3%</td>
<td></td>
</tr>
<tr>
<td>Canadian bonds and debentures</td>
<td>$143,694</td>
<td>2.2%</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

The average effective yield is the rate at which the future cash flows of the instrument must be discounted to arrive at the fair value of the instrument.

7. Capital risk management:

The capital of the plan is represented by the net assets available for benefits. The main objective of the defined benefit Plan is to ensure the security of the promised pension benefits under the Plan. The Plan fulfills its primary objective by adhering to specific investments policies outlined in its Statement of Investment Policies and Procedures (the "SIP & P"), which is reviewed annually by the Pension Committee. The Plan manages net assets available for benefits by engaging knowledgeable investment managers who are charged with the responsibility of investing existing funds and new funds (contributions) in accordance with the approved SIP & P. The SIP & P was last amended effective June 8, 2017. The latest amendment to the SIP & P included updates to align with industry practice and to reflect regulatory requirements, as well as updates to eligible investments, manager mandates, and investment mix.

Although there are no regulatory requirements relating to the level of net assets available for benefits, the funding to be maintained by the defined benefit Plan is determined through triennial actuarial valuations. No contributions remain past due as of June 30, 2017. The pension plan investments fell within the asset mix target ranges for the Plan as at June 30, 2017.

The Plan is required to file fund financial statements with the Financial Services Commission of Ontario annually.
At its meeting on November 23, 2017, the Planning and Resources Committee reviewed and approved the following pension plan amendments:

- Amendment #6 to the Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College 2000 (“Plan 2000”)
- Amendment #3 to the Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College (“Original Plan”)

The amendments are included in Attachments I and II of the circulated material.

Background re Amendment #6, Plan 2000:

This amendment is required to implement the following:

1. Changes agreed to in the most recent Joint Committee discussions between the University and the McMaster University Faculty Association as per the Remuneration Agreement for the period July 1, 2017 to June 30, 2019 and which was signed on March 13, 2017. The agreement provides for a technical adjustment to the pension plan text language regarding section 7.04, Special Adjustments to Member Required Contributions for Faculty Members and Librarians and also provides for an increase in pension contributions effective July 1, 2018.

2. Negotiated changes between Unifor Local 5555, Unit 1 and McMaster University. The Board of Governors ratified the renewed Collective Bargaining Agreement which came into effect May 1, 2016 and provides for changes to the pension contribution rates effective May 1, 2018. In addition, a memorandum of agreement, dated April 28, 2016, between the University and Unifor Local 5555, Unit 1, agreed that an additional premium will be added to pension contributions to account for the ongoing retention of Rule of 80, including a retroactive adjustment.
3. Changes to pension contribution rates for Union employees of Regional Medical Associates. As an affiliate employer, employees of Regional Medical Associates participate in McMaster University's benefits (including pension) provisions. Plan provisions are determined by McMaster and are subject to change as determined by the University. As unionized RMA members are represented by Unifor Local 5555, Unit 2, the contribution rates, including adjustments to retain the Rule of 80 provisions, for unionized RMA members are periodically adjusted to align with those for Members of Unifor Local 5555, Unit 1. Regional Medical Associates has been advised on the increases to the pension contribution rates as outlined in Amendment #6.

Background re Amendment #3, Original Plan:

As there are active Faculty members in the Original Plan, Amendment #3 is required to implement the same change described above, in point 1. Namely:

1. Changes agreed to in the most recent Joint Committee discussions between the University and the McMaster University Faculty Association as per the Remuneration Agreement for the period July 1, 2017 to June 30, 2019 and which was signed on March 13, 2017. The agreement provided for a technical adjustment to the pension plan text language regarding section 7.04, Special Adjustments to Member Required Contributions for Faculty Members and Librarians and also provided for an increase in pension contributions effective July 1, 2018.

Recommendations:

That the Board of Governors approve Amendment #6 – Contributory Pension Plan for the Salaried Employees of McMaster University Including McMaster Divinity College 2000 (“Plan 2000”), as contained in Attachment I.

That the Board of Governors approve Amendment #3 – Contributory Pension Plan for the Salaried Employees of McMaster University Including McMaster Divinity College (“Original Plan”), as contained in Attachment II.

Board of Governors – For Approval
December 7, 2017
RESOLUTION OF THE BOARD OF GOVERNORS OF McMaster University

WHEREAS McMaster University ("University") established and maintains the Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College 2000 as amended and restated effective January 1, 2014 ("Plan 2000");

AND WHEREAS pursuant to Section 15.01 of Plan 2000, the University may, by resolution of the Board of Governors, modify Plan 2000 at any time;

AND WHEREAS the University and the Joint Administration/Faculty Association Committee negotiated an increase in employee contribution rates for certain Members of Plan 2000 under a Remuneration Agreement which covers the period July 1, 2017 to June 30, 2019 ("Remuneration Agreement");

AND WHEREAS the Remuneration Agreement also provides, inter alia, for an adjustment in proportional pension contributions for certain Members of Plan 2000 in the event that total University contributions in respect of those Members falls below the set threshold;

AND WHEREAS an increase in employee contribution rates for certain Members of Plan 2000 was negotiated under a collective bargaining agreement between the University and Unifor and its Local Union 5555 ("Unifor") effective from May 1, 2016 to April 30, 2019 ("2016 Unifor CBA");

AND WHEREAS, in order to preserve the preferential Special Retirement Date ("Rule of 80") applicable to Unifor Local 5555 Members and to Members of Plan 2000 who are unionized employees of the Regional Medical Associates of Hamilton ("Unionized RMA Members"), employee contribution premiums have been assessed for Unifor Local 5555 Members and Unionized RMA Members ("Rule of 80 Premiums") by the actuary for Plan 2000;

AND WHEREAS the University wishes to amend Plan 2000 to reflect the terms of the Remuneration Agreement and the 2016 Unifor CBA, as well as the Rule of 80 Premiums;

NOW, THEREFORE, Plan 2000 is amended as follows:

1. Effective July 1, 2017, Section 7.04 is deleted in its entirety and replaced with the following:

   7.04 Special Adjustments to Member Required Contributions for TMG Members and SAAO Members

   Notwithstanding Section 7.01(a)(i), effective July 1, 2006, the following special adjustments to Member required contributions will apply:

   (a) if the total University contributions to the Plan determined and made for any month after June 2006 are less than 90% but greater than or equal to 75% of the total Member contributions calculated pursuant to Section 7.01(a) before any special adjustments under this Section 7.04 are made for that month, then TMG Member and SAAO Member contributions to be made to the Plan pursuant to Section 7.01(a) in respect of that month will be calculated as one-
twelfth (1/12) of: 3.75% of his Regular Annual Salary up to the current YMPE and 4.875% of his Regular Annual Salary in excess of the current YMPE;

(b) if the total University contributions to the Plan determined and made for any month after June 2006 are less than 75% but greater than or equal to 50% of the total Member contributions calculated pursuant to Section 7.01(a) before any special adjustments under this Section 7.04 are made for that month, then TMG Member and SAAO Member contributions to be made to the Plan pursuant to Section 7.01(a) in respect of that month will be calculated as one-twelfth (1/12) of: 2.5% of his Regular Annual Salary up to the current YMPE and 3.25% of his Regular Annual Salary in excess of the current YMPE;

(c) if the total University contributions to the Plan determined and made for any month after June 2006 are less than 50% but greater than or equal to 25% of the total Member contributions calculated pursuant to Section 7.01(a) before any special adjustments under this Section 7.04 are made for that month, then TMG Member and SAAO Member contributions to be made to the Plan pursuant to Section 7.01(a) in respect of that month will be calculated as one-twelfth (1/12) of: 1.25% of his Regular Annual Salary up to the current YMPE and 1.625% of his Regular Annual Salary in excess of the current YMPE; and

(d) if the total University contributions to the Plan determined and made for any month after June 2006 are less than 25% of the total Member contributions calculated pursuant to Section 7.01(a) before any special adjustments under this Section 7.04 are made for that month, then TMG Member and SAAO Member contributions to be made to the Plan pursuant to Section 7.01(a) in respect of that month will be zero (0).

Notwithstanding any other provision of this Plan, the adjusted Member contributions determined under this Section 7.04 for a TMG Member or SAAO Member shall not exceed the amounts determined under Section 7.01(a)(ii), but using the relevant adjusted contribution formula applicable in this Section 7.04 in the calculation under Section 7.01(a)(ii)(B).

For the sake of clarity, in this Section 7.04, "total University contributions to the Plan" means University contributions made to the Fund for the Plan pursuant to Section 7.01(c), and "total Member contributions" means Member required contributions calculated pursuant to Section 7.01(a) in respect of all Members of the Plan.

2. Effective July 1, 2017, the following new Section 7.05 is added immediately following Section 7.04:

7.05 Special Adjustments to Member Required Contributions for Faculty Members and Librarians

Notwithstanding Section 7.01(a)(i), effective July 1, 2017, the following special adjustments to Member required contributions will apply:
(a) if the total University contributions to the Plan determined and made for any month after June 2017 are less than 90% but greater than or equal to 75% of the total Member contributions calculated pursuant to Section 7.01(a) before any special adjustments under this Section 7.05 are made for that month, then Faculty Member and Librarian Member contributions to be made to the Plan pursuant to Section 7.01(a) in respect of that month will be calculated as 75% of the then current Employee Contribution Rate on Regular Annual Salary;

(b) if the total University contributions to the Plan determined and made for any month after June 2017 are less than 75% but greater than or equal to 50% of the total Member contributions calculated pursuant to Section 7.01(a) before any special adjustments under this Section 7.05 are made for that month, then Faculty Member and Librarian Member contributions to be made to the Plan pursuant to Section 7.01(a) in respect of that month will be calculated as 50% of the then current Employee Contribution Rate on Regular Annual Salary;

(c) if the total University contributions to the Plan determined and made for any month after June 2017 are less than 50% but greater than or equal to 25% of the total Member contributions calculated pursuant to Section 7.01(a) before any special adjustments under this Section 7.05 are made for that month, then Faculty Member and Librarian Member contributions to be made to the Plan pursuant to Section 7.01(a) in respect of that month will be calculated as 25% of the then current Employee Contribution Rate on Regular Annual Salary; and

(d) if the total University contributions to the Plan determined and made for any month after June 2017 are less than 25% of the total Member contributions calculated pursuant to Section 7.01(a) before any special adjustments under this Section 7.05 are made for that month, then Faculty Member and Librarian Member contributions to be made to the Plan pursuant to Section 7.01(a) in respect of that month will be zero (0).

Notwithstanding any other provision of this Plan, the adjusted Member contributions determined under this Section 7.05 for a Faculty Member or Librarian Member shall not exceed the amounts determined under Section 7.01(a)(ii), but using the relevant adjusted contribution formula applicable in this Section 7.05 in the calculation under Section 7.01(a)(ii)(B).

For the sake of further clarity, in this Section 7.05, "total University contributions to the Plan" means University contributions made to the Fund for the Plan pursuant to Section 7.01(c), and "total Member contributions" means Member required contributions calculated pursuant to Section 7.01(a) in respect of all Members of the Plan.
3. Effective January 14, 2018, the row in the chart that appears in Section 7.01(a)(i)(A) which sets out the contribution rates for Class C, Unifor Local 5555 Members is deleted in its entirety and replaced with the following:

<table>
<thead>
<tr>
<th>Date Range</th>
<th>5.50%</th>
<th>5.75%</th>
<th>6.25%</th>
<th>6.50%</th>
<th>7.81%</th>
<th>7.56%</th>
<th>7.646%</th>
<th>8.646%</th>
<th>8.59%</th>
</tr>
</thead>
<tbody>
<tr>
<td>C.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unifor Local 5555 Members hired by the University on or before April, 30, 2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 16, 2008 to January 9, 2010</td>
<td>5.50%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January 10, 2010 to January 9, 2011</td>
<td>5.75%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January 9, 2011 to January 7, 2012</td>
<td>6.25%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January 8, 2012 to January 5, 2013</td>
<td>6.50%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January 6, 2013 to September 13, 2014</td>
<td>7.81%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>September 14, 2014 to January 13, 2018</td>
<td>7.56%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January 14, 2018 to April 30, 2018</td>
<td>7.646%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>May 1, 2018 to December 31, 2022</td>
<td>8.646%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January 1, 2023 onwards</td>
<td>8.59%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. Effective January 14, 2018, the row in the chart that appears in Section 7.01(a)(i)(A) which sets out the contribution rates for Class E, Members who are union employees of Regional Medical Associates of Hamilton is deleted in its entirety and replaced with the following:

<table>
<thead>
<tr>
<th>Date Range</th>
<th>5.50%</th>
<th>5.75%</th>
<th>6.25%</th>
<th>6.50%</th>
<th>7.81%</th>
<th>7.56%</th>
<th>7.646%</th>
<th>8.646%</th>
<th>8.59%</th>
</tr>
</thead>
<tbody>
<tr>
<td>E.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members who are union employees of Regional Medical Associates of Hamilton</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>July 1, 2008 to July 10, 2010</td>
<td>5.50%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>July 11, 2010 to January 8, 2011</td>
<td>5.75%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January 9, 2011 to January 7, 2012</td>
<td>6.25%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January 8, 2012 to July 26, 2014</td>
<td>6.50%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>July 27, 2014 to September 13, 2014</td>
<td>7.81%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>September 14, 2014 to January 13, 2018</td>
<td>7.56%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January 14, 2018 to April 30, 2018</td>
<td>7.646%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>May 1, 2018 to December 31, 2022</td>
<td>8.646%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January 1, 2023 onwards</td>
<td>8.59%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Effective July 1, 2018, the Chart that appears in Section 7.01(a)(i)(A) and which sets out the contribution rates for Full-Time Employees is deleted in its entirety and replaced with the following:

<table>
<thead>
<tr>
<th>Class of Member</th>
<th>Period</th>
<th>Employee Contribution Rate on Regular Annual Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Up To YMPE</td>
</tr>
<tr>
<td>A.1 Faculty Members*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>July 1, 2006 to June 30, 2007</td>
<td>4.25%</td>
<td>5.75%</td>
</tr>
<tr>
<td>July 1, 2007 to July 1, 2011</td>
<td>5.00%</td>
<td>6.50%</td>
</tr>
<tr>
<td>July 2, 2011 to June 30, 2012</td>
<td>5.75%</td>
<td>7.65%</td>
</tr>
<tr>
<td>July 1, 2012 to June 30, 2013</td>
<td>6.50%</td>
<td>8.75%</td>
</tr>
<tr>
<td>July 1, 2013 to June 30, 2018</td>
<td>7.00%</td>
<td>10.00%</td>
</tr>
<tr>
<td>July 1, 2018 forward</td>
<td>8.00%</td>
<td>11.00%</td>
</tr>
<tr>
<td>A.2 TMG Members*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>July 1, 2006 to June 30, 2007</td>
<td>4.25%</td>
<td>5.75%</td>
</tr>
<tr>
<td>July 1, 2007 to January 9, 2010</td>
<td>5.00%</td>
<td>6.50%</td>
</tr>
<tr>
<td>January 10, 2010 - January 8, 2011</td>
<td>5.50%</td>
<td>7.25%</td>
</tr>
<tr>
<td>January 9, 2011 - January 7, 2012</td>
<td>6.00%</td>
<td>8.00%</td>
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<tr>
<td>January 8, 2012 - July 6, 2013</td>
<td>6.50%</td>
<td>8.75%</td>
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<tr>
<td>July 7, 2013 forward</td>
<td>7.00%</td>
<td>10.00%</td>
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<tr>
<td>SAAO Members*</td>
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<tr>
<td>July 1, 2007 to January 9, 2010</td>
<td>5.00%</td>
<td>6.50%</td>
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<tr>
<td>January 10, 2010 to January 8, 2011</td>
<td>5.50%</td>
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<tr>
<td>January 9, 2011 to January 7, 2012</td>
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<tr>
<td>January 8, 2012 - July 6, 2013</td>
<td>6.50%</td>
<td>8.75%</td>
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<tr>
<td>July 7, 2013 forward</td>
<td>7.00%</td>
<td>10.00%</td>
</tr>
<tr>
<td>B. Librarians*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>July 1, 2006 to June 30, 2007</td>
<td>4.25%</td>
<td>5.75%</td>
</tr>
<tr>
<td>July 1, 2007 to July 1, 2011</td>
<td>5.00%</td>
<td>6.50%</td>
</tr>
<tr>
<td>July 2, 2011 to June 30, 2012</td>
<td>5.75%</td>
<td>7.65%</td>
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<tr>
<td>July 1, 2012 to June 30, 2013</td>
<td>6.50%</td>
<td>8.75%</td>
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<tr>
<td>July 1, 2013 to June 30, 2018</td>
<td>7.00%</td>
<td>10.00%</td>
</tr>
<tr>
<td>July 1, 2018 forward</td>
<td>8.00%</td>
<td>11.00%</td>
</tr>
<tr>
<td>C. Unifor Local 5555 Members hired by the University on or before April, 30, 2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 16, 2008 to January 9, 2010</td>
<td>5.50%</td>
<td>7.00%</td>
</tr>
<tr>
<td>January 10, 2010 to January 8, 2011</td>
<td>5.75%</td>
<td>7.50%</td>
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<tr>
<td>January 9, 2011 to January 7, 2012</td>
<td>6.25%</td>
<td>8.25%</td>
</tr>
<tr>
<td>January 8, 2012 to January 5, 2013</td>
<td>6.50%</td>
<td>8.75%</td>
</tr>
<tr>
<td>January 6, 2013 to September 13, 2014</td>
<td>7.81%</td>
<td>10.06%</td>
</tr>
<tr>
<td>September 14, 2014 to January 13, 2018</td>
<td>7.56%</td>
<td>10.56%</td>
</tr>
<tr>
<td>January 14, 2018 to April 30, 2018</td>
<td>7.646%</td>
<td>10.646%</td>
</tr>
<tr>
<td>May 1, 2018 to December 31, 2022</td>
<td>8.646%</td>
<td>11.646%</td>
</tr>
<tr>
<td>January 1, 2023 onwards</td>
<td>8.59%</td>
<td>11.59%</td>
</tr>
<tr>
<td>Unifor Local 5555 Members hired by the University on or after May 1, 2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 16, 2008 to January 9, 2010</td>
<td>5.50%</td>
<td>7.00%</td>
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<tr>
<td>January 10, 2010 to January 8, 2011</td>
<td>5.75%</td>
<td>7.50%</td>
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<tr>
<td>January 9, 2011 to January 7, 2012</td>
<td>6.25%</td>
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<td>January 8, 2012 to January 5, 2013</td>
<td>6.50%</td>
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<tr>
<td>January 6, 2013 to September 13, 2014</td>
<td>7.81%</td>
<td>10.06%</td>
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<tr>
<td>September 14, 2014 to January 13, 2018</td>
<td>7.56%</td>
<td>10.56%</td>
</tr>
<tr>
<td>January 14, 2018 to December 31, 2022</td>
<td>7.646%</td>
<td>10.646%</td>
</tr>
<tr>
<td>January 1, 2023 onwards</td>
<td>7.59%</td>
<td>10.59%</td>
</tr>
</tbody>
</table>
### Class of Member

<table>
<thead>
<tr>
<th>Period</th>
<th>D. Members who are employees of:</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2007 to July 10, 2010</td>
<td>McMaster Association of Part Time Students</td>
</tr>
<tr>
<td>July 11, 2010 to January 8, 2011</td>
<td>McMaster Children’s Centre Inc.</td>
</tr>
<tr>
<td>January 9, 2011 to January 7, 2012</td>
<td>McMaster University Faculty Association</td>
</tr>
<tr>
<td>January 8, 2012 to July 26, 2014</td>
<td>Divinity College</td>
</tr>
<tr>
<td>July 27, 2014 forward</td>
<td>Members who are non-union employees of Regional Medical Associates of Hamilton</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>E. Members who are union employees of Regional Medical Associates of Hamilton</td>
<td></td>
</tr>
<tr>
<td>July 1, 2008 to July 10, 2010</td>
<td>5.50%</td>
</tr>
<tr>
<td>July 11, 2010 to January 8, 2011</td>
<td>5.75%</td>
</tr>
<tr>
<td>January 9, 2011 to January 7, 2012</td>
<td>6.25%</td>
</tr>
<tr>
<td>January 8, 2012 to July 26, 2014</td>
<td>6.50%</td>
</tr>
<tr>
<td>July 27, 2014 to September 13, 2014</td>
<td>7.81%</td>
</tr>
<tr>
<td>September 14, 2014 to January 13, 2018</td>
<td>7.86%</td>
</tr>
<tr>
<td>January 14, 2018 to April 30, 2018</td>
<td>7.64%</td>
</tr>
<tr>
<td>May 1, 2018 to December 31, 2022</td>
<td>8.64%</td>
</tr>
<tr>
<td>January 1, 2023 onwards</td>
<td>8.59%</td>
</tr>
</tbody>
</table>

| Period | F. Full-time clinical faculty members of the Faculty of Health Sciences who must maintain membership in the Regional Medical Associates of Hamilton | |
|--------|---------------------------------------------------------------|
| July 1, 2006 to June 30, 2009 | 3.50% |
| July 1, 2009 to February 1, 2014 | 5.50% |
| February 2, 2014 forward | 7.00% |

| Period | G. Other Members (not included above) | |
|--------|--------------------------------------|
| July 1, 2007 to July 10, 2010 | 5.00% |
| July 11, 2010 to January 8, 2011 | 5.50% |
| January 9, 2011 to January 7, 2012 | 6.00% |
| January 8, 2012 to July 26, 2014 | 6.50% |
| July 27, 2014 forward | 7.00% |

| Period | H. MUALA Members | |
|--------|------------------|
| March 16, 2010 to July 5, 2010 | 5.00% |
| July 6, 2010 to January 8, 2011 | 5.50% |
| January 9, 2011 to January 7, 2012 | 6.00% |
| January 8, 2012 to June 30, 2016 | 6.50% |
| July 1, 2016 forward | 7.00% |

* Subject to special adjustments under Sections 7.04 and 7.05.

**CERTIFIED** to be a true and correct copy of a Resolution of the Board of Governors of McMaster University passed at a meeting held on the _____ day of __________, 2017.

McMASTER UNIVERSITY

_____________________________
Christine Garneau
University Secretary
RESOLUTION OF THE BOARD OF GOVERNORS OF
McMASTER UNIVERSITY

WHEREAS McMaster University (“University”) established and maintains the Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College as amended and restated effective January 1, 2014 (“Original Plan”);

AND WHEREAS pursuant to Section 15.01 of the Original Plan, the University may, by resolution of the Board of Governors, modify the Original Plan at any time;

AND WHEREAS the University and the Joint Administration/Faculty Association Committee negotiated an increase in employee contribution rates for Faculty Members of the Original Plan under a Remuneration Agreement which covers the period July 1, 2017 to June 30, 2019 ("Remuneration Agreement");

AND WHEREAS the Remuneration Agreement also provides, inter alia, for an adjustment in proportional pension contributions for Faculty Members of the Original Plan in the event that total University contributions in respect of those Members falls below the set threshold;

AND WHEREAS the University wishes to amend the Original to reflect the terms of the Remuneration Agreement;

NOW, THEREFORE, the Original Plan is amended as follows:

1. Effective July 1, 2017, Section 7.04 is deleted in its entirety and replaced with the following:

    7.04 Special Adjustments to Member Required Contributions for Faculty Members

    Notwithstanding Section 7.01(a)(i)(A)(2), effective July 1, 2017, the following special adjustments to Member required contributions will apply:

    (a) if the total University contributions to the Plan determined and made for any month after June 2017 are less than 90% but greater than or equal to 75% of the total Member contributions calculated pursuant to Section 7.01(a) before any special adjustments under this Section 7.04 are made for that month, then Faculty Member contributions to be made to the Plan pursuant to Section 7.01(a) in respect of that month will be calculated as 75% of the then current Employee Contribution Rate on Regular Annual Salary;

    (b) if the total University contributions to the Plan determined and made for any month after June 2017 are less than 75% but greater than or equal to 50% of the total Member contributions calculated pursuant to Section 7.01(a) before any special adjustments under this Section 7.04 are made for that month, then Faculty Member contributions to be made to the Plan pursuant to Section 7.01(a) in respect of that month will be calculated as 50% of the then current Employee Contribution Rate on Regular Annual Salary;
(c) if the total University contributions to the Plan determined and made for any month after June 2017 are less than 50% but greater than or equal to 25% of the total Member contributions calculated pursuant to Section 7.01(a) before any special adjustments under this Section 7.04 are made for that month, then Faculty Member contributions to be made to the Plan pursuant to Section 7.01(a) in respect of that month will be calculated as 25% of the then current Employee Contribution Rate on Regular Annual Salary; and

(d) if the total University contributions to the Plan determined and made for any month after June 2017 are less than 25% of the total Member contributions calculated pursuant to Section 7.01(a) before any special adjustments under this Section 7.04 are made for that month, then Faculty Member contributions to be made to the Plan pursuant to Section 7.01(a) in respect of that month will be zero (0).

Notwithstanding any other provision of this Plan, the adjusted Member contributions determined under this Section 7.04 for a Faculty Member shall not exceed the amounts determined under Section 7.01(a)(ii), but using the relevant adjusted contribution formula applicable in this Section 7.04 in the calculation under Section 7.01(a)(ii)(B).

For the sake of further clarity, in this Section 7.04, "total University contributions to the Plan" means University contributions made to the Fund for the Plan pursuant to Section 7.01(c), and "total Member contributions" means Member required contributions calculated pursuant to Section 7.01(a) in respect of all Members of the Plan.

2. Effective July 1, 2018, Section 7.01(a)(i)(A)(2) is deleted in its entirety and replaced with the following:

(2) Members of the Plan Who Are Faculty Members

For Members of the Plan who are Faculty Members, for the periods indicated below, subject to any special adjustments under Section 7.04:

<table>
<thead>
<tr>
<th>Period</th>
<th>On Regular Annual Salary Up To YMPE</th>
<th>On Regular Annual Salary In Excess of YMPE</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2006 to June 30, 2007</td>
<td>4.25%</td>
<td>5.75%</td>
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<tr>
<td>July 1, 2007 to July 1, 2011</td>
<td>5.00%</td>
<td>6.50%</td>
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<tr>
<td>July 2, 2011 to June 30, 2012</td>
<td>5.75%</td>
<td>7.65%</td>
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<tr>
<td>July 1, 2012 to June 30, 2013</td>
<td>6.50%</td>
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<tr>
<td>July 1, 2013 to June 30, 2018</td>
<td>7.00%</td>
<td>10.00%</td>
</tr>
<tr>
<td>July 1, 2018 forward</td>
<td>8.00%</td>
<td>11.00%</td>
</tr>
</tbody>
</table>
CERTIFIED to be a true and correct copy of a Resolution of the Board of Governors of McMaster University passed at a meeting held on the _____ day of __________, 2017.

McMASTER UNIVERSITY

Christine Garneau
University Secretary
i. Ratification of Collective Agreement – Sessional Faculty

At its meeting on December 1, 2017, the Remunerations Committee reviewed and approved the tentative agreement between the University and the CUPE, Local 3906, Unit 2, representing Sessional Faculty and Hourly-Rated Sessional Music Faculty. Details of the agreement are provided in Attachment I of the circulated report.

It is now recommended,

that the Board of Governors approve the tentative agreement between McMaster University and the CUPE, Local 3906, Unit 2 (Sessional Faculty and Hourly-Rated Sessional Music Faculty) for a term effective from the date the parties exchange notice of ratification and expiring August 31, 2020, with terms outlined in the report from the Remunerations Committee.

Board of Governors: FOR APPROVAL
December 7, 2017
Request for Ratification of Tentative Agreement

between

McMaster University

and

CUPE Local 3906
Unit 2
(Sessional Faculty & Hourly-Rated Sessional Music Faculty)

Prepared for: Board of Governors, December 7, 2017
Background and Purpose

On November 22, 2017, the University’s Bargaining Team reached a tentative agreement with CUPE Local 3906, Unit 2, representing 371 Sessional Faculty and 26 Hourly-Rated Sessional Music Faculty.

Pursuant to a written Memorandum of Settlement, the parties agreed to each recommend to its principals the ratification of the tentative agreement. CUPE has indicated it will hold a ratification vote of the bargaining unit after the University has ratified the agreement. We anticipate CUPE will complete this process during the week of December 11, 2017, such that the parties will ultimately exchange notice of ratification by mid-December.

On December 1, 2017, the Remunerations Committee of the Board passed a motion recommending ratification of the tentative agreement by the Board of Governors. The University Bargaining Team, with the support of PVP and on the recommendation of the Remunerations Committee, requests ratification by the Board of Governors of this tentative agreement.

A summary of the tentative agreement terms is provided below.

SUMMARY OF TERMS OF TENTATIVE AGREEMENT

Term:
- Effective from the date the Parties exchange notice of ratification and expiring August 31, 2020

Wages and Premiums:
- The annual increase to the base rate of pay\(^1\) will be as follows:
  - Year 1 (January 1, 2018): 2.0%
  - Year 2 (September 1, 2018): 3.0%
  - Year 3 (September 1, 2019): 2.0%

- Year 2 increase at 3.0% notionally includes a 2% annual increase plus 1% in respect of vacation pay. The parties negotiated language stipulating that wages are inclusive of 6% vacation pay.

- Lump Sum Payment of $200.00 for each Seasonal Faculty holding an appointment during the Fall 2017 Term and all Hourly-Rated Sessional Music Faculty who are employed as at the date of ratification.

- Class size supplemented fees (for each student in excess of 75 students registered in a course) increased from $5.75 per 3-unit course ($1.92 per unit) to $2.00 per unit.

Ancillary Benefits:
- Increased the University’s annual contribution to the CUPE Administered Health Plan, from $60,000 to $68,000 over the term of the agreement.

- Provided an additional one-time lump sum payment of $20,000 to the CUPE Administered Health Plan in Year 1.

---

\(^1\) For Sessional Faculty there is a minimum rate of pay, for Hourly-Rated Sessional Music Faculty there is a fixed hourly rate of pay.
• Increased the University’s annual contribution to the CUPE Administered Dental Plan, from $62,000 to $93,000.

•Introduced a pregnancy/parental leave top-up of 19 weeks and the option of a 4 week paid parental leave (consistent with CUPE, Unit 1 and with most other employee groups on campus).

• Increased course cancellation stipend from $2,000 to $4,000.

• Increased annual contributions to the Professional Development fund from $30,000 to $36,000 over the last 2 years of the agreement.

• Agreed to extend First Consideration rights for employees who have competed for and successfully been appointed to a course. Standard First Consideration increased from 2 to 3 appointments and Enhanced First Consideration increased from 3 to 4 appointments.

Operational Highlights:

• Enhanced administrative ease with respect to the application of the collective agreement (e.g. grievance process, access to information online, no future requirement to calculate years of service for purposes of vacation pay).

• Operationalized a dental plan that places the administrative responsibilities with CUPE, and ensures the University’s obligations are fully compatible with Mosaic.

• Aligned language, where appropriate, with similar language in other collective agreements (e.g. Discrimination and Harassment Policy, Grievance procedures).
Sheila Sammon
Director of Community Engagement
Community engagement is not new at McMaster. Many departments, programs and individuals have been actively engaged with local communities for years. What is new since President Deane penned Forward with Integrity, his vision for McMaster, is the expansion of community based research, education and service activities across campus. Our office has been in a unique position to observe a shift in campus culture toward many more coordinated and principled community engagement activities. It has been a privilege to be part of the development of new projects, to provide opportunities for capacity building among students, staff and faculty and to work closely with community partners on initiatives that contribute to social good.

Our work is guided by the foundational principle, “Relationships build communities”. It has been and continues to be driven by feedback from a wide range of community and campus members. As you will see in this report, we have matched and supported requests from the community to the research interests of faculty and students and have introduced researchers to community partners. Staff from many corners of the university have actively engaged with local communities and are developing and sharing their leadership skills. Students are increasingly involved in curricular and co-curricular community based learning designed to enhance and support their academics while making meaningful contributions to local communities. Their passion and commitment to making a difference in the world and their openness to learning from and with community members is infectious.

This first year of our strategic plan has seen the establishment of the community engagement office in Hamilton Hall 103B, securing Dave Heidebrecht as office manager and hiring a coordinator, Sashaina Singh. Throughout the year we have worked with outstanding student partners and staff: Christine Yachouh, Rodrigo Narro Perez, and Tanya Kakkar. Network members mobilize and inform community engagement activities in their respective units, participate and lead working groups and provide advice and direction to the office. We have received unwavering support from Susan Searls Giroux, Vice Provost (Faculty) and David Wilkinson, Provost.

This annual report provides a brief description of the background and development of the Network for Community Campus Partnerships and the Office of Community Engagement. It offers a snapshot of the work of the Office in the 2016-17 academic year and lastly highlights some of the community engaged partnerships that exist across campus.

We look forward to another year working with you.

Sheila Sammon
Director, Community Engagement
September 2017
Change Camp Hamilton is an annual event that connects McMaster students with people, projects, and organizations in the Hamilton community.

“We must also uphold above all else the obligation of the University to serve the greater good, beginning with our immediate community, our city, and extending outwards to the world at large.”

- Patrick Deane, President & Vice-Chancellor

*Forward With Integrity (2011)*
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It takes a village 42
Commitment to the public good

Inspiring a new approach to community engagement

One of McMaster University’s goals over the next decade is to enhance the connections between McMaster and the communities we serve, locally, provincially, nationally, and around the globe.¹ The Office of Community Engagement is responsible for supporting this goal locally as we work together with our partners for an inclusive, sustainable greater Hamilton.

Community engagement at McMaster University values the expert knowledge and passion that members of the community (from local to global) have about their communities and issues affecting them; it fosters ongoing collaboration between University and community partners on how to better understand and consider the issues identified as priorities by local and global communities. Community engagement at McMaster involves performing research, teaching and service for or with community members and partners for the public good.

In 2013, inspired by President Patrick Deane’s Forward With Integrity vision for McMaster, the Network for Community-Campus Partnerships was created to facilitate the achievement of the University’s community engagement goals by bringing together community involved representatives from across the university to move forward with strategic and coordinated action.²³ In four short years, this innovative approach to fostering relationships and developing shared goals has led to McMaster’s first community engagement strategy, while also supporting numerous initiatives across our campus and throughout the Hamilton community.

Making connections, strengthening relationships, and fostering a shared sense of purpose, the development of the Network has been a true community-building experience.

This section of the report outlines both the functions and structure of the Network.

¹. McMaster University Fact Book 2015-2016
². Forward With Integrity, Patrick Deane, September 2011
³. Network for Community-Campus Partnerships, Community Engagement Task Force, June 2013
Creating the Network for Community-Campus Partnerships

Acknowledging McMaster’s commitment to community engagement, the Network for Community-Campus Partnerships was formed in 2013 in response to the strategic directions identified in 2011 by President Patrick Deane within his open letter to the University, Forward with Integrity. Since its formation, the Network has worked to limit duplication of efforts, identify synergies, and develop an understanding of McMaster’s shared expertise and interests in community engagement. Early on, the Network was directed by the University to take on the following functions:

**Area Liaison** Serve as Faculty/area liaison, facilitating dialogue and collaboration within and between Faculties/areas and with community members and partners.

**Advisor** Provide feedback on ideas and proposals, serving as a sounding board for consultation and expertise related to community engagement, while assisting in the development of strategies to operationalize the community engagement directives of the University.

**Sponsor** Potentially participate in formal vetting of proposals and give endorsements or allocate funding, while also sponsoring community-campus events that create opportunities to interface with the community.

**Knowledge Broker** Share best practices and facilitate the preservation of existing knowledge in community engagement while maintaining an awareness of activities and opportunities and sharing these with Network members and partners in order to reduce duplication of efforts.

**Facilitator** Facilitate collaboration and dialogue across Faculties/areas, streamline processes to facilitate integration of community engagement into academic activities, and provide a forum for dialogue about challenges, opportunities, and issues.

4. Network for Community-Campus Partnerships, Community Engagement Task Force, June 2013
Inspiring a culture shift

Developing the Network for Community-Campus Partnerships

Over the past year, alongside our own projects and activities, the Office of Community Engagement has supported the ongoing growth and development of the Network through participating in, supporting, and advising on many events and initiatives. This work continues to foster relationships within the Network as we strengthen existing partnerships and imagine new and innovative approaches to community engagement.

1 | Area Liaison

Serve as Faculty/area liaison, facilitating dialogue and collaboration within and between Faculties/areas and with community members and partners.

A major function of the Network—via the Office of Community Engagement—is to serve as an initial connection point between McMaster and Hamilton area partners. These numbers reflect network connections since April 2015.

Connections made by the Network introduce colleagues internally, between campus and community, and within the community.

2 | Sponsor

Potentially participate in formal vetting of proposals and give endorsements or allocate funding, while also sponsoring community-campus events that create opportunities to interface with the community.

<table>
<thead>
<tr>
<th>100’s OF NETWORK CONNECTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>300+ PEOPLE</td>
</tr>
<tr>
<td>109 ORGANIZATIONS</td>
</tr>
<tr>
<td>400+ PEOPLE</td>
</tr>
<tr>
<td>22 AREAS OF CAMPUS</td>
</tr>
<tr>
<td>22 PARTNERSHIP BUILDING PROJECTS</td>
</tr>
<tr>
<td>10 COMMUNITY CAMPUS EVENTS</td>
</tr>
<tr>
<td>Change Camp Hamilton Fund, Community-Campus Catalyst Grants, Community-Campus CoLaboratory</td>
</tr>
</tbody>
</table>

Impacts Unpacked, Community Engagement & Volunteer Fair, Hack the City, Community-Campus Idea Exchange, Getting Ready for Intensification, Food (In)Security, State of the Neighbourhoods, Mid-Sized Cities Forum, 100in1 Day Hamilton Workshop, Change Camp Hamilton

BRIGHTER WORLD | community.mcmaster.ca
3 | Advisor

Provide feedback on ideas and proposals, serving as a sounding board for consultation and expertise related to community engagement, while assisting in the development of strategies to operationalize the community engagement directives of the University.

The Office of Community Engagement has advised St. Paul’s Presbyterian Church regarding their role as a community space and continues to explore potential links with McMaster partners.

The Faculty of Engineering has partnered with the Beasley Neighbourhood Association on an alleyway weather station.

Hack the City, a student-led program where students create solutions to community partner challenges, was initially imagined at Change Camp Hamilton. The Network both advised, sponsored, and connected the program to community partners.

The Office of Community Engagement advises McMaster’s Centre for Continuing Education on how to incorporate community engagement into a new Strategic Leaders Program, actively connecting the program with community partners and co-hosting a community-campus event.

2016-2017 HIGHLIGHTS

• Advising the DeGroote School of Business and Faculty of Health Sciences on incorporating community engagement into the Integrated Business and Humanities program curriculum.

• Supporting the Hack the City student team in developing program ideas, connecting with partners, and overall strategizing.

• Helping the Student Success Centre to develop ideas and community partnerships for their January 2017 Student Leadership Conference.

• Working with the Centre for Continuing Education to develop community partnerships within the new Strategic Leaders Program.

• Advising Temple Anshe Shalom on how to connect with a broader community-wide newcomer support system, including links with potential evaluators at McMaster.

• Connecting Human Resources colleagues with community partners for a Day of Service at the McQuesten Urban Farm.

• Advising the development of the Wilson Leadership Scholar Award.

• Advising the Faculty of Engineering on development of partnerships with Hamilton neighbourhoods.

• Serving on McMaster Discovery Program advisory committee.
4 | Knowledge Broker

Share best practices and facilitate the preservation of existing knowledge in community engagement while maintaining an awareness of activities and opportunities and sharing these with Network members and partners in order to reduce duplication of efforts.

Dave Heidebrecht, manager of the Office of Community Engagement, is the primary knowledge broker and facilitator for the Network for Community-Campus Partnerships.

Community-Campus Updates

2016-2017 HIGHLIGHTS

• Launching Paths to Collaboration: A Community Guide to Working with McMaster Researchers to help community partners navigate the University.

• Creating Community Connector 101 to provide basic information in an accessible format to community and campus partners.

• Developing a Community-Engaged Education Toolkit to encourage faculty, staff, and students to embed principles of community engagement into their community-engaged teaching and extra curricular partnerships.

• Sending regular community-campus updates to share information on news, events, and projects with both community and campus partners.

• Developing a senior leadership update noting Network and office priorities for each academic semester.

• Sharing the Network approach and learning from others at a meeting hosted by the University of Guelph’s Community Engaged Scholarship Institute that connected colleagues from across Ontario.

• Serving as one of McMaster’s representatives on Research Impact Canada, a Canada-wide knowledge mobilization network.
5 | Facilitator

Facilitate collaboration and dialogue across Faculties/areas, streamline processes to facilitate integration of community engagement into academic activities, and provide a forum for dialogue about challenges, opportunities, and issues.

2016-2017 HIGHLIGHTS


- Facilitating campus tours and dialogues to support improved pathways to post secondary education at McMaster.

- Canada 150 Seminar Series—facilitation of discussion of “How universities can support cultural abundance in our region”.

- Creating and facilitating working groups on Hamilton-based research, community-engaged education, and service to bring together colleagues to share ideas, develop projects, and identify challenges, opportunities, and issues.

- Facilitating partnership development within the Community Campus CoLaboratory to develop four pilot partnerships.

- Co-hosting the Evergreen McMaster Mid-Sized Cities Forum that connected McMaster researchers and Hamilton-based community partners with other academics and community partners from cities across Ontario.

- Facilitating dialogue at State of the Neighbourhoods event connecting neighbourhoods from across Hamilton to discuss common issues.

- Speaking and facilitating discussions at multiple Our Future Hamilton events focused on developing a 25-year community vision for Hamilton.

- Facilitating table discussions at Sustainability Professionals Network annual Green Jobs Networking Event.
Mapping community & campus connections

This visualization provides a map of how the office, the network, and our partners connect with each other.

Office Initiatives

Coordinated by the office, these initiatives support McMaster’s community engagement goals and objectives.

Community Engagement Curriculum
One of the Network’s early goals was to embed community engagement more deeply into McMaster’s curriculum. In September 2015, Foundations of Community Engagement, a level 2 undergraduate course was launched to teach students basic principles and theories of community engagement. In September 2016, McMaster launched an interdisciplinary minor in community engagement. Over 2017-2018, the Office of Community Engagement will be launching a toolkit for community-engaged education aimed at supporting faculty and instructors who want to incorporate community engagement into the classroom.

McMaster Research Shop
Graduate students and senior undergraduates work with public, non-profit, and community organizations in and beyond Hamilton to provide plain-language answers to research questions.

Working Groups
Pursue actions that address pillars of community engagement to help achieve strategic plan objectives and support community-driven priorities. Working groups take shape based on current priorities, while three groups meet regularly on the following topics:

- Hamilton-based research
- Community-engaged education
- Service

McMaster-Community Poverty Initiative (MCPI)
Formed in 2007 by concerned faculty, staff, and students who were interested in expanding McMaster’s role in addressing local conditions of poverty. Together with partners in the Hamilton community, the MCPI strives to use knowledge for social change.
Community Engagement

The Office of Community Engagement sits within the Office of the Provost & Vice-President (Academic) and reports to the Vice-Provost (Faculty).

**Reporting Structure**

Provost & Vice-President (Academic)  
Vice-Provost (Faculty)  
Office of Community Engagement  
Network for Community-Campus Partnerships

100+ PARTNER ORGANIZATIONS

**Partnered Initiatives**

Coordinated collaboratively with our partners, these initiatives support co-developed goals and objectives.

- **Change Camp Hamilton**  Inspired by the McMaster Students Union, a participant-driven dialogue developed in partnership with the City of Hamilton, Mohawk College, Redeemer University College, the Social Planning & Research Council of Hamilton and a growing number of community partners. Focused on introducing students to the Hamilton community, Change Camp Hamilton hosts annual events aimed at fostering an ongoing, action-oriented conversation on community, partnerships, and collaboration.

- **Paths to Collaboration**  A community guide to working with McMaster researchers. Developed in partnership with the Social Planning & Research Council of Hamilton, this tool helps community groups and non-profit organizations to navigate partnerships with McMaster.

- **Community Campus CoLaboratory**  A social innovation lab that helps community and campus partners by providing a collaborative, neutral environment to support partnership-building. Partnering with the City of Hamilton, Evergreen, the Hamilton Public Library, and the Social Planning & Research Council of Hamilton, the CoLaboratory is engaging with all six of McMaster’s Faculties to develop partnered research projects aimed at benefiting the Hamilton community. Four pilot lab topics are: mobility, food insecurity, digital literacy, and business out of the box.

- **CityLAB Hamilton**  This partnership between McMaster, Mohawk College, Redeemer University College, and the City of Hamilton is an innovation hub that brings together student, academic, and civic leaders to co-create a better Hamilton for all.

Though focused on local partnership-building, the Office of Community Engagement is engaged in a number of regional, national, and global networks to share lessons learned and best practices. Networks include Evergreen’s Mid-Sized Cities Research Collaborative, Research Impact Canada, Community-Based Research Canada, and C2UExpo.
McMaster’s first community engagement strategy

2016-2021 plan outlines vision for community-campus partnerships

In June 2015, the Network for Community-Campus Partnerships launched a strategic planning process to develop a 2016-2021 strategic plan. The result, McMaster’s first community engagement strategy, sets the direction for the next 5 years of community engagement at McMaster.

Built on a clear vision, mission, and principles, and developed with the input of hundreds of community and campus partners, this plan identifies specific goals and objectives to support our community and University colleagues as we work together for an inclusive, sustainable greater Hamilton.

The strategic plan serves as a guiding document for the office, the network, and our partners throughout the community and across campus.

The following pages outline the strategic plan while also sharing examples of work done over the past year that are contributing towards our goals.
Vision

Working together for an inclusive, sustainable greater Hamilton

Working together
McMaster is a proactive, responsive, and collaborative partner in our community. We connect people, ideas, and communities.

Inclusive
Every person can access, contribute to, and potentially benefit from our work together.

Sustainable
Healthy social, environmental, and economic systems support thriving communities. Recognizing and valuing both the interconnectedness and limits of these systems, short-term actions and long-term planning decisions are made with the health and prosperity of both present and future generations in mind.

Greater Hamilton
We are embedded in and connected to multiple communities in and around the city of Hamilton. We also recognize that we are connected to and working with many communities outside of Hamilton’s geographical and political boundaries.

Mission

McMaster University is a committed member of the greater Hamilton community and broader society and recognizes that true excellence can only be achieved when we are working together with our community partners. We are mindful of the interconnectedness of our globalized world. We value community and public engagement that is mutually beneficial, supports our academic, research, service and civic outreach missions, and collaboratively leads to meaningful outcomes and sustained actions and relationships. Regardless of the discipline, graduates of McMaster will be citizens engaged in multiple communities in multiple ways but we recognize that our relationships within the community we call home are paramount to supporting the vitality and well-being of the greater Hamilton area.

* McMaster’s mission and definition of community engagement were developed by the Forward With Integrity Community Engagement Task Force (Community Engagement Task Force Position Paper, 2012).
Principled community engagement

Co-developed principles and pillars guide network activities

Action-oriented principles

During the Network’s strategic planning process, community and campus partners strongly recommended that a co-developed set of action-oriented principles serve as the foundation of our work together. Informed by our consultations, the principles below will guide our work in initiating, sustaining, monitoring, and evaluating community-campus partnerships. These principles are meant to be broadly applicable for any partnership, from local to global, and can be applied across all Faculties, disciplines, and sectors.

Our foundational principle:

Relationships build community

We can’t have community without relationships—these are the connections that build community. Any successful partnership must be built on trusting and respectful relationships guided by integrity. We realize that relationships take time to develop and thus we commit to providing opportunities to connect people across communities, sectors, and disciplines to foster a genuine and interconnected network of colleagues to work together for an inclusive, sustainable Greater Hamilton Area.

Reciprocity: From design, to participation, to the outcomes of a project, we strive to work together for mutual benefit.

Equity: We are conscious of the historical and structural inequities that exist in society and strive to provide access and opportunities to all residents and members of our communities.

Continuity: Acknowledging that different communities work on different timelines and schedules, we strive to consider both the short and long-term implications of our work together.

Openness to Learning: Change takes time. We are committed to continually learn from and evaluate our work together, reflecting on and sharing both our successes and failures to grow as individuals, partnerships, and communities.

Commitment to Act: We aspire to make a positive difference in our community by sharing and acting on our knowledge to contribute to the greater social good.

Institutional Principles

Multiple overlapping strategies are required in order to integrate community engagement into the mission and vision of the University. The following principles, developed in 2012 by the Community Engagement Task Force that created the Network, aim to guide this integration into all Faculties and administrative areas:

1. Community engagement will be aligned with all facets of the mission of McMaster University.

2. The University will value collaborative endeavours such as research, teaching, service and advocacy activities with community stakeholders.

3. McMaster University will value working with the community for mutual benefit, build relationships based on reciprocity, trust and respect, and recognize global interconnectedness.

4. The University will respect that there are multiple definitions of “community” and that different disciplines/communities will experience, value and learn about CE differently.

5. The University will support, recognize and reward community engagement among faculty, staff, students, alumni and retirees.

The Office of Community Engagement supports relationship-building by facilitating events that bring together community and campus partners.
Building capacity
A variety of approaches are needed to support community partners as well as McMaster students, faculty, and staff who are interested in developing skills and competencies for principled, sustainable, and reciprocal partnerships.

- Community Engagement Minor & Course
- President’s Award for Community Engaged Scholarship
- Creating Office of Community Engagement
- Change Camp Hamilton
- Student Partners

Sharing information
This pillar focuses on improving awareness of the work of community-engaged individuals, research and education outcomes, available resources, and upcoming opportunities and events.

- Community Connector 101 Document
- Daily News Stories
- Community-Campus Update E-Newsletter
- Social media platform development

Reducing barriers
A major barrier to any partnership development is that people (both partners and colleagues at McMaster) do not know where to go, who to talk to, or what resources exist to support partnership building. There is a need to improve access to (and awareness about) both physical spaces (on and off campus) and virtual spaces that can help partners use these pathways to navigate community-campus partnerships.

- Paths to Collaboration document
- Reduced rate parking passes
- Making campus available for 100in1Day Hamilton
- Promoting availability of McMaster’s community spaces, including the Centre for Continuing Education’s downtown classrooms

Facilitating dialogue
Organized in partnership with community and campus partners, face-to-face meetings on specific themes or topics support relationship building and ongoing relationships that can lead to potential partnership opportunities.

- Community-Campus Idea Exchange
- Strategic plan launch
- Mid-Sized Cities Forum
- Change Camp Hamilton

Pillars of Community Engagement
The Office of Community Engagement is responsible for facilitating partnership opportunities through the management and coordination of the Network for Community-Campus Partnerships. Through working groups and other activities, the Office’s mandate will be achieved through pursuit of four pillars.
Shared purpose

Strategic goals

The Office of Community Engagement strives to build bridges towards alignment, partnership, and collaboration on projects that contribute to our vision. Four goals and related objectives are driving our efforts between 2016-2021.

Goal 1 | Establish the principles of community engagement as the foundation of community-campus partnerships.

OBJECTIVES

1.1 Uphold both the institutional and action-oriented principles in all of our work, partnerships, and resources.

1.2 Embed the principles into undergraduate and graduate curriculum where it relates to community engagement.

1.3 Share principles across disciplines and communities to ensure that all community and University partners are aware of and can consider how to apply these principles in their partnerships.

1.4 Incorporate principles into the research ethics process as appropriate.

1.5 Encourage the adoption of principles within the University’s formal and informal policies and frameworks.

1.6 Recognize and reward work done by faculty, staff, students, and community partners that aligns with the principles.

2016-2017 HIGHLIGHTS

• The President's Award for Community-Engaged Scholarship was approved this year. The inaugural award will be given in 2018.

• The Office of Community Engagement oversees a community engagement minor and the Foundations of Community Engagement level 2 course.

• Supported by the MacPherson Institute, the office developed a community-engaged education toolkit over 2016-2017 that will support faculty and staff to embed principled approaches to community engagement into their teaching.

• The office has initiated conversations with McMaster's Research Ethics Office regarding how to direct researchers and students to the principles when they submit an ethics application.
Goal 2 | Build bridges between the University and the greater Hamilton community, embedding the University in the community and inviting community into the University.

OBJECTIVES

2.1 Improve access, navigation, and openness: a. To McMaster’s main campus, including the use of available spaces on campus by community members and partners. b. To McMaster’s virtual spaces. c. Between people, places, and spaces.

2.2 Develop a clear protocol for community engagement of which both community and University partners are aware.

2.3 Support regular opportunities for community-campus connections such as events that are hosted both on McMaster’s main campus and at satellite campuses, as well as events hosted in community settings.

2.4 Explore emerging opportunities that support community-campus connections.

In partnership with Evergreen’s 100in1 Day Hamilton, McMaster’s campus was made available to community members, including a group of middle school youth taking part in the Hamilton Community Foundation’s ABACUS Grad Tracks Program.

2016-2017 HIGHLIGHTS

• Partnering with Evergreen, McMaster faculty, staff, and students took part in 100in1Day Hamilton, a global festival of citizen engagement.

• The Office of Community Engagement was formed in summer 2016 to support partnership development, create opportunities for community-campus connections, and to serve as the first point of contact for partners connecting with McMaster.

• McMaster officially opened its downtown centre, One James North, in September 2016. Home to the Centre for Continuing Education, classroom spaces are available to be booked for community partner use.

• Developed collaboratively with the Social Planning & Research Council of Hamilton, Paths to Collaboration was created as a guide to help community members and partner organizations navigate McMaster.

In partnership with Evergreen’s 100in1 Day Hamilton, McMaster’s campus was made available to community members, including a group of middle school youth taking part in the Hamilton Community Foundation’s ABACUS Grad Tracks Program.

One James North, one of McMaster’s new downtown campuses, opened in 2016 in the heart of downtown Hamilton.
Goal 3 | Align with neighbourhoods, community groups, governments, and institutions to partner on joint ventures and collaborative projects that respond to community-driven issues and priorities.

OBJECTIVES

3.1 Aspire to respond to community-driven issues and requests through collaborative approaches that align with the University’s areas of strength in research, education, and service.

3.2 Align funding opportunities and distribution strategies with partnership development and collaborations.

3.3 Develop a rapid response mechanism to respond to short-term community requests.

3.4 Negotiate curricular, co-curricular, and extra-curricular activities with community partner priorities and projects.

3.5 Increase McMaster’s presence as an active, collaborative, and supportive partner within the community.

3.6 Encourage McMaster faculty members to proactively engage with communities beyond the campus as public intellectuals by contributing their expertise and knowledge to public dialogues and action plans.

2016-2017 HIGHLIGHTS

• The Community Campus CoLaboratory—a social innovation lab—was formed to bring community and campus partners together to tackle complex challenges in areas of shared interest.

• The Community-Campus Catalyst Grant fund provided over $10,000 in small grant funding to support new community-campus partnerships.

• The McMaster Research Shop was launched to provide rapid research responses to community partner requests.

• CityLAB Hamilton was approved by City of Hamilton councillors as an innovation hub for students from McMaster, Mohawk College, and Redeemer University College to work on city-driven projects.

• Change Camp Hamilton aligned with the City of Hamilton’s Our Future Hamilton visioning process, identifying 234 action recommendations that directly informed the City’s 25-year vision and 10-year strategic plan. The Change Camp Hamilton small grant fund supported 6 new student-community partnerships.

Mayor Fred Eisenberger opened up Change Camp Hamilton 2016 by speaking to new principles of cooperation developed to support partnerships between the City of Hamilton, McMaster University, Mohawk College, and Redeemer University College.
Goal 4 | Assess and learn from the outcomes and impacts of our work on an ongoing basis

OBJECTIVES

4.1 Involve the Network for Community-Campus Partnerships in ongoing evaluation of and reflection on partnerships and collaborative projects to support continued learning.

4.2 Create an evaluation structure that considers outputs that are valued by different communities (e.g. academic publications, community action plans, strategic plans).

4.3 Communicate about our impact and outcomes of McMaster’s community engagement initiatives:
   a. Across all areas of the University
   b. Across the greater Hamilton community
   c. Nationally and globally

4.4 Recognize, celebrate, and reward the success of community-campus partnerships.

2016-2017 HIGHLIGHTS

- The Office of Community Engagement initiated an evaluation process to examine how the office develops partnerships and what outcomes result. This work will continue over the course of the 2016-2021 strategic plan with results being shared locally and beyond.

- Office of Community Engagement staff travelled to C2UExpo 2017 to share the story of the development of the network model with partners from across Canada and beyond. Additional projects including the McMaster Research Shop and Change Camp Hamilton were also presented.

- This report captures a number of community engagement projects—both within the Office of Community Engagement and across the University—and will be shared broadly with community and campus partners.

- Building on existing community engagement awards, the President’s Award for Community-Engaged Scholarship was approved in 2017. The inaugural award will be presented in 2018.

Ayesha Khan, an Associate Professor in the Department of Psychology, Neuroscience & Behaviour Life Sciences Program, received the McMaster Students Union’s 2016-2017 Community Engagement Teaching Award.
Office of Community Engagement Activities

Formed over the summer of 2016, the Office of Community Engagement has spent the past year moving McMaster’s community engagement strategy forward, while also developing office infrastructure—including moving into a physical space in Hamilton Hall and creating permanent staff positions to support our work.

While a major aspect of our work is to have introductory discussions and advise on partnerships early on, the following pages provide details on projects that have taken shape within the office, often as a result of years of work and engaging with community and campus partners.

Whether building capacity through the undergraduate curriculum, bringing partners together in various forums, or developing a social innovation lab to co-develop solutions to community-identified challenges, we strive to foster the network and inspire collaboration in all that we do.
Developing strong foundations

Inspiring principled approaches to community engagement within the undergraduate curriculum

Foundations Course
The Community Engagement Foundations Course (CMTYENGA 2A03) has been offered for the past two years during both fall and winter semesters. Capped at 40 students per term and designed to enroll students from across Faculties, it is co-taught by Kim Dej, Associate Professor School of Interdisciplinary Science and Sheila Sammon, Professor Emerita, School of Social Work. The course has become increasingly popular with approximately 45 students who were placed on a waitlist in 2016-2017.

The Foundations course was designed by a committee composed of campus and community participants to be interdisciplinary, not project/placement based and focused on principles and skills for engagement. Feedback from community partners provided us with the motivation to create a course where students were exposed to the complexity of community work, understood and respected the knowledge that exists in the community and who had the beginning skills for effective and ethical community engagement.

This year, the Office of Community Engagement was also involved in the consultation process for the new Integrated Business and Humanities (IBH) undergraduate program. This innovative new program requires students to enroll in a community engagement course in their first year of study to prepare them for Community Engagement Consulting in their second year. Karen Balcom, Associate Professor of History and Gender Studies, a member of the Network for Community Campus Partnerships is developing the course in consultation with the Faculty of Business and will teach the first offering in January 2018.

Interdisciplinary Minor in Community Engagement
This is the second year that the Community Engagement minor has been offered to undergraduate students. A total of 10 students have declared the Minor in Community Engagement upon graduation. The minor is designed to provide a foundation of knowledge and skills for participation in communities regardless of one's primary field of study and allows students to deepen and expand their understanding of communities and develop skills for principled and effective engagement. The interdisciplinary nature of the minor allows for a broad knowledge base from which to establish relationships with a range of communities both locally and globally.
Illuminating solutions

Community-Campus CoLaboratory pilots social innovation lab

The Community-Campus CoLaboratory uses a social innovation lab approach to foster innovative, interdisciplinary, and cross-sectoral research and education partnerships. Partnering with the City of Hamilton, Evergreen, the Social Planning & Research Council of Hamilton, and the Hamilton Public Library the CoLab is bringing together McMaster researchers, community partners, and residents to develop solutions to shared challenges in four areas: mobility, food security, digital literacy, and business out of the box.

Over the course of our 2016-2021 strategic plan, the CoLab will engage with community partners, residents, and faculty staff and students from all six McMaster Faculties and other units to explore whether this approach can foster innovative, interdisciplinary, and cross-sectoral research and education partnerships. Based on the outcomes of this pilot, decisions will be made regarding the sustainability of the Community-Campus CoLaboratory.

1 | Business out of the box

Building on work done by Scadding Court Community Centre in Toronto, this lab is exploring the potential to use retired shipping containers as spaces for new small businesses to take shape. Looking at a few different locations across Hamilton, the project will be developing a prototype box with plans to launch a pilot in summer 2018.

2 | Food security

This lab will be looking at issues of food insecurity in Hamilton, developing ideas on potential interventions that might identify possible solutions to the challenges that relate to food insecurity.

3 | Digital literacy

Focused on addressing gaps in capacity for working with various digital tools and technologies, this lab connects the McMaster and Hamilton library systems to explore what is needed to increase digital literacy amongst Hamiltonians.

4 | Mobility

Led by Evergreen CityWorks, this lab is focused on a shared desire for sustainable, inclusive, diverse, and accessible mobility for all Hamiltonians. Building on ideas developed at the March 2017 Bay Area Transportation Summit, the lab will be focusing on a small number of specific projects over 2017-2018.
Used worldwide as an approach to addressing complex and systemic social challenges, social innovation labs involve three steps: convening a diverse group of stakeholders, developing ideas to address shared challenges, and prototyping ideas through pilot projects that address an issue at a systems level.
Smart collaboration

The Office of Community Engagement takes a proactive approach to developing new community-campus partnerships. Over 2016-2017, the office was involved in a number of exciting collaborative initiatives.

McMaster-Community Poverty Initiative

The McMaster Community Poverty Initiative (MCPI) was formed in 2007 by concerned faculty, staff, and students who were interested in expanding McMaster’s role in addressing local conditions of poverty. Recently, the MCPI has transitioned to be housed under the McMaster Office of Community Engagement with staff support from the office.

In March 2017, the MCPI hosted a Food (In)Security panel event where Speakers discussed their perspectives, experiences and advocacy in relation to food security, talked about the work they do and shared ideas on how students can take action and participate in improving food security. The event had 75 people in attendance and was co-sponsored by the McMaster University Office of Community Engagement, Residence Life – McMaster University, OPIRG McMaster, and Karam Kitchen.

The MCPI also sent several advocacy letters during the past academic year. The first letter was in support the Mayor of Hamilton’s proposal for a $50 million fund for poverty reduction. The second letter was in support of Bill 6, a bill to bring social assistance rates into line with the cost of living in communities across Ontario.

CityLAB Hamilton

McMaster is partnering with the City of Hamilton as well as Mohawk College and Redeemer University College to launch CityLAB Hamilton, a curriculum-based innovation hub where students, city staff and community stakeholders will co-create solutions that support the city’s strategic priorities. Following on a worldwide movement to create more meaningful learning experiences to engage young people, CityLAB Hamilton will offer post-secondary students the chance to collaborate, design, launch and test real projects that address issues confronting Hamilton (e.g.: climate change, healthy neighbourhoods, municipal excellence).

100In1 Day Hamilton

Facilitated by Evergreen, 100In1Day is a global festival of citizen engagement that takes place in cities across Canada. Over 2016-2017, the McMaster Office of Community Engagement, Academic Sustainability Programs Office and Political Science program facilitated a formal McMaster partnership with Evergreen for 100In1 Day Hamilton. As a result, McMaster faculty, staff, and students were encouraged to take part in the event on June 3, 2017, while McMaster also opened its campus up to community as part of the festival. Students and staff participated in the event by facilitating interventions across campus and throughout Hamilton. The office also assisted the Hamilton Community Foundation’s ABACUS youth with hosting booths on campus for their 100In1 Day interventions.

Mid-Sized Cities Partnership

Comprised of more than 20 academics from 14 colleges and universities from across Ontario, the Evergreen Mid-Sized Cities research collaborative is contributing thought leadership on key mid-sized city issues. In May 2017, the Office of Community Engagement partnered with Evergreen to co-host a Mid-Sized Cities Forum. Oriented towards co-developing a shared research agenda, the event included: a panel discussion with leaders from four Ontario mid-sized cities sharing their experiences and best practices in their communities, a series of rapid research presentations by researchers sharing their findings on issues from aging to infrastructure, and a brainstorming session to develop ideas on what issues the research collaborative could work together on in the future.
Change Camp Hamilton

Creating space for students, residents, and community to exchange ideas and imagine solutions

Change Camp Hamilton is an annual event organized by the Office of Community Engagement in partnership with the McMaster Students Union, the City of Hamilton, the Social Planning & Research Council of Hamilton, Mohawk College, Redeemer University College, and a growing group of community partners. Change Camp brings residents, post-secondary education institutions, community organizations, and the City of Hamilton together in a conversation focused on community, partnerships, and collaboration—the goal being to build partnerships, facilitate a dialogue to inform broader discussion around social action and volunteering and to encourage community members to provide input on community-campus initiatives.

March 2016 marked the second annual Change Camp Hamilton event, bringing together participants to discuss how participants could move Our Future Hamilton, the City of Hamilton’s visioning initiative, forward. The event resulted in the creation of an extensive Change Camp Hamilton report with 234 action recommendations that contributed directly to the City’s new 25-year vision and 10-year strategic plan. Building on this outcome, Change Camp events have shifted towards project-oriented workshops complimented by small-scale catalyst grants to inspire new community-campus partnerships. In 2017, Change Camp will be focusing on fostering cross-neighbourhood partnerships between residents, students, and community organizations.

McMaster students have partnered with the Stinson Neighbourhood Association to build a community garden

Co-creating ideas for Our Future Hamilton

Change Camp Hamilton principles of collaboration were shared at the Our Future Hamilton Summit in April 2016
Serving the greater good

McMaster Research Shop reimagines student learning

The McMaster Research Shop works with non-profit and community organizations in Hamilton to answer their research questions. Teams of McMaster student Research Associates collaborate with requesting partners to complete small scale and plain language research reviews. Notable partnerships from 2016 include:

Hamilton Arts & Letters Students designed an online survey to assess the magazine’s quality and impact and engaged in quantitative and qualitative data analysis. The team produced a final report of findings that will be used to support future grant applications.

Hamilton Burlington Trails Council Students searched for national and international examples of greenways (bike paths and trails) that have been successfully integrated into urban centres, and developed a report of recommendations for moving forward in Hamilton. The material will be used to inform government officials and the broader public.

Industry Education Council The team reviewed literature on engaging parents of children in grades 6-8 to encourage planning for and pathways to post-secondary education, and co-facilitated a focus group with community partners to learn about best practices already being implemented in Hamilton. Students prepared a report of local and North American examples and steps for creating and expanding parent engagement strategies in Hamilton. The material is being circulated to community partners engaged in parent engagement, and will be presented at a community meeting in the Fall of 2017.

“The Research Shop was a wonderful experience as it helped me to build on knowledge and skills gained during school, interact with many different individuals, learn about a new research topic, and provide something which is useful to the community partner.”

– a Research Shop student volunteer
Improving pathways to McMaster

Opening campus to Hamilton youth through partnership

Over 2016-2017, the Office of Community Engagement responded to requests from our partners at the City of Hamilton’s Xperience Annex and the Hamilton Community Foundation’s ABACUS Grad Tracks Program to open up McMaster’s campus to youth navigating pathways to post-secondary education.

**Xperience Annex**

In January 2017, the McMaster Office of Community Engagement organized a campus tour for partners working with the City of Hamilton’s Xperience Annex. The goal of the tour was to provide youth engagers (staff working with the Xperience Annex) with information about McMaster that would be helpful for 18-29 year-old youth considering post-secondary education, while also getting a sense of the pathways and tools available to youth who have experienced barriers to post-secondary education.

Following the tour—which included details on campus admissions, a residence visit, and a course drop-in—a group of McMaster and community colleagues listened to the experience of the youth engagers. Overall, the engagers found the tours very informative, but there was an acknowledgement that while many resources exist for potential students, most communications materials and recruitment programs are primarily aimed at students entering post-secondary directly from high school. There are no clear resources for those taking non-traditional routes to post-secondary, especially for youth who have faced barriers to post-secondary education.

**Hamilton Community Foundation: ABACUS Grad Tracks Program**

In the winter of 2016, the Hamilton Community Foundation (HCF) launched their ABACUS initiative to Advance Post-Secondary Access. Over the next 10 years, ABACUS will serve as HCF’s flagship priority, with an overall investment of over $10 million. The Grad Tracks Program, one aspect of ABACUS, is a pilot early-intervention program designed for disengaged students in grades 6, 7, 8 and transition into grade 9.

As part of Grad Tracks’ goals of inspiring students to feel that they can aspire to post-secondary, the Office for Community Engagement assisted with designing a campus tour for the youth in the Grad Track program, and in May 2017, the students visited McMaster and were able to engage in fun, educational on-campus activities. They enjoyed their time at McMaster so much that only weeks later, the office was able to help them host their 100in1Day Hamilton interventions on McMaster’s main campus. Both of these experiences have led to further conversations with HCF about potential for other ABACUS grantees to visit the McMaster campus as part of their program.
McMaster 24 hour film festival
Secondary school youth have recently been engaged in McMaster’s 24 Hour Film Festival (M24). This project consists of creating a formal engagement strategy for youth in Hamilton to engage in M24 by increasing awareness and participation from a larger and more diverse group of individuals and teams.

Indigenous student housing
Raising awareness of urban housing issues affecting Indigenous post-secondary students: This project will raise awareness of the unique housing needs of Indigenous post-secondary students through an online and print media campaign that will empower Indigenous students to inform stakeholders of their housing needs in order to not only access higher education but to also succeed in their studies.

McMaster crisis intervention training
The goals of this project are: 1. Develop a partnership with the Hamilton Police Service in assisting students in crisis. 2. Educate staff and faculty on how to best address and resolve incidents of students in crisis both on and off campus. 3. Provide immediate assistance to students in crisis. 4. Provide yearly Crisis Intervention Training for McMaster Staff. 5. Reduce the isolation that those in crisis feel by providing the appropriate support and response.

Engaging community speech-language pathologists to plan a role emerging student placement system in underserviced organizations in Hamilton
This project seeks to bring together community speech-language pathologists in order to develop a practical and reliable system to place students in underserviced organizations where speech-language pathology services are not currently available.

Development of a brief child and youth mental health intake questionnaire for use in children’s mental health agencies in Hamilton
This project extends a partnership combining research expertise from the Offord Centre for Child Studies (OCCS) with system planning skills and experience from the Lynwood Charlton Centre (LCC). This initiative will address an evidence gap in children’s mental health by providing a practical, affordable, standardized approach to collecting information that serves the needs of clinicians, administrators and researchers.

Brewing with MERIT: water sustainability internships
This project aims to bring together students from McMaster University and highly knowledgeable, experienced professionals in the local brewing industry. This collaboration has huge untapped potential to develop innovative solutions to inefficient water use in the brewing process.
Coder dojo Hamilton
This project’s goal is to create an accessible, inclusive space to provide self-directed tech education to Hamilton-area youth. This will be achieved through the creation of new learning materials and iteration on existing ones, the development of an engaged and robust volunteer network, and promotion of the program to school and libraries, as well as tech meet-ups, startups, and technology employers.

Student volunteer placement with Stewards of Cootes Watershed
The project will establish an ongoing partnership that will involve McMaster students. Students will help to clean up local watersheds, participate in researching the causes of creek contamination, and assist with advocacy by engaging with government, businesses, policy makers, and residents in the vicinity of the affected areas.

Creating practice-informed assessment tools for preschool speech and language programs
The goal of this partnership is to develop a valid and reliable assessment tool for use by speech-language pathologists in the Ontario Ministry of Children and Youth Services (MCYS) Preschool Speech and Language Program that can be used to collect accurate program evaluation data (> 50,000 children/year).

City-wide dissemination of “Fountains of Uke”: Hamilton’s Inter-generational Music Program
Fountains of Uke seeks to instill self-confidence, happiness and well-being in participants (elementary students and seniors living in long-term care facilities). One goal of the project is to evaluate the impacts of program participation on the psychosocial status of the senior residents.

Re-imagine EcoHouse
One of Green Venture’s flagship programs is their Eco House, which is a 150-year-old house and 2-acre property that has been retrofitted with infrastructure and educational material to demonstrate sustainable living. The goals of this project are threefold: (1) introduce students to Green Venture (2) engage students in the work that Green Venture does, and (3) create a new environmentally-friendly display for Green Venture’s Eco House.

Hamilton LGBTQ needs assessment
The goal of this project is to conduct a more comprehensive needs assessment of Hamilton’s LGBTQ (lesbian, gay, bisexual, transsexual, transgender, intersex, two-spirited, queer or otherwise minority sexual or gender identity) communities than has yet been achieved.

The McMaster Water Network Student Chapter is partnering with Merit Brewing to explore water sustainability within the brewing process

$10,000
CATALYZING NEW PARTNERSHIPS
A campus-wide commitment

Community engagement activities from across McMaster

Community engaged research, education, and service activities that are intended to bring benefits beyond the campus have a longstanding history at McMaster University. Whether it is exemplified through faculty members working with community partners to develop community-based research projects that address some of the major challenges of our times, students participating in learning opportunities in and with communities, or staff developing partnerships with communities near and far, McMaster is deeply committed to community engagement.

This section of the report provides a snapshot of just a few of these initiatives as shared by each area of the McMaster community. The projects highlighted in the following pages have been developed through the energy, creativity, and commitment of leaders from across our campus and reflect the broad range of community engagement activities taking place independently across the University in pursuit of our shared goal and common commitment of working together for an inclusive, sustainable greater Hamilton.
The McMaster Discovery Program
The McMaster Discovery Program is a free, university-level, non-credit course offered to adults living in Hamilton who experience barriers to accessing higher learning opportunities. The program aims to create opportunities for local residents to take part in a process of learning and discovery, to inspire a passion for lifelong learning, and to foster engagement and mutual learning between McMaster and the communities it aspires to serve.

ARTSSCI 3EH3: Exploring Hamilton Inquiry
This course encourages students to ask questions and explore topics focused on the City of Hamilton. Through the exploration of Hamilton from a number of disciplinary perspectives, including cultural, economic, and geological, students will have an opportunity to gain insight into the city that McMaster University calls home. Students connect with local politicians, decision-makers and members of the community throughout the course to assist in exploring the challenges and successes of this dynamic and changing city.

ARTSSCI/ISCI 3IE1: Urban Placemaking
This one-unit module explores the concept of urban placemaking, a collaborative process of animating public and private spaces to strengthen the social and cultural fabric of a city. Students investigate the use of arts-based practices, environmental resources, social enterprise, and civic engagement tools to reimagine underutilized properties.

McMaster Athletics Care (M.A.C.)
M.A.C. mobilizes the 800 student-athletes who compete on Marauder varsity teams to provide them with opportunities to give back and engage in meaningful volunteer experiences. Student-athletes act as mentors for youth in the community, teaching them the importance of leading a healthy, active lifestyle, while also developing their teamwork, communication and leadership skills. The vision of the program is to utilize sport as a tool to make a positive impact in the lives of at-risk youth, while breaking down barriers that may exist to both organized sport and post-secondary education.

Marauders in the Classroom
Marauders in the Classroom is a one-hour presentation offered to elementary school age youth, led by members of the McMaster varsity football and varsity women's rugby teams. Our student-athletes meet with youth to lead an engaging and interactive presentation. Topics covered include teamwork, leadership, goal setting, wellness and how each of these apply to their lives as student-athletes both on and off the field. Last year our Marauders visited over 10 local elementary schools, speaking to approximately 1,000 youth.

Think Pink Campaign
As part of the Canadian university wide campaign to end the fight against breast cancer, each year Marauder student-athletes organise a week long event to raise funds and awareness for the cause. With a record number of student-athlete volunteers donating their time to the efforts and increased support from the local Hamilton community, the 2017 Think Pink campaign was the most successful in Marauder history raising over $8,000 in support of the Canadian Breast Cancer Foundation.
Campus Educational and Other Collaborations
CCE developed a new Big Data Analytics certificate program in collaboration with the MacData Institute which will prepare graduates for work in this important field. CCE is working with the Faculty of Social Sciences to co-develop a new MyOWNMac pathways for adult learners as part of McMaster’s access strategy.

Two New Community-focused Leadership Programs
In September 2016, CCE launched the Leadership in Community Engagement Program in partnership with the Hamilton Community Foundation to professionals in the City who work in community contexts. CCE also successfully developed and delivered the new McMaster University Strategic Leaders Program, which includes community engagement as a core component.

Local Community Involvement
CCE is an educational partner in the City of Hamilton-led Xperience Annex initiative and also participated in the 100in1Day Hamilton partnership with Evergreen. CCE has also been involved in YWCA Walk a Mile in Her Shoes, the City of Hamilton’s Snow Angels recognition program, and Supercrawl 2017.

Centre for Continuing Education (CCE)

DeGroote School of Business

Degroote Commerce Society - IMPACT Committee
Degroote Impact is a committee operating under the DeGroote Commerce Society and its purpose is to motivate and bring together McMaster students to participate in events that bring awareness to important issues in our community. The goal is to provide every DeGroote business student with chances and opportunities to get involved through charitable actions and with non-profit organizations to strengthen the community.

Research on Refugee Integration
Dr. Benson Honig and Dr. Brent McKnight from Degroote School of Business are working with a team of colleagues in Nursing/Faculty of Health Sciences and Humanities. This multidisciplinary research team will examine the service implications and mandate expansion that various settlement agencies are undergoing. Related to issues such as health care and gender, this work will have implications for future service planning and delivery. The research team will examine factors related to the organizational, cultural and political integration of Syrian immigrants, as well as related determinants of health and gender specific issues.

Partnership with World Vision Canada
In 2015, Drs. Kai Huang and Yufei Yuan from the DeGroote School of Business, along with Dr. Rong Zheng of the Faculty of Engineering received funding from the SSHRC Partnership Development Grant program for their project entitled “Assessing the effectiveness and efficiency of humanitarian aid operations via data analytics”. The research team inclusive of graduate students and in partnership with World Vision Canada (WVC) is working to assess the efficiency and effectiveness of humanitarian aid allocation and distribution. Through the application of state-of-the-art analytics techniques to the WVC Last Mile Mobile System data and other digital data the team is working in conjunction with the partner to evaluate the performance of humanitarian operations.
Faculty of Engineering

Beasley BLINK and Weather Station Project
This is a partnership between the Beasley Neighbourhood Association (BNA) and McMaster Engineering Faculty. Engineering students volunteered on two projects initiated by the BNA that combined the design and installation of a weather station in the Elgin street alley, and in-class Arduino lessons at Dr. Davey Elementary school.

Venture and LEAP - Girl Initiatives and Indigenous Outreach
In May, Venture and LEAP alongside the Women in Engineering society introduced a new conference specifically for female students in grade 11. The overnight conference introduced 36 girls to Engineering at McMaster. The girls were able to participate in a mini lecture series, hands on workshops, guest speakers, panel discussion, and a bonfire with undergraduate Engineering females, followed by an overnight stay in Mary Keyes Residence. In 2017, the outreach team was also able to reach over 376 indigenous students through travelling workshops, March break camps and Hamilton Regional Indian Centre visits. Through our outreach initiatives we were able to engage Indigenous youth through hands on, interactive workshops and inspire them to actively pursue STEM based fields in education.

IMPACT project - In-class Experiential Human Design Engineering
The IMPACT Project is a co-designed educational initiative of Drs. Fleisig, Kajura and Vrkljan. Since 2013, this interdisciplinary collaboration has engaged students from Engineering, Science, and Health Sciences to design innovative assistive devices for community clients. The IMPACT Teams design devices to help clients living with challenges (arthritis, stroke, cerebral palsy, dementia) to improve their quality of life and address their specific needs. This project drives student creativity, innovation, and community engagement.

Faculty of Health Sciences

Studying proposed supervised injection site
Master of Public Health students engaged with Hamilton Public Health Services to complete a needs assessment and feasibility study for a proposed supervised injection site. A report on this work will inform Hamilton City Council’s decision on how best to respond and will go to the Board of Health in December 2017. The MPH Program Director co-chaired and four MPH faculty along with a PhD Health policy student served on the Scientific Advisory Committee for this project.

Improving health information seeking within Hamilton
The Health Sciences Library in collaboration with the McMaster Health Forum has been engaged in community based activities with the Hamilton Public Library. The intent of these activities has been to raise awareness of strategies and tools to improve health information seeking within the community. Sessions focused on obtaining information related to healthy aging and a special topics series have taken place at multiple public library branches within the city.

Making Hamilton an age-friendly city
Considering Canada’s aging population, accessibility has become a top-of-mind issue for municipalities. Led by occupational therapist and professor, Lori Letts, students within McMaster’s Occupational Therapy program have partnered with the Hamilton Council on Aging (HCA) on a series of evidence-based projects, including: evaluating neighborhoods for walkability and safety; the development of an age-friendly guide to some of Hamilton’s recreational trails; an assessment of local transit; and an evaluation of apartment building accessibility.
The Centre for Community-Engaged Narrative Arts (CCENA)
CCENA held its first gathering on March 1, 2016 and developed a number of projects over the last year. CCENA understands society to be formed of various interpretive communities, whose outlooks and objectives are formed by the narratives through which they imagine themselves, their relationships, and their purposes. The Centre’s focus is guided by the goal of discerning, studying, and building critical and cultural literacies in a way that is attentive to direct engagement and reciprocity with existing communities, both real and virtual. By thinking narrative alongside “arts” in the plural, we aim to attend to the ways in which imaginative, creative, expressive communities are composed in and through their relationships and responsibilities to each other.

LR Wilson Institute Canada 150 Series
A public lecture series sponsored by the L.R. Wilson Institute for Canadian History on Canada 150 and Confederation, promoting critical thought about our past, present, and future. Speakers addressed a variety of issues including the impact of Confederation on Indigenous peoples, Confederation in the context of 19th century North American nation-building, and the environmental impact of Confederation.

Gandhi Peace Festival
The Faculty of Humanities co-sponsored the annual one-day Gandhi Peace Festival held on Oct 1, 2016 at Hamilton’s City Hall. The Festival theme, “Refugees and Sarvodaya - Opening Our Hearts and Homes,” prompted reflections on the global refugee crisis and its local effects on the city of Hamilton. Students from the Centre of Peace Studies and English and Cultural Studies participated in large numbers as Festival attendance was incorporated into their course projects.

Learn CC Initiative
In collaboration with the City of Hamilton, the McMaster Centre for Climate Change has established a Local Education and Action Resource Network on Climate Change (Learn CC). Learn CC provides a forum or tool that allows citizens to report actions they are taking to help mitigate and adapt to climate change and also report local climate change impacts that they noticed.

McMaster Biology Greenhouse
The McMaster Biology Greenhouse plant collection gets visitors excited about nature and science. We reach out to the university and broader communities through visiting hours, group and camp tours, and social media. Our plant “sales”, in which people who make a small donation receive a plant, and titan arum flowerings have each attracted 500+ people. In summer 2017, we hosted and supervised a student initiative “Hamilton’s Youth Discovery Project” offering 8 hands-on labs to over 25 homeschooled children.

MacEngaged
The MacEngaged initiative aims to motivate and guide students early in their academic careers to propose and implement unique, achievable, and impactful projects using content learned in the classroom as the catalyst for civic benefit, service, and engagement. Through this experience student teams are provided with guidance from teaching assistants and peer mentors to identify a specific challenge in a local or global community. Then, they develop an implementable solution to the identified issue.
Faculty of Science

Scholar in Community
The 2016 fellow, Tina Moffat (Anthropology), partnered with Neighbour-to-Neighbour (N2N) Hamilton to help N2N establish a research and evaluation framework for their new Hamilton Community Food Centre (HCFC), and to critically investigate current questions and issues related to the Hamilton Community Food Centre program evaluation tools.

Experiential Education Community Partnerships
Partnerships with community organizations provide hands on skills development and integration of classroom theory in real world scenarios. In the 2015-16 academic year, Experiential Education worked with close to 90 community partners in 78 unique organizations.

Research Shop
Created by the Faculty of Social Sciences, the McMaster Research Shop is a novel blend of community engagement and platform for experiential learning. In the Research Shop, graduate and senior undergraduate students undertake "rapid research" to answer questions posed by community organizations that address key needs of the organizations. The students learn valuable research skills and knowledge of how to work with community organizations, while the organizations get answers to questions they don’t have the capacity to address themselves. Between May 2016 to March 2017 the Research Shop contracted over 40 students across 6 faculties to work on 11 projects with 13 community partners.

School of Graduate Studies

Indigenous Undergraduate Summer Research Scholars (IUSRS) program
In 2017 McMaster hosted 18 Indigenous undergraduate scholars from various universities across Canada to participate in a two-month intensive summer program - IUSRS. Participants were matched with a faculty supervisor and took part in Indigenous Knowledge programming, and grad-school prep workshops alongside academic research. IUSRS is a program within the McMaster Indigenous Research Institute (MIRI) with support from Indigenous Student Services, the Indigenous Studies Program, and the School of Graduate Studies, in partnership with the Six Nations Indigenous Elder and Youth Council.

The Summer Institute of Awesome
From April-June 2017, a group of interdisciplinary Graduate Students provided weekly volunteer support for a total of 167 hours of service to local Hamilton school programs (after school clubs, tutoring/mentoring, and breakfast programs). Sponsored by Student Open Circles and the School of Graduate Studies.

SPICES grants
Student Proposals for Intellectual Community & Engaged Scholarship (SPICES) are grants awarded to Graduate Students and Postdoctoral Fellows by the School of Graduate Studies. Successful proposals support new initiatives that address a community need or opportunity. These are passion projects imagined through and implemented by grad students and postdocs themselves. Awardees have one year and up to $3800 to deliver their initiative. 8 proposals received funding in 2017 (55 funded SPICES projects since 2013).
Graduate Students Association

Club Recognition
The Graduate Students Association of McMaster University began accepting clubs under services we offer. Clubs that we offer include, but are not limited to, McMaster University Chapter of SIAM, Life in Computing & Software, and the Gilbrea Student Group. All clubs offered through the GSA are open to the internal and external members of McMaster’s community.

Leagues
The GSA softball and soccer leagues have been a long standing tradition at McMaster, but are worthwhile to mention, as each year they bring together 800+ participants from the internal and external community to enjoy the communal activity of league sports.

The Phoenix
The Phoenix Bar and Grill is also a long standing tradition at McMaster as it has been owned and operated by the GSA since 1969. The Phoenix is home to the largest patio in Hamilton and 25 craft beers on tap. This is not only a spot for students, faculty, and staff to enjoy, but it is also open to the broader community for their casual dining needs, parties or catering events.

Indigenous Studies Program & Indigenous Student Services

N7/McMaster Youth Movement
Indigenous Student Services (ISS) supported the creation of the N7/MYM council to create opportunities for engaging Indigenous youth in sports and recreation as well as providing role models and mentors from McMaster Indigenous students and student athletes. For example, in partnership with McMaster Athletics, J.C. Hill student athletes from Six Nations of the Grand River were able to play an exhibition game during the half times of Marauder Basketball games. The teams were given tours of the athletic facilities and team rooms; met with Marauder student athletes; and a meal was hosted at the Ceremonial Room of L.R. Wilson Hall.

President’s Retreat - August 2016
ISS assisted the MacPherson Institute in planning and hosting the President’s Retreat on Six Nations of the Grand River Territory for the first time in McMaster history. The event also served as an opportunity to announce the selection of Louise McDonald (Clan Mother, Akwesasne Mohawk Nation) as a MacPherson Distinguished Scholar.

Nibwaakaawin Teg - Karhakon Katewieiens’tha (Indigenous Gathering Circle)
The Indigenous Gathering Circle, commissioned by the President’s Office, was officially opened on September 23, 2016. The event was attended by over 100 students, staff, and community members from throughout the region. The Gathering Circle is a tangible representation of McMaster’s commitment to Indigenous students and the Indigenous nations of this traditional territory. Nibwaakaawin Teg is ‘The place where wisdom resides’ in Anishinabewewin and Karhakon Katewieiens’tha is ‘Learning in the forest’ in Cayuga.
Grenada International Partnership
McMaster University, the PETNA Foundation, T.A. Marryshow Community College (TAMCC), and the Government of Grenada have combined strengths to develop greater institutional capacities and access to higher education through a five year, international partnership. Focused on improving the quality of education, the partnership capitalizes on McMaster’s strengths in the pedagogy of teaching and learning to further the development of teachers, improve the learning environment, and promote teacher excellence at TAMCC.

MacChangers
MacChangers, a partnership between the Faculty of Engineering and MacPherson Institute, is an extracurricular activity that provides resources, coaching and support to interdisciplinary teams of undergraduate students as they develop their research projects and propose innovative solutions that will contribute to positive change both locally and globally.

McMaster Child and Youth University (MCYU) in the City
MCYU in the City is a community engaged education initiative that invites undergraduate and graduate McMaster students from across campus to work in teams to create and present workshops for Hamilton’s youth and their families. Broadly, this innovative outreach program integrates the pure and applied sciences along with the humanities and social sciences into inquiry based learning workshops. The workshop themes include cultural and social connections, health and well-being, sustainability, food security, disease prevention and active living. Workshops are designed to inspire youth ages 7-14 to love learning, think bigger, and pursue a post-secondary education. In collaboration with our community partners, such as Hamilton Wentworth School District, Boys and Girls Club, City of Hamilton, Social Planning and Research Council and Our Future Hamilton, we have held more than 75 workshops over the last 3 years.

Human Library
McMaster Library, in partnership with Faculty of Humanities’ Common Reading Program, opened the Human Library on September 6th, 2017. This year’s Human Library theme was igniting, inspiring and nurturing an inclusive community across our differences, on campus, where we work, live and study and in our lives beyond campus. The interactive nature of the Human Library facilitates direct dialogue and conversation as a means for discussion and learning. Our community partners are the Hamilton Public Library, Empowerment Squared, Hamilton Centre for Civic Inclusion, and a variety of McMaster and community activists.

Open Library
In partnership with Hamilton Public Library, the McMaster Library makes available books (free of charge!) to students on campus. The books have been weeded from the HPL collections. In addition, HPL participates in the annual Library Carnival day and registers students for HPL borrower cards. At last year’s event, 100 McMaster students received HPL cards.

Outreach Activities
The library provides tours and guided lectures to interested groups from the community. In addition, R. Stapleton, Archives and Research Collections Librarian, visited Westdale Secondary School to teach a 2-hour class for a Holocaust Studies course. Library staff have given lectures on library collections to local associations e.g. Ancaster Historical Society, Burlington Historical Society, Hamilton Association for the Advancement of Literature, Science and the Arts, Ruthven National Historic Site, Flamborough Historical Society.
Cupcakes and Community Change Event
This event encouraged students to submit ideas for Ward One’s Participatory Budget process. By offering students support and cupcakes for submitting ideas, we were able to get the highest number of submissions from McMaster students compared to previous years.

Municipal Advocacy Week
Coordinated by the Vice-President of Education and the Community Engagement Coordinators, Student Representative Assembly and MSU members participated in lobbying meetings with municipal stakeholders.

#YesLRT Campaign
A campaign run to encourage students to send emails to councillors expressing their support for Hamilton’s Light Rail Transit (LRT) project.

Community Engagement & Volunteer Fair
The Community Engagement and Volunteer Fair welcomes over 50 not for profit and charitable organizations from the Greater Hamilton Area onto campus. At the Fair, students uncover opportunities to gain skills and experience while helping others reach their goals and build better communities. Showcasing on- and off-campus, local and regional opportunities to get involved, attendees of this fair will develop meaningful connections, and enhance their resumes.

Leadership Summit for Women
The Leadership Summit for Women is an annual community-wide event that brings together women, trans* individuals, and allies from the Hamilton community. Presented in partnership with Mohawk College, Alumni Association, The YWCA Hamilton, Workforce Planning Hamilton and McMaster University, this event provides the skills, space, and support for all participants to reach their full potential as individuals and as collaborative members of a community. Those who participate are driving the creation of a more just and equitable society.

Educational Programming
The McMaster Alumni Association/Office of Alumni Advancement offers a series of programs that are open to the Hamilton community to participate in ranging from lectures, workshops, professional development activities and online programming. The Association has enjoyed a long history of Hamiltonians who volunteer and attend our programs.

Hamilton Alumni Community IMPACT awards
The McMaster Alumni Association introduced an award in 2011 which recognizes and celebrates McMaster graduates who positively impact the Hamilton community while reflecting the University’s values of integrity, quality and teamwork. The 2016 award recognized Matt Alderson ’89, Karen Hill ’03 and Bryce Kanbara ’70 during Homecoming Week festivities.
Six Nations student visit
The McMaster Alumni Association/Office of Alumni Advancement provided funds as well as hats, mittens and scarves to a group of junior high students from Six Nations during a February 2017 visit to McMaster. The students enjoyed a talk and dinner with the members of the Indigenous Studies Program and Indigenous Student Services, followed by watching the McMaster Marauders play basketball.

Vice-President Administration

Community Day of Service
On May 19, 2017 Facility Services held its second bi-annual Community Day of Service Event. The purpose of the event is to enable McMaster Facility Services employees to learn about the local community by volunteering in a local community organization. 44 Facility Services Employees volunteered at various locations around Hamilton including the YWCA, The Eva Rothwell Centre, Ronald McDonald House, Mission Services, and Goodwill.

Building Community - An Educational Priority
McMaster’s Residence Life Office (RLO) has made Community Engagement one of its key priorities. Following the principles of community engagement developed by the Network for Community-Campus Partnerships, the RLO offers meaningful opportunities for students to develop connections with on and off campus communities. Students are challenged to consider issues identified as priorities by communities and perform service for the public good.

Hamilton Immigrants Working Centre (IWC)
Hospitality Services participated in IWC’s community employment panel discussions and partnered with their Job Search Workshops Program to provide information about the hospitality industry as well as taking program participants on tours of McMaster’s facilities. Hospitality Services have hired and continue to hire many of the centre’s clients including approximately 12 Syrian Refugees–3 are now in permanent positions.

Vice-President Research

Open Doors Hamilton: McMaster Nuclear Reactor
McMaster’s Nuclear Reactor opened its doors to the community, inviting guests in to learn more about one of Hamilton’s most unique yet least known industries – medical isotope research, development, and production. Visitors also learned from the “neudose” team, about the satellite they are building to launch into space to understand the effects of different types of radiation on future space travellers.

The Forge
The Forge is Hamilton’s startup incubator and McMaster University’s on-campus entrepreneurship initiative. Forge company, Mathstronauts, caters to the educational needs of youth by offering STEM outreach and programming. Through a weekly after-school program, they help students develop understanding of numerical and mathematical processes while inspiring curiosity about the natural and physical processes of our world. Students (ages 10-15) obtain the basic yet fundamental skills of problem solving, critical thinking and guided reasoning.

McMaster Institute for Transportation & Logistics (MITL):
One of many research institutes and centres supported by the Office of the Vice President Research, MITL is working with the City of Hamilton and the Hamilton Chamber of Commerce to investigate the merits of “complete streets” as related to traffic patterns in Hamilton. MITL is also supporting the City in its efforts to establish Hamilton as a continental logistics hub. MITL members travelled with senior City officials to the UK to study the Magna Logistics Park to investigate best practices and identify opportunities for Hamilton’s airport land development.
It takes a village

Thank you to our liaisons and all of our community and campus partners

The stories and projects shared in this report are just the tip of the iceberg when it comes to the number of community-engaged research, education, and service partnerships that McMaster faculty, staff, and students are involved in. The Network for Community-Campus Partnerships and Office of Community Engagement have been honoured to have supported many of these partnerships, while many more have been developed independently of our efforts. Collectively then, this report reflects McMaster’s commitment to serving our community, reminding us that while we can and should be proud of what we have accomplished together, there is still much to do.

Co-created with hundreds of community and University partners, our vision of working together for a sustainable, inclusive greater Hamilton is an ambitious one. Aging, poverty, climate change, affordable housing, youth employment. The issues we face here in Hamilton are also the issues we are facing as Canadians and around the globe.

Whether tackling these issues, or the multitude of others facing our communities and our global society, it takes a village to kindle the optimism and solutions that will lead to a brighter world.

Reflecting on the many amazing initiatives that McMaster colleagues are working on with partners across the Hamilton community and beyond, we have full confidence that our village is up to the task. Thank you to all of our colleagues and community partners who have committed time, energy, and resources to this effort. We look forward to continuing to foster connections, relationships, and ideas as we strive to serve the greater good.
Network Liaisons 2016-2017

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Dave Heidebrecht, Manager
Sashaina Singh, Project Coordinator
Christine Yachouh, Student Partner & Project Assistant
Rodrigo Narro Perez, Project Assistant
Tanya Kakkar, Student Partner
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Amber Metham
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Kathy Ball
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Sheila Cranmer-Byng
Alise de Bie
Alisa Fullwood
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The Office of Community Engagement would also like to acknowledge and thank our Provost David Wilkinson, and our President Patrick Deane for their ongoing support in championing community engagement at McMaster.
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The Civic Mission of the Academy: An Update on McMaster’s Community Engagement Activities

*We will acknowledge, and seek to integrate in all our work and in ways appropriate to our specific fields, an obligation to serve the greater good of our community—locally, nationally, and globally (Principle 7, Forward with Integrity, 2011)*

Community engagement has long been a part of McMaster’s history but in recent times we have been working at an institutional level to consolidate and deepen that engagement, to focus more deliberately on our civic mission, and to integrate this work fully and meaningfully into the academic and research life of the University. Since one of our stated institutional goals has been to enhance the connections between McMaster and the communities we serve, locally, provincially, nationally, and around the globe, I thought it appropriate to provide Board Members with an update on our progress.

The establishment of the Network for Community Campus Partnerships in 2013, was a crucial first step in bringing together community involved representatives from across the University to coordinate their work and develop a more strategic approach to community engagement. Acting as advisors, knowledge brokers, and facilitators, the members of the Network have been hugely successful in strengthening partnerships across the campus and externally, developing best practices for this work, promoting dialogue and collaboration, and sponsoring and supporting community-engaged events and initiatives. In June 2015, the Network launched a strategic planning exercise, which resulted in McMaster’s first community engagement strategy, setting the direction for this work for the five-year period from 2016-2021. The strategy is built on a clear vision, mission, and principles, was developed with the input of hundreds of community and campus partners, and identifies specific goals and objectives intended to support our local community and work together for an inclusive, sustainable greater Hamilton.

The formation of the Office of Community Engagement in 2016 was a further tangible step in recognizing and formalizing McMaster’s commitment as an active and principled partner in our community. Guided by its Director, Sheila Sammon, the work of the Office of Community Engagement is focused on the principle that “relationships build communities” and recognizes that strong reciprocal relationships take time and effort to build and maintain. The Office has worked hard to facilitate and support the work of the Network, build capacity to support community partners, reduce the barriers to partnership development, and share information and resources.

The success of this relationship-based approach is evidenced by the diverse array of projects and initiatives that are underway across our community, as well as the quality of the partnerships and relationships that are being developed. Projects range from Community-Campus CoLaboratory, a social innovation lab looking at issues of food insecurity, accessible mobility, and digital literacy, to the McMaster Research Shop, which enables student Research Associates to support community partners by undertaking plain language research reviews, to Change Camp Hamilton,
which hosts annual events aimed at introducing students to the Hamilton community and fostering an ongoing, action-oriented conversation on community partnerships, and collaboration. The enthusiasm of McMaster students for this work is reflected in the increasing numbers applying for the Community Engagement Foundations Course, co-taught by faculty from the Schools of Interdisciplinary Science and Social Work, and intended to expose students to the complexity of community work and provide the initial skills necessary for effective and ethical community engagement.

It is also extremely gratifying to observe the range of community engaged research, education, and service activities that take place across the campus, in academic and administrative units alike. The McMaster Discovery Program, run by the Arts and Science Program, provides a free, university-level learning opportunity to adults living in Hamilton who have experienced barriers to higher education, while the McMaster Athletes Care (M.A.C.) program mobilizes 800 varsity student-athletes in a variety of community projects using sport as a tool to make a positive impact in the lives of at-risk youth. Events as diverse as the Gandhi Peace Festival, the Municipal Advocacy Week run by the McMaster Student Union, the TMG and Facility Services Days of Service, and the Open Doors Hamilton event, which this year included McMaster’s Nuclear Reactor, are further evidence of the variety and extent of the rich connections between our campus and the broader community of which we are a part.

On December 4, CityLAB Hamilton will be formally launched. Conceived as a partnership between McMaster, Mohawk College, Redeemer College and the City of Hamilton, CityLAB is an innovation hub intended to bring together student, academic, and civic leaders to co-create a better Hamilton for all. This initiative is a fine example of the progress we have made, and the shift in campus culture that the Network for Community Campus Partnerships and the Office of Community Engagement have been able to achieve over what is still a relatively short period of time.

The Office of Community Engagement has recently published its 2016-2017 annual report (available at http://community.mcmaster.ca), which provides a wealth of examples of the various initiatives underway. I am delighted to welcome Sheila Sammon, Director of Community Engagement, and Dave Heidebrecht, Manager, Officer of Community Engagement, as the guest speakers at our meeting and look forward to hearing them speak in more detail about the work they are engaged in, and the principles that underpin and guide our civic mission and community engagement efforts.

**CAMPUS UPDATE**

**L.R. Wilson Hall Celebration and Launch of McMaster’s Socrates Project**

The opening of L.R. Wilson Hall was celebrated recently with a ceremony that incorporated artistic and cultural performances, experiential learning, and the work of students, alumni, faculty and staff. At the ceremony, Chancellor Emeritus, L.R. (Red) Wilson announced a $2M gift to launch the Socrates Project, a two-year campus-wide pilot project drawing on the University’s strengths and expertise in liberal arts education and research, especially in the study of the humanities and social sciences. The project will showcase, foster and promote the critical
thinking, communication, creativity, civic engagement and collaboration skills needed to develop deeply engaged citizens and leaders.

**McMaster named a Top Employer in the Hamilton-Niagara Region**

McMaster has been named one of Hamilton-Niagara’s Top Employers for the third year in a row. An annual competition run by the editors of Canada’s Top 100 Employers, Hamilton-Niagara’s Top Employers is a juried designation that recognizes employers who lead their industries in offering exceptional places to work.

**Global University Employability Rankings**

McMaster ranked fifth in Canada and 74th worldwide (up one spot from 2016), in the Times Higher Education Global University Employability Ranking 2017. Around 6,000 employers and recruiters from 22 countries participated, with the rankings focusing on the need to equip graduates to work in a fast-moving, rapidly changing digital world.

**Research**

**McMaster named Canada's most Research-Intensive University**

McMaster continues to lead in university rankings – this time being recognized as Canada’s most research-intensive university in the recently released 2017 Research Infosource rankings. With a total research income of $354.6 million, up from $324.6 million last year, McMaster outpaced its peers in research-intensity, averaging $405,300 per faculty member – more than double the national average. The University also placed first in three additional Research Infosource rankings – one measuring research-intensity per graduate student, topping more than $81,000 per student; and two related to corporate income.

**Ten McMaster Researchers awarded Canada Research Chairs**

Recognized as leaders in their fields, ten McMaster researchers have been awarded $8.6 million from the Canada Research Chairs (CRC) Program to further their work, improve Canada’s international competitiveness, and train the next generation of leaders.

McMaster’s six new Canada Research Chairs are:

**Emily Cranston, Associate Professor, Chemical Engineering** – Dr. Cranston is the Canada Research Chair in Bio-Based Nanomaterials (Tier 2). She uses biological components to develop environmentally friendly, high-performance and advanced materials from renewable resources such as wood pulp, with a focus on using nanocellulose.

**Chelsea Gabel, Assistant Professor, Health, Aging and Society** – Dr. Gabel is the Canada Research Chair in Indigenous Well-Being, Community Engagement and Innovation (Tier 2). She is partnering with Indigenous communities to explore and address health and well-being issues, and examine the impact of digital technology in these communities, with the goal of finding ways to improve the quality of life among Indigenous communities and across many generations.

**Jeremy Hirota, Assistant Professor, Medicine** – Dr. Hirota is the Canada Research Chair in Respiratory Mucosal Immunology (Tier 2). He is using translational research methods to explore the role of ATP-binding cassette (ABC) transporters in mucosal immunology, ultimately
contributing to the development of new and innovative treatments of respiratory diseases such as asthma.

Jonathan Schertzer, Assistant Professor, Biochemistry and Biomedical Sciences – Dr. Schertzer is the Canada Research Chair in Metabolic Inflammation (Tier 2). He uses experimental and preclinical methods to understand the links between immune and metabolic systems, to improve existing treatments, and lead to the development of new treatments for obesity-related metabolic diseases such as pre-diabetes and type 2 diabetes.

Ryan Van Lieshout, Assistant Professor, Psychiatry and Behavioural Neuroscience – Dr. Van Lieshout is the Canada Research Chair in the Perinatal Programming of Mental Disorders (Tier 2). His research applies observational and experimental methods to examine pre- and early postnatal stressors and their impact on brain development, to provide a better understanding of how psychiatric disorders develop.

Mike Waddington, Professor, Geography and Earth Sciences – Dr. Waddington is the Canada Research Chair in Ecohydrology (Tier 1). He conducts field research experiments and laboratory studies to examine how drought and wildfire severity impact peatland ecosystems, with the goal of understanding the impact of climate change and developing innovative ecosystem restoration technologies for damaged ecosystems.

Four existing McMaster Canada Research Chairholders were also successful in having their chairs advanced or renewed:

Megan Brickley - Canada Research Chair in Bioarcheology of Human Disease (Tier 1 renewal)
Rick Hackett - Canada Research Chair in Organizational Behaviour and Human Performance (Tier 1 renewal)
Maureen Markle-Reid - Canada Research Chair in Person-Centred Interventions for Older Adults with Multimorbidity and their Caregivers (Tier 2 renewal)
Sheila Singh - Canada Research Chair in Human Brain Cancer Stem Cell Biology (Tier 1 – advanced from Tier 2)

McMaster Post-Doctoral Fellow wins Polanyi Prize
Dr. Sarah Svenningsen, a Post-Doctoral Fellow with McMaster’s Department of Medicine and Western’s Robarts Research Institute, has been named one of this year’s winners of the prestigious John Charles Polanyi Prize. The $20,000 award recognizes researchers in the early stages of their careers in Physics, Chemistry, Physiology or Medicine, Literature and Economic Science. Dr. Svenningsen is currently investigating the potential for MRI to improve the delivery of bronchial thermoplasty, used to treat those with severe asthma.

McMaster Researcher Honoured for work on Obesity and Diabetes
Dr. Gregory Steinberg, Professor of Medicine, has been awarded the Diabetes Canada/Canadian Institutes of Health Research – Institute of Nutrition Metabolism and Diabetes Young Scientist Award. This award recognizes outstanding research conducted in Canada by scientists under the age of 45 in the field of diabetes. Dr. Steinberg also received the Richard E. Weitzman Outstanding Early Career Investigator Award from the Endocrine Society in September, an annual award which recognizes an exceptionally promising young clinical or basic investigator in the field of endocrinology.
Global and Community Engagement

McMaster Hosts Major Conference on Health and Exercise
In an age of information overload and conflicting health news, McMaster’s leading exercise and health researchers—together with some of North America’s highest profile health journalists and authors—are participating in a free public event on the science behind cardiovascular, skeletal and brain health. Just the Facts Please: An Exercise in Achieving Optimal Health takes place on December 6 at McMaster Innovation Park.

Innovation and the Future of Canada Summit
The DeGroote School of Business hosted the Innovation and the Future of Canada Summit in Toronto on November 16. The event featured thinkers and doers from around the world, including from IBM, McKinsey and IGM – as well as government input from representatives including Navdeep Bains, Minister of Innovation, Science, and Economic Development and MP for Mississauga—Malton.

Teaching and Learning

Engineering Graduates win Dyson Award for Skin Cancer-Detecting Device
What started as a final year engineering class project at McMaster is now an internationally recognized improved solution for the early detection of melanoma, the most dangerous form of skin cancer. Michael Takla, Rotimi Fadiya, Prateek Mathur and Shivad Bhavsar, all graduates of McMaster’s Electrical and Biomedical Engineering program, have received the prestigious James Dyson Award and $50K to support the development of the sKan, the team’s skin cancer detection device. The sKan was one of only two Canadian projects that made the shortlist of 20 finalists, selected from over 1,000 entries from 23 countries by a panel of Dyson engineers. Named after the renowned British inventor, the James Dyson award celebrates, encourages and inspires the next generation of design engineers.
i. Tobacco and Smoke-Free University Policy

At its meeting on December 1, 2017, the Executive and Governance Committee reviewed and approved a recommendation from the President-Vice-Presidents group regarding the proposed Tobacco and Smoke-Free University Policy. The new policy is in alignment with McMaster’s recent signing of the Okanagan Charter, which committed the University to include health and wellbeing in its strategic planning processes. Details of the proposed policy are contained in Attachment I of the circulated report from the Executive and Governance Committee.

It is now recommended,

that the Board of Governors approve the Tobacco and Smoke-Free Campus Policy, effective January 1, 2018, as recommended by the Executive and Governance Committee.

Board of Governors: FOR APPROVAL
December 7, 2017
CONFIDENTIAL

Request for Approval of Tobacco & Smoke Free University Policy
Background and Purpose

On March 2, 2017, the McMaster’s Board of Governors approved the signing of the Okanagan Charter. McMaster is among the world’s health-promoting universities and colleges who have signed the Okanagan Charter, dedicated to advancing human and societal health and wellbeing.

By adopting the charter, McMaster committed to the inclusion of health and wellbeing in the University’s strategic planning processes, supporting students, staff and faculty in being as healthy as they can be, supporting the integration of educational opportunities related to health and wellbeing and advancing research and training to support health and wellbeing on a global scale. Among the key initiatives that support the commitments of the Okanagan Charter is the implementation of Tobacco and Smoke Free University Policy.

Throughout the 2017 calendar year senior leadership of the University embarked on a process to develop and implement the Policy. The Tobacco and Smoke Free Committee was formed, and is made up of a cross section of University stakeholders, inclusive of student, employee and special interest groups, as well as representatives from Hamilton Public Health.

The Smoke Free Committee engaged in a collaborative and consultation process to develop the Policy and the supports available to support members of the University community. A summary of the draft Policy terms is provided below.

The University’s Smoke Free Committee seeks the approval of the Executive & Governance Committee of the Board to recommend the approval of the Tobacco and Smoke Free University Policy at the next Board of Governors meeting.

Summary of Policy

- Effective January 1, 2018
- Applicable to all members of the University community.
- In recognition of the unique relationship that many Indigenous cultures have with traditional and sacred medicines, exemptions to the Policy will be granted, upon request, to members of the McMaster University community.
- The Policy applies to all land boundaries owned, controlled and leased by the University, inclusive of buildings, learning places, public places, and workplaces.
- Phased-in enforcement of the Policy. For the first several months, anyone found in contravention of the Policy will be asked to refrain from smoking or using tobacco and will be referred to a cessation program or given access to supports and resources.
- The University will also work with the surrounding neighbourhood associations to ensure the new designation doesn’t lead to increased smoking on nearby residential streets and sidewalks.
Tobacco & Smoke Free University Policy

Approved by: President and Vice-Presidents
Date of Original Approval(s): [new date here]

Supersedes/Amends Policy dated: Enquiries:

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MCMASTER’S COMMITMENT

McMaster University is committed to advancing health and societal well-being through research, teaching and community service. Promoting a healthy and safe environment is integral to the personal, professional and academic growth of students, faculty, staff and visitors. McMaster’s commitment extends to the health and wellbeing of its students, staff and faculty, and the communities we serve.

As a smoke-free environment, the University is an environment that promotes health and wellness and ensures students, staff and visitors are not exposed to second-hand smoke.

Accordingly, effective January 1, 2018, McMaster University does not permit smoking, or the use of tobacco products in any University owned or leased building, on University property, in any university owned vehicle or in any vehicle while on University property, as outlined in the “Definitions” section.

1. PURPOSE

The primary purpose of this Policy is to enable the overall health and well-being of all members of the University Community. This Policy also serves to:

a) Confirm McMaster’s commitment to a healthy and safe environment;
b) Diminish exposure to smoke and tobacco and promote health and safety by prohibiting smoking and tobacco use on University property, including in vehicles;
c) Support reduction and cessation of smoking and tobacco products through education, culture change and increased access to resources and support such as counselling and medication.
d) Acknowledge that some traditional spiritual or cultural ceremonies involve the use of ceremonial tobacco;
e) Increase awareness about the detrimental impact smoking has on health and well-being; and
f) Establish the responsibility of roles, as outlined in this Policy, who are in a position to make or influence decisions at McMaster University to comply with and enforce the policy.
2. SCOPE

This Policy applies to all Members of the University Community ("Community Members")

- Community Members include, but are not limited to: students (graduate, undergraduate, and continuing education), staff, faculty, postdoctoral fellows, adjunct professors, visiting professors, sessional faculty, teaching assistants, clinical faculty, librarians, medical residents, volunteers, visitors, observers, contractors, and institutional administrators and officials representing McMaster University.

3. DEFINITIONS

**Smoking:** Inhaling, exhaling, burning, or carrying any lighted or heated cigar, cigarette, pipe, or any other lighted or heated tobacco or plant product intended for inhalation, including hookahs (waterpipe) and cannabis, whether natural or synthetic, in any manner or in any form. Smoking also includes the use of an electronic smoking device which creates an aerosol or vapor, in any manner or in any form, or the use of any oral smoking device. This definition does not include emissions from University approved-for-use equipment, e.g. smoke machines, approved pyrotechnics.

**Tobacco Product(s):** Any substance containing tobacco leaf, including but not limited to, cigarettes, cigars, pipes, hookah (waterpipe), shisha, snuff, chew, dip, bidis, blunts, clove cigarettes, or any other preparation of tobacco.

**Electronic Smoking Device(s):** Any product containing or delivering nicotine or any other substance intended for human consumption that can be used by a person in any manner for the purpose of inhaling vapor or aerosol from the product. The term includes any such device, whether manufactured, distributed, marketed, or sold as an e-cigarette, e-cigar, e-pipe, e-hookah, or vape pen, or under any other product name or descriptor.

**Hookah:** Waterpipe and any associated products and devices which are used to produce fumes, smoke, and/or vapor from the burning of material including, but not limited to, tobacco, shisha, or other plant matter.

**University Property:** Any land boundary owned and controlled, or leased, by McMaster University, inclusive of buildings, learning places, public places, and workplaces.

**Vehicle:** Any and all modes used for transporting people or goods, such as a car, golf cart, truck, bus.

4. APPLICATION

a) This Policy will be interpreted in accordance with the Ontario Human Rights Code, as amended from time to time. Community Members may seek accommodation under the applicable University policies which include the Policy on Workplace Accommodation, McMaster University Guide and Procedures On Workplace Accommodation, and Academic Accommodation of Students with Disabilities.

b) Smoking and the use of tobacco products is prohibited in any vehicle, whether a personal vehicle or University owned vehicle, while on University property. Smoking and using tobacco products in University owned vehicles is prohibited at all times on or off University Property, in accordance with the Smoke-Free Ontario Act, 2006.

c) The use of nicotine replacement therapy products, e.g. patches, for use in treating nicotine or tobacco dependence are permitted by the Policy.

d) Requests to use tobacco products for traditional or spiritual ceremonies can be made in writing to Environmental and Occupational Health Support Services (EOHSS), as set out under the “Procedures for Requesting Exceptions” section of this Policy.
e) Those smoking or using tobacco products in areas surrounding the University are expected to avoid littering, and to respect municipal by-laws and provincial legislation. They are asked to be considerate of neighbouring residents, businesses, and institutions.

5. PROCEDURES FOR BURNING OF SACRED MEDICINES

McMaster University recognizes the unique relationship that many Indigenous cultures have with traditional and sacred medicines such as tobacco, sweet grass, sage, and cedar, among others as provided under the Smoke-Free Ontario Act, 2006.

The Burning of Sacred Medicines is permitted within both the L.R. Wilson Hall Indigenous Studies Ceremonial Room and the McMaster Indigenous Circle. Exemptions for other areas of the University will be granted by Environmental and Occupational Health Support Services (EOHSS) ‘Procedure for Burning Sacred Medicines’, which is available on the EOHSS website. The purpose of this procedure is to support an environment that is inclusive and welcoming while ensuring that the burning of these medicines is conducted safely and in compliance with all applicable legislation and standards.

6. ACCOUNTABILITY & ENFORCEMENT

Reasonable care and diligence shall be exercised to prevent contravention of the laws of Ontario and this Policy. The University has identified roles and responsibilities as follows:

a) The Provost and Vice-President (Academic) and the Vice-President (Administration) are responsible:
   i. for ensuring that the parties or party responsible for the day-to-day implementation and enforcement of this Policy fulfill those responsibilities accordingly;
   ii. for monitoring this Policy and for ensuring compliance.

b) Managers will ensure their employees are notified of the Policy, provide the resources and support necessary to ensure compliance with this Policy, and take appropriate administrative action for non-compliance with the Policy. They will also provide direction to cessation support services when requested by employees.

c) All departments that engage in drafting and executing contracts are responsible for ensuring that their contracts for third-party work (contractors) on University property clearly state that the University is a tobacco and smoke-free. The Office of Legal Services can assist with drafting and negotiating the proper contract language.

d) Environmental & Occupational Health Support Services (EOHSS) and FHS Safety office will administer requests for exceptions for traditional and spiritual ceremonies as identified above.

e) Community Members are responsible to be in compliance with this Policy and are encouraged to communicate this Policy to other Community Members. The success of this policy is dependent upon the courtesy, respect, and cooperation of Community Members, not only to comply but to continue to encourage the compliance of others.

f) Facility Services will:
   i. Post and maintain appropriate signs throughout the University. The type and location of signs shall comply with legislative mandates and the goals of the Policy. Requests for additional signage will be considered and addressed as appropriate;
   ii. Provide adequate waste receptacles for areas on the perimeter of University Property;
iii. Monitor and remove smoking-related refuse found on University Property;
iv. Through the Security Services unit of Facility Services monitor and ensure compliance in accordance with the protocol approved by the Provost and Vice-Provost (Academic) and Vice-President (Administration) from time-to-time and in compliance with regulatory provisions. Such protocols may ultimately include education, warnings, fines and disciplinary proceedings in accordance with existing student, staff and/or faculty disciplinary procedures, as applicable.

g) Student Affairs will ensure health promotion efforts are undertaken with respect to cessation and supports for students. They will also provide direction to cessation support services when requested by students. Student Affairs will also enforce the Policy where appropriate through application of The Code of Student Rights and Responsibilities.

h) Human Resources Services will ensure health promotion efforts are undertaken with respect to cessation and supports for employee groups. They will also provide direction to cessation support services when requested by staff and faculty. They will also enforce the Policy where appropriate in accordance with established disciplinary policies and procedures and by the terms of existing contracts of employment or collective agreements, where applicable.

7. SUPPORTS

a) The University will undertake education efforts related to smoking cessation in partnership with Hamilton Public Health, as appropriate. To assist faculty, staff and students who wish to reduce or stop use of tobacco products, the University will offer nicotine replacement therapy and other cessation support. This information and available supports are outlined on the Tobacco and Smoke-Free Campus website.

b) Any concern or question about the interpretation or application of this Policy can be directed to:
   - Student Wellness Centre for cessation support for students,
   - Human Resources Services for cessation support for faculty and staff,
   - Facility Services for signage, cleaning, and/or related physical property related matters, and
   - Security Services for enforcement matters.

RELATED PROCEDURES AND DOCUMENTS

8. This Policy is to be read in conjunction with the following statutes, University policies and practices or collective agreement provisions. Any question of the application of this Policy or related policies shall be determined by the Vice-President Administration, and in conjunction with the administrator of the other policy or policies. The University reserves the right to amend or add to the University’s policies and statements from time to time. The below is not a comprehensive list.

   - Ontario Human Rights Code, R.S.O. 1990, c. H.19
   - Smoke Free Ontario Act, 2006
   - Drug and Alcohol Policy
   - Policy on Workplace Accommodation
   - Academic Accommodation of Students with Disabilities
   - Okanagan Charter: An International Charter for Health Promoting Universities and Colleges
   - McMaster’s Smoke-Free University Guideline
   - Code of Student Rights and Responsibilities
   - McMaster Workplace and Environmental Health and Safety Policy
   - Smoke Free University Toolkit for Managers & Leaders
REPORT TO THE BOARD OF GOVERNORS

FROM THE

PENSION TRUST COMMITTEE

i. Statement of Investment Policies and Procedures – Contributory Pension Plan for Salaried Employees of McMaster University

At its meeting on November 20, 2017, the Pension Trust Committee reviewed and approved the proposed revisions to the Statement of Investment Policies and Procedures for the Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College. The report was reviewed by the Planning and Resources Committee at its meeting on November 23, 2017. Details of the revised policy are contained in Attachment I.

It is recommended:

that the Board of Governors approve the revised Statement of Investment Policies and Procedures for the Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College, as shown in Attachment I.

Board of Governors: FOR APPROVAL
December 7, 2017
Date: November 23, 2017

To: Planning and Resources Committee

From: Pension Trust Committee

Subject: Statement of Investment Policies and Procedures

On October 31, 2017, the McMaster University Salaried Pension Plan (through the McMaster University Master Trust) completed its remaining $18 million investment in its previously approved real estate investment in Bentall Kennedy (Canada) Limited Partnership.

Pursuant to the SIP&P, upon substantial or complete funding of the Bentall Kennedy Real Estate mandate, a review and update of limits and benchmarks is required to ensure that the investments are properly monitored and performance measured.

As a result of this requirement, Aon Hewitt has reviewed the existing policy in detail. The proposed revisions to the policy include the required changes associated with the above transaction and to reflect several items of a housekeeping nature. Appendix A is the revised policy with blacklined changes. A summary of the major changes is outlined below:

Summary of Changes

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<td>a) Section 1.03(c) (pg. 2)</td>
<td>The Plan Profile liability data has been updated to reflect most current information.</td>
</tr>
<tr>
<td>b) Section 2.04(a)&amp;(c) (pg. 5-7)</td>
<td>Asset Mix and Manager Rebalancing Guidelines have been updated to reflect the updated benchmarks and fixed income limits have been updated. Redundant verbiage has been removed.</td>
</tr>
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<td>c) Section 3.02 (vi) (pg. 11)</td>
<td>Repurchase Agreement transactions has been updated to include ratings based criteria associated with transacting with counterparties.</td>
</tr>
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<td>d) Section 4.01 (a) (pg. 16)</td>
<td>Total Fund Benchmark weights have updated to reflect the Real Estate Investment</td>
</tr>
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<td>e) Appendix B (pg. 24)</td>
<td>Manager Mandates have been updated.</td>
</tr>
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</table>

The Pension Trust Committee reviewed and approved the proposed changes to the Statement of Investment Policies and Guidelines at the November 20, 2017 meeting.

**Recommendation:**

That the Planning and Resources Committee approve, for recommendation to the Board of Governors, the revised Statement of Investment Policies and Procedures for the Contributory Pension Plan for Salaried Employees as shown in Appendix A.

Planning and Resources Committee– FOR APPROVAL
November 23, 2017
Appendix A.

STATEMENT OF INVESTMENT POLICIES AND PROCEDURES

FOR

CONTRIBUTORY PENSION PLAN FOR SALARIED EMPLOYEES
Complete Policy Title: Statement of Investment Policies and Procedures

The Master Trust for the Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College and the Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College 2000

Approved by: Board of Governors

Date of Original Approval(s): June 13, 2002

Responsible Executive: Assistant Vice-President (Administration) and CFO

Date of Most Recent Approval: TBD June 8, 2017

Supersedes/Amends Policy dated: June 8, 2017 December 10, 2015

Enquiries: University Secretariat

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Section 1—Overview

1.01 Purpose of Statement
This Statement of Investment Policies and Procedures (the ‘Policy’) is intended to set out the investment framework which shall apply at all times for the Contributory Pension Plan for Salaried Employees of McMaster University, including McMaster Divinity College and the Contributory Pension Plan for Salaried Employees of McMaster University, including McMaster Divinity College 2000 (collectively the ‘Plans’).

This Policy is based on the ‘prudent person portfolio approach’ to ensure the prudent investment and administration of the assets of the Plans (the ‘Fund’) within the parameters set out in the Pension Benefits Act (Ontario) and the regulations thereunder.

1.02 Background of the Plans
McMaster University was established in 1887 by the bequest of William McMaster and is a university incorporated under the laws of the Province of Ontario, which provides operating grants annually to the University.

The University sponsors defined benefit pension plans into which its contributions and the employees' contributions are deposited. These contributions are made monthly and are remitted before the end of the following month to the Plans’ trustee.

The University contracts with third parties to provide trustee, custodial, investment management, actuarial, and consulting services. The Plans’ current trustee, custodian of its assets, fund manager(s), actuary, and consultant are identified in Appendix A to this Statement. This appendix also provides information on the number of the Plans’ members and the value of the Plans’ assets.

Retiree benefits are paid from the Plans. Also paid from the Plans are termination and death benefits, trustees' fees, audit fees, actuaries' fees, investment counsel fees, consultants' fees, filing fees and administrative and other related costs.

1.03 Plan Profiles
(a) Contributions
The Plans are contributory. Each member is required to contribute in accordance with the Plan Text and limited by specified maximums, as applicable.

(b) Benefits
The amount of annual pension payable to most members will be:
(i) 1.4% of Best Average Salary up to the Average Year’s Maximum Pensionable Earnings times years of pensionable service, plus

(ii) 2.0% of Best Average Salary in excess of the Average Year’s Maximum Pensionable Earnings times years of pensionable service up to the maximum pension limits for an RPP as specified in the Income Tax Act.
(c) Liabilities
As of the most recent actuarial valuation dated July 1, 2014, the Going Concern Liabilities of the Plans were $1,627,320 million and the Smoothed Actuarial Value of Assets was $1,375,138 million. Approximately 51.5% of the liability was attributable to active members and 49.5% of the liability was attributable to pensioners and deferred vested members.

1.04 Objective of the Plans
The objective of the Plans is to provide participants with defined pension benefits based on a best average salary and with indexation of retirement benefits, as defined in the Plan text for the Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College, Registration Number 0215400 (“Plan Text”) and in the Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College, Registration Number 1079920 (“Plan 2000 Text”). It is important to set up an appropriately diversified asset mix in order to ensure continued prudent and effective management of pension fund assets.

1.05 Investment Beliefs and Risk Philosophy
Based on the characteristics of the Plans and analysis performed during the most recent asset-liability study that was carried out for the Plans, the Pension Trust Committee (the ‘Committee’) of McMaster University has determined that the Plans have a moderately high tolerance of investment risk. Therefore, a long-term asset mix strategy with a relatively high equity content has been adopted provided that the equity component is well diversified.

The University recognizes that, based on historical data and on forecast returns, the asset classes most likely to produce the greatest return in excess of inflation over time are also likely to exhibit the most volatility. Conversely, the asset classes likely to be the least volatile are likely to produce the lowest returns over time. Therefore, the investment philosophies and strategies must take into account both return and risk objectives.

1.06 Delegation of Responsibility and Administration
The University is the legal administrator of the Plans and is therefore responsible for all matters relating to the administration, interpretation and application of the Plans, including developing, monitoring and amending this Policy. The Committee, a standing Committee of the University’s Board of Governors, has been formed for the purpose of assisting the University with the administration of the Plans.

Overall responsibility for the Plans ultimately rests with the Board of Governors of the University. The Committee assists the Board in fulfilling its fiduciary responsibilities. As well, other suppliers assist the University as described below.

(a) The Committee will:
(i) Recommend to the Board of Governors general pension investment policy and annually review the Statement of Investment Policies and Procedures;

(ii) Monitor the performance of the Fund;

(iii) Monitor and review performance of Investment Consultants and Fund Managers:
1. Make recommendations to the Board of Governors with respect to situations of deviation or proposed deviation by Fund Managers from the Policy;

2. Make recommendations to the Board of Governors on the appointment of, mandates for and replacement of such Consultants and Fund Managers.

(iv) Monitor the annual calculation of the “Net Interest on the Fund” and the “Annual Pension Increase”;

(v) Discuss and promote awareness and understanding of the Plans by members of the Plans and persons receiving benefits under the Plans;

(vi) Comment and make recommendations to the Planning and Resources Committee on:

1. The performance and appointment of the Actuary; and

2. The actuarial methods and assumptions used in determining the financial condition of the Plans and the contributions to the Plans.

(vii) Comment and make recommendations to the Finance Committee on proposed changes to the Plans’ Text, and propose changes to the Plans’ Text; and

(viii) Monitor at least annually all fees and the administrative expenses paid from the Plans, and determine whether they are appropriate. Changes in the nature and structure of administrative expenses paid may be approved by the Board of Governors only if recommended by the Pension Trust Committee as a result of a ballot of all Committee members.

(b) The Fund Manager(s) will:

(i) Invest the assets of the Fund in accordance with this Policy;

(ii) Notify the Committee, in writing, of any significant changes in the Fund manager’s philosophies and policies, personnel or organization and procedures; and

(iii) Meet with the Committee as required and provide written reports regarding their past performance, their future strategies and other issues requested by the Committee.

(c) The Custodian/Trustee will:

(i) Maintain safe custody over the assets of the Plans (i.e. both segregated and pooled mandates);

(ii) Execute the instructions of the University and the Fund Manager(s); and,

(iii) Record income and provide monthly financial statements to the University as required.
(d) The Actuary will:
   (i) Perform actuarial valuations of the Plans as required;
   (ii) Advise the Committee on any matters relating to the Plans’ design, membership and contributions; and,
   (iii) Assist the Committee in any other way required.

(e) The Investment Consultant will:
   (i) Assist in the development and implementation of this Policy;
   (ii) Monitor the performance of the Fund and the Fund Managers on a quarterly basis, and advise the Committee on such performance;
   (iii) Monitor the Fund Managers’ quarterly compliance reports;
   (iv) Support the Committee on matters relating to investment management and administration of the Fund; and,
   (v) Meet with the Committee as required.

(f) The Accountant will:
   (i) Provide annual audited financial statements of the Plans.

(g) University Management will:
   (i) Ensure compliance with legal and University requirements;
   (ii) Execute decisions made by relevant governing bodies;
   (iii) Work closely with consultants, custodian, actuary and the investment managers, as appropriate including documenting the investment managers’ mandates;
   (iv) Review the expenses of the Plans; and
   (v) Maintain all documents and make them available upon request.

The Board of Governors has the authority to retain other consultants/suppliers, as it deems necessary from time to time.
Section 2—Asset Mix and Diversification Policy

2.01 Portfolio Return Expectations
The Fund will be managed on a going-concern basis. The primary objective is to ensure that the benefits defined in the Plans can be paid.

The secondary performance objective is to outperform a benchmark portfolio constructed from rates of return (including income) of the Standard & Poor’s Toronto Stock Exchange Composite Index (S&P/TSX Composite Index), the Standard & Poor’s 500 Index (S&P 500 Index), the Russell 1000 Hedged to C$ Index, the Morgan Stanley Capital International Europe, Australasia and Far East Index (MSCI EAFE Index), the FTSE TMX Universe Bond Index, the FTSE TMX Long Term Bond Index the FTSE TMX Real Return Bond Index and the Investment Property Databank (IPD) Canada Property Index, in proportion to the weights indicated in Section 4.01 (a) and calculated over rolling four-year time periods.

2.02 Expected Volatility
The expected volatility of investment returns for the Fund is directly related to the asset mix strategy; specifically, the balance between Canadian equities, foreign equities and Canadian bonds. In that regard, the volatility of Fund returns should be similar to the volatility of the Total Combined Fund Benchmark Portfolio set out in Section 4.01.

2.03 Management Structure
To reduce the overall volatility of returns and to reduce the risk that active managers will underperform market index returns, a hybrid management structure has been adopted for the Fund consisting of a combination of active and passive specialist equity, bond and currency overlay managers, subject to Section 2.04 (a).

2.04 Asset Mix
(a) Overall Asset Mix
The benchmark portfolio is representative of the long-term asset mix policy for the Fund as set out by the Board of Governors. The Total Fund benchmark portfolio and asset mix guidelines (by market value) are set out below:

<table>
<thead>
<tr>
<th></th>
<th>Min</th>
<th>Target</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities and Real Assets</td>
<td>50</td>
<td>65</td>
<td>80</td>
</tr>
<tr>
<td>Total Fixed Income</td>
<td>205</td>
<td>35</td>
<td>505</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Total Fund Benchmark Portfolio by Asset Class

<table>
<thead>
<tr>
<th>Assets</th>
<th>Minimum (%)</th>
<th>Benchmark (%)</th>
<th>Maximum (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian Equities</td>
<td>16</td>
<td>204</td>
<td>246</td>
</tr>
<tr>
<td>U.S. Equities</td>
<td>17</td>
<td>22</td>
<td>27</td>
</tr>
<tr>
<td>Non-North American Equities</td>
<td>17</td>
<td>22</td>
<td>27</td>
</tr>
<tr>
<td><strong>Total Equities</strong></td>
<td>50</td>
<td>65</td>
<td>80</td>
</tr>
<tr>
<td>Real Assets</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Universe Bonds</td>
<td>10</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>Long Term Bonds</td>
<td>12</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Real Return Bonds</td>
<td>32</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Cash and Short-term</td>
<td>0</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total Fixed Income</strong></td>
<td>25</td>
<td>35</td>
<td>55</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>
Further to the recently conducted Asset-Liability Study, some changes were approved by the Board that have not yet been reflected in the Overall Asset Mix shown in the table above.

While it is McMaster’s desire to transition the bond portfolio from the composition shown above to 100% long bonds, the timing is uncertain at this point. Therefore, the policy will be changed accordingly at that time, and as necessary.

Also, a 5% allocation to real assets was approved. McMaster will first review real estate and at a later date, infrastructure will be reviewed. Therefore, the policy will be changed accordingly at that time, and as necessary. The allocation to Real Assets will be built up over time (with a target of 5% and a range of +/- 5%) and is to be considered as part of the planned Asset Liability Study in 2018.

(b) Manager Compliance

The Fund Managers shall comply with restrictions imposed by Federal or Provincial legislation and regulations, as well as with their respective Investment Mandates. Should a Fund Manager wish to deviate from the mandate established with the University, he/she must contact, in advance, the Treasurer, who will solicit approval from the Board of Governors. Should there be a sudden change in market conditions that causes the asset mix to be offside, the Fund Manager will immediately either seek the necessary approval to remain offside, or take corrective action and contact the Treasurer, who will inform the Board of Governors. The Treasurer will report all such occurrences and their resolution to the Committee.

(c) Manager Rebalancing Guidelines

The following table presents the allocation of assets between active Canadian Equities, U.S. Equities, Non-North American Equities, Canadian Bonds, Enhanced Index U.S. Equities, Passive Canadian Bonds and Real Assets, as well as the maximum and minimum exposures (all amounts are based on market values). Please refer to Appendix B for a summary of Fund Managers and allocations.

<table>
<thead>
<tr>
<th>Assets</th>
<th>Minimum (%)</th>
<th>Benchmark (%)</th>
<th>Maximum (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Canadian Equities</td>
<td>16</td>
<td>204</td>
<td>246</td>
</tr>
<tr>
<td>Active U.S. Equities</td>
<td>5</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>Active Canadian Bonds</td>
<td>46</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td>Non-North American Equities</td>
<td>17</td>
<td>22</td>
<td>27</td>
</tr>
<tr>
<td>Enhanced Index U.S. Equity</td>
<td>11</td>
<td>14</td>
<td>17</td>
</tr>
<tr>
<td>Passive Universe Bond</td>
<td>4</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Passive Long Term Bond</td>
<td>102</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Passive Real Return Bond</td>
<td>32</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Active Real Assets</td>
<td>0</td>
<td>01</td>
<td>10</td>
</tr>
<tr>
<td>Total Fund</td>
<td></td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>
1 A total of 50% +/-5% of the Total Fund’s foreign currency exposure shall be hedged to the Canadian dollar.
(d) Monitoring and Rebalancing the Manager and Index Components

In order to ensure that the Total Combined Fund operates within the guidelines stated in this Policy, the Treasurer shall monitor the asset and manager mix on a quarterly basis to determine if the asset commitments are within established guidelines. In the event of a deviation from policy occurring, the Treasurer, will determine an appropriate rebalancing strategy to be implemented within two quarters of the deviation from policy being identified (excluding the 5% real assets benchmark allocation). Any rebalancing activity in response to a deviation from policy will be reported to the Committee at its next regular meeting. The Treasurer shall use cash flows to move overweighted and underweighted asset classes towards their benchmark weights.

Rebalancing of the managers and index components may be achieved using either or both of the following when appropriate:

(i) Adjustment using net cash inflows/outflows to/from the Fund; and/or,

(ii) Transfers of cash or securities between portfolios.
Section 3—Permitted and Prohibited Investments

3.01 General Guidelines
The investments of the Fund must comply with the requirements and restrictions imposed by the applicable legislation, including but not limited to the requirements of the Pension Benefits Act (Ontario), the Income Tax Act (Canada), and any relevant regulations.

3.02 Permitted Investments
In general, and subject to the restrictions noted below, the Fund may invest directly or via pooled funds in any of the asset classes and in any of the instruments listed below.

(a) Canadian and Foreign Equities
   (i) Common and convertible preferred stock listed on a recognized exchange;
   (ii) Debentures convertible into eligible common or convertible preferred stock;
   (iii) Rights, warrants and special warrants for eligible common or convertible preferred stock;
   (iv) Instalment receipts and American and Global Depository Receipts;
   (v) Units of real estate investment trusts (REITs) listed on a recognized exchange;
   (vi) Units of income trusts domiciled in jurisdictions that provide limited liability protection to unitholders;
   (vii) Units of limited partnerships which are listed on a recognized exchange; and,
   (viii) Private placements of equities, where the security will be eligible for trading on a recognized exchange within a reasonable and defined time frame and subject to Section 3.04.

(b) Bonds
   (i) Bonds, debentures, notes, non-convertible preferred stock and other evidence of indebtedness of Canadian, foreign or supranational issuers whether denominated and payable in Canadian dollars or a foreign currency;
   (ii) Mortgage-backed securities, guaranteed under the National Housing Act;
   (iii) Term deposits and guaranteed investment certificates; and,
   (iv) Private placements of bonds and asset backed securities subject to Section 3.04.

(c) Cash and Short Term Investments
   (i) Cash on hand and demand deposits;
   (ii) Treasury bills issued by the federal and provincial governments and their
agencies;

(iii) Obligations of trust companies and Canadian and foreign banks chartered to operate in Canada, including bankers’ acceptances;

(iv) Commercial paper and term deposits;

(v) Deposit accounts of the custodian can be used to invest surplus cash holdings; and,

(vi) Repurchase Agreement transactions for cash management purposes, with transactions limited to counterparties with a minimum BBB counterparty credit rating at the time of the transaction.

(d) Derivative Instruments
Derivatives are to be used primarily for defensive purposes, including currency hedging. The use of derivative instruments which would be contracted on a leveraged basis is prohibited. Investment Funds that invest in derivatives must comply with all applicable statutory provisions and regulations, including the Prudent Person Rule, and must be invested and managed in accordance with regulatory derivatives best practices.

The following uses of derivative instruments for defensive purposes are permitted:

(i) Covered put and/or call options with respect to publicly traded securities that are held in the portfolio;

(ii) The Manager of an index portfolio may utilize fully backed (i.e. non-leveraged), derivative strategies designed to replicate the performance of specific market indices; and,

(iii) Currency futures contracts and forward contracts whose use is restricted to reducing risk as part of a currency hedging strategy. Within pooled funds, the Fund Managers’ policy on derivatives will take precedence.

(e) Real Assets
(i) Indirect real asset investment via independently managed pooled funds, limited partnerships or specialist corporate structures (i.e. LLCs). The mandate of each fund, partnership or corporate structure will vary with the long-term goal of assembling a diversified real estate portfolio.

(ii) Permitted and prohibited investments in real assets will be governed by the terms and conditions set out in the respective pooled fund contract, Offering Memorandum, Trust Agreement or similar document that is applicable to each Investment Manager.
3.03 Minimum Quality Requirements for Bonds

(a) Quality Standards
Within the investment restrictions for individual portfolios, all portfolios should hold a prudently diversified exposure to the intended market.

(i) The minimum quality standard for individual bonds and debentures is ‘BBB’ or equivalent as rated by a Recognised Bond Rating Agency, at the time of purchase.

(ii) The minimum weighted average rating of the overall bond portfolio must be ‘A’, or better.

(iii) The minimum quality standard for individual short term investments is ‘R-1’ or equivalent as rated by a Recognised Bond Rating Agency, at the time of purchase.

(b) Rating Agencies
For purposes of this Policy, the following shall be considered ‘Recognized Bond Rating Agencies’:

(i) Dominion Bond Rating Agency;

(ii) Standard & Poor’s;

(iii) Moody’s Investors Services; and

(iv) Fitch Ratings (foreign issuers only).

Should the rating on a short-term or bond investment fall below the minimum standards outlined above, the Fund Manager must immediately notify the Treasurer and communicate the action that is to be taken. The Treasurer must report all such occurrences and action undertaken to remedy the situation to the Committee.

3.04 Maximum Quantity Restrictions
While specific restrictions are reflected in the individual manager mandates, the following restrictions are to be respected:

(a) Equities

(i) No one equity holding shall represent more than 10% of the market value of any one manager’s equity portfolio;

(ii) No one equity holding shall represent more than 10% of the voting shares of a corporation;

(iii) No one equity holding shall represent more than 10% of the available public float of such equity security;
(iv) Private placements can be held to a maximum of 10% of the equity portfolio; and,

(v) No more than 15% of the market value of the equity manager’s portfolio shall be invested in Royalty or Income Trusts.

(b) Bonds and Short-Term Securities

(i) Except for federal bonds and provincial bonds having at least an A credit rating, no more than 10% of a manager’s bond portfolio may be invested in the bonds of a single issuer and its related companies;

(ii) Except for federal and provincial bonds, no one bond holding shall represent more than 10% of the market value of the total outstanding for that bond issue;

(iii) No more than 10% of the market value of a manager’s bond portfolio shall be invested in bonds rated ‘BBB’ or equivalent and no bond rated ‘BBB’ or equivalent shall exceed 3% of the market value of the portfolio;

(iv) No more than 20% of the market value of a manager’s bond portfolio shall be invested in bonds denominated in a currency other than Canadian dollars;

(v) No more than 20% of the market value of a manager’s bond portfolio shall be invested in bonds of foreign issuers; and,

(vi) Private placements and asset-backed securities can be held to a maximum of 15% of the bond portfolio.

3.05 Prior Permission Required

Subject to applicable legislation and regulations, any other investments are permitted provided that the Fund Manager has obtained prior written permission from the Board of Governors upon recommendation of the Committee:

3.06 Prohibited Investments

The Fund Managers shall not:

(a) Invest in companies for the purpose of managing them;

(b) Purchase securities on margin or engage in short sales, except in the case of an unleveraged synthetic index strategy where the manager will utilize futures contracts and short-term securities to attempt to create returns that match those of a specified index;
(c) Invest in securities that would result in the imposition of a tax on the Fund under the Income Tax Act (Canada) unless they provide a prior written acknowledgement to the Committee that such investments will result in a tax and receive prior written permission for such investments from the Board of Governors;

(d) Invest in any securities issued by McMaster University or its affiliated entities; or

(e) Make any investment not specifically permitted by this Policy or the Fund Manager’s investment mandate.

3.07 Securities Lending
Defined securities held by the Plans may be loaned by the Trustee under a properly approved contract with the University.

The investments of the Fund may be loaned for the purpose of generating revenue for the Fund, subject to the provisions of the Pension Benefits Act (Ontario), the Income Tax Act (Canada), and applicable regulations.

Such loans must be secured by cash and/or readily marketable government bonds, treasury bills and/or letters of credit, discount notes and banker’s acceptances of Canadian chartered banks. The amount of collateral taken for securities lending should reflect best practices in local markets, but should be at least 105% under an enhanced indemnity arrangement. The market value relationship between collateral and securities on loan must be calculated at least daily. For equity loans, high quality, liquid equities may also be accepted as collateral.

If the Fund is invested in a pooled fund, security lending will be governed by the terms and conditions of the pooled fund contract.

3.08 Borrowing
The Plans shall borrow money only for the purpose of covering a short-term contingency and the borrowing is for a period that does not exceed ninety days, subject to the Pension Benefits Act (Ontario), the Income Tax Act (Canada) and the written permission of the Board of Governors.

3.09 Liquidity
The Plans shall maintain assets that are sufficiently liquid in order to make necessary payments to members when required and to enable other changes, as required.

3.10 Environmental, Social and Governance
“ESG” refers to the environmental, social and governance factors, including government/public policy and disclosure concerns, relevant to an investment that may have a financial impact on that investment. The university has a fiduciary duty to act in the long-term interests of the beneficiaries of the Plans. The Plans’ investment portfolio managers determine the stock holding of each fund. Where relevant and material to the assessment of investment value and mitigation of investment risk, ESG factors should be evaluated alongside other considerations by the Plan’s investment managers in the exercise of their delegated duties. The university does not impose specific constraints on portfolio
investments on the sole basis of ESG factors.

3.11 Conflicts Between the Policy and Pooled Fund Investment Policies
While the guidelines in this Policy are intended to guide the management of the Fund, it is recognized that, due to the use of pooled funds, there may be instances where there is a conflict between this policy and the investment policy of a pooled fund. In that case, the pooled fund policy shall dominate. However, wherever such a conflict results in non-compliance with the Policy, the Fund Manager must report this conflict explicitly in its quarterly compliance report.
Section 4—Monitoring and Control

4.01 Performance Measurement
Evaluation of investment performance will be made by the Committee and will take place semi-annually based on the results at June 30 and December 31.

(a) Total Fund Benchmark
The primary performance objective of the Fund is to earn a rate of return that exceeds the rate of return on a benchmark portfolio over a four (4) year period. The benchmark consists of the following market index total returns weighted as indicated:

<table>
<thead>
<tr>
<th>Benchmark</th>
<th>Weight (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P/TSX Composite Index</td>
<td>20.0</td>
</tr>
<tr>
<td>S&amp;P 500 Index (Cdn. $)</td>
<td>8.0</td>
</tr>
<tr>
<td>Russell 1000 Index (Hedged)</td>
<td>14.0</td>
</tr>
<tr>
<td>MSCI EAFE Index (Cdn. $)</td>
<td>15.0</td>
</tr>
<tr>
<td>MSCI EAFE Index (Hedged)</td>
<td>7.0</td>
</tr>
<tr>
<td>FTSE TMX Universe Bond Index</td>
<td>15.0</td>
</tr>
<tr>
<td>FTSE TMX Long Term Bond Index</td>
<td>15.0</td>
</tr>
<tr>
<td>FTSE TMX Real Return Bond Index</td>
<td>5.0</td>
</tr>
<tr>
<td>IPD Canada Property Index</td>
<td>1.0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Bentall Kennedy was selected as the investment manager for real estate. In the interim period, the Benchmark used by McMaster for performance monitoring as described in the table above will exclude the IPD Canada Property Index. Once the capital is substantially drawn, the weighting will be increased.

The allocation to Real Assets will be built up over time (with a target of 5% and a range of +/- 5%) and is to be considered as part of the planned Asset Liability Study in 2018.

For the interim period, the unallocated portion of the 5% allocation to real assets will remain in equities.

A secondary objective is to achieve, over a four (4) year period at least second quartile performance compared to a performance measurement service pension data base.

(b) Fund Managers
The primary objective of the active managers is to earn a rate of return that exceeds
the total rate of return\(^1\) on a benchmark portfolio over a four (4) year period or, in the case of passive managers, to earn a rate of return that approximates the returns earned on the relevant market indices, within agreed tracking variance ranges. The managers’ benchmarks and performance objectives are set out in more detail in their Investment Mandates. These may be amended, recognising that at all times the Fund must be managed in accordance with the asset mix guidelines and permitted and prohibited investments set out in Sections 2 and 3.

In addition to assessing performance relative to the Benchmark Portfolio, the Committee will examine risk factors and performance by asset class.

4.02 **Compliance Reporting by the Fund Manager**
Each Fund Manager must submit a compliance report each quarter to the Treasurer. The compliance report should indicate whether or not the manager's portfolio was in compliance with this policy during the quarter.

In the event that the Fund Manager’s portfolio is not in compliance with this policy, the Fund Manager is required to detail the nature of the non-compliance and to recommend an appropriate course of action to remedy the situation, to the Treasurer, who will inform the Committee. Minor deviations from the policy that require immediate action can be approved by the Treasurer, who will inform the Committee.

4.03 **Standard of Professional Conduct**
The Fund Managers are expected to comply at all times and in all respects with the Code of Ethics and Standards of Professional Conduct as promulgated by the CFA Institute or to a standard that is the equivalent of, or higher than that of the CFA.

The Fund Managers will manage the assets with the care, diligence and skill that a fund manager of ordinary prudence would use in dealing with pension plan assets. The Fund Managers will also use all relevant knowledge and skill that they possess, or ought to possess, as prudent fund managers.

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\(^1\) Total rate of return is the time-weighted rate of return based on the change of market value including realised and unrealised gains and losses and including income from all sources.
Section 5—Administration

5.01 Conflicts of Interest

(i) Definition
For the purpose of this statement a conflict of interest is defined as any event in which any employee or member of or consultant to:

(a) Board of Governors,
(b) Planning and Resources Committee,
(c) Audit Committee,
(d) Pension Trust Committee,
(e) Actuary,
(f) Fund Manager(s),
(g) Custodian/Trustee, and/or
(h) Consultant

or any directly related party may gain a financial or other advantage from knowledge of, or participation in, an investment decision of the fund, or a circumstance that could reasonably be interpreted as impairing his/her ability to render unbiased and objective advice or to fulfil his/her fiduciary responsibilities to act in the best interest of the beneficiaries of the Plans.

It is not possible to anticipate in advance, in this statement, the multitude of situations which can arise. All persons listed above must, therefore, be cognizant of the possibility that conflicts, or perceived conflicts, may arise and must make timely and full disclosure in accordance with generally accepted concepts of fiduciary responsibilities and in accordance with the procedures set forth below:

(ii) Responsibilities
This standard applies to the persons named in Section 5.01(i) above in the execution of their responsibilities under the Pension Benefits Act (Ontario) (the “Affected Persons”).
(iii) Disclosure
In the execution of their duties, the Affected Persons shall disclose any material conflict of interest relating to them, or any material ownership of securities, which could impair their ability to render unbiased advice, or to make unbiased decisions, affecting the administration of the Plans’ assets.

Further, it is required that no Affected Person shall make any personal financial gain (direct or indirect) because of his or her fiduciary position. However, normal and reasonable fees and expenses incurred in the discharge of his/her responsibilities are permitted if documented and approved by the University.

No Affected Person shall accept a gift or gratuity or other personal favour that is material, from a person with whom the Affected Person deals in the course of performance of his or her duties and responsibilities for the Plans.

It is incumbent on any Affected Person who believes that he or she may have a conflict of interest, or who is aware of any conflict of interest, to disclose full details of the situation in writing to the Chair of the Committee within three business days after the individual becomes aware of the conflict of interest. The disclosure should also be made orally if awareness of the conflict occurs during the discussion of Plans’ business.

The Committee, in turn, will decide what action is appropriate under the circumstances but, at a minimum, will table the matter at the next regular meeting of the Committee.

Normally, the individual disclosing the conflict of interest shall withdraw from the meeting during discussion of and vote on the issue causing the conflict of interest. The individual may be permitted, at the Committee's request, to participate in the discussion but he/she shall not be present for the vote.

The disclosure of a conflict of interest, the name of the individual declaring the conflict and the manner in which the conflict was resolved will be recorded in the minutes of the Committee.

5.02 Related Party Transactions
Related party transactions are permitted for the Plan, subject to the following conditions:

(a) Any transaction that is required for the operation or administration of the Plan under terms and conditions that are not less favourable to the Plan than market terms and conditions and such transaction does not involve the making of loans to, or investments in, the related party; or

(b) Any transaction, where the combined value of all transactions with the same related party is nominal or the transaction(s) is immaterial to the Plan.
For the purposes of this section, only the market value of the combined assets of the Plan shall be used as the criteria to determine whether a transaction is nominal or immaterial to the Plan. Transactions less than 3% of the combined market value of the assets of the plan are considered nominal. Two or more transactions with the same related party shall be considered a single transaction.

5.03 Selecting Fund Managers
In the event that a new Fund Manager must be selected or additional Fund Manager(s) added to the set of existing fund managers, the Committee will undertake a Fund Manager search with the assistance of a third-party investment consultant. The criteria used for recommending the selection of a Fund Manager to the Board of Governors will be consistent with the investment and risk philosophy set out in Section 1.05 (Investment and Risk Philosophy).

5.04 Monitoring of Fund Managers
At least semi-annually, the Committee will monitor and review the:

(a) Assets and net cash flow of the Plans;
(b) Fund Manager’s staff turnover, consistency of style and record of service;
(c) Fund Manager’s current economic outlook and investment strategies;
(d) Fund Manager’s compliance with this Policy and their Investment Mandate, where a Manager is required to complete and sign a compliance report; and
(e) Investment performance of the assets of the Plans in relation to the rate of return expectations outlined in this Policy.

5.05 Dismissal of a Fund Manager
The Committee shall consider from time to time whether a Manager’s investment performance or any other circumstances may warrant recommendation to the Board of Governors of the introduction of a probationary period or a change in Fund Manager(s). Such circumstances would include but not be limited to:

(a) Significant turnover in staff of Fund Manager(s);
(b) Change in ownership of Fund Manager(s);
(c) Failure of the Fund Manager(s) to satisfy all of the responsibilities set out in Section 3 of this Statement or set out in the Manager’s Investment Mandate;
(d) Desire to diversify the management of the Pension Fund or to add another Fund Manager(s).
(e) Unsatisfactory performance and/or compliance in relation to the performance standards specified in Sections 3 and 4 of this Policy.
5.06 Voting Rights
The Board of Governors has delegated voting rights acquired through the investments held by the Plans to the custodian of the securities to be exercised in accordance with the Fund Managers’ instructions. Fund Managers are expected to exercise all voting rights related to investments held by the Fund in the interests of the Plans’ members. The Fund Managers shall provide their proxy voting policies to the Treasurer.

Further, the Fund Managers must maintain records documenting how they voted and whether ESG was factored into the proxy voting decision making process and must advise the Treasurer regarding their voting on any unusual items or items where they vote against management, at least on an annual basis.

At least annually, each fund manager shall provide Treasury with a report of proxy voting actions and how ESG factored into the voting.

At least annually, a summary report of investment manager proxy voting action and how ESG factored into the voting shall be provided to the Planning and Resources Committee of the Board of Governors.

The Board of Governors reserves the right to take back voting rights of assets held in segregated portfolios for specific situations.

5.07 Valuation of Investments Not Regularly Traded
The following principles will apply for the valuation of investments that are not traded regularly:

(a) Equities
Average of bid-and-ask prices from two major investment dealers, at least once every calendar quarter.

(b) Bonds
Same as for equities.

(c) Mortgages
Unless in arrears, the outstanding principal plus/minus the premium/discount resulting from the differential between the face rate and the currently available rate for a mortgage of similar quality and term, determined at least once every calendar quarter.

(d) Real Estate
A certified written appraisal from a qualified independent appraiser at least every two years.

(e) Resource Properties and Venture Capital
A written market value assessment prepared by party qualified to make such assessments, at least every two years.
5.08 **Policy Review**
The Policy may be reviewed and revised at any time, but it must be formally reviewed by the Committee, the Finance Committee and by the Board of Governors at least annually.

5.09 **Asset-Liability Review**
An Asset-Liability Study will be considered by the Committee every three to five years. A new Asset-Liability Study may be undertaken if any of the following events occur:

(a) The sponsor’s risk posture changes significantly;

(b) There are significant changes to pension legislation or regulations that affect the key metrics used in making decisions in the Asset-Liability Study or should affect the asset allocation in the future;

(c) Capital market conditions change significantly such that the assumptions embedded in the Asset-Liability Study are no longer reasonable;

(d) There are changes in the Plan’s benefits or liability structure; or

(e) New methodologies emerge that appear to improve the usefulness of Asset-Liability studies.
Appendix A

McMaster University has contracted with the following to provide services:

**Fund Managers**
(a) BlackRock Investment Management
(b) Bentall Kennedy
(c) Jarislowsky Fraser & Company Limited
(d) Grantham, Mayo, van Otterloo & Company
(e) Franklin Templeton Investments Corp.
(f) State Street Global Advisors Limited
(g) Walter Scott & Partners Limited
(h) Beutel Goodman & Company Ltd.

**Actuary**
Mercer Human Resource Consulting Ltd.

**Custodian/Trustee**
CIBC Mellon Trust Company

**External Auditor**
KPMG

**Pension Investment Consulting and Monitoring**
Aon Hewitt Associates

**Plans’ Status**
As of July 1, 2014, the Plans had 3,622 Active Members, 1,935 Retired Members and Survivors, and 944 Former Members with Deferred Benefits and Assets at Market Value, of $1,546 million.

The going concern liabilities of the Plans were $1,627 million compared to the Actuarial Value of the Assets which was $1,375 million, resulting in a deficit of $252 million. Approximately 51% of the liability was attributable to Active Members and 49% of the liability was attributable to Pensioners and Deferred Vested Members.

On January 14, 2003, the Superintendent of the Financial Services Commission of Ontario approved the distribution of $150 million plus interest and expenses of excess surplus from the Contributory Pension Plan for Salaried Employees of McMaster University, including McMaster Divinity College 2000 to be shared evenly between the members and the University.
### Appendix B

**Asset Class Management by Type of Fund Manager**

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Tolerated Ranges (at Manager Level)</th>
<th>Manager Mandates</th>
<th>Index Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian Equities</td>
<td>+/- 3%</td>
<td>104.0% Jarislowsky</td>
<td>S&amp;P/TSX</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+10.0% SSGA (formerly GEAM)</td>
<td></td>
</tr>
<tr>
<td>U.S. Equities</td>
<td>+/- 3%</td>
<td>8.0% Jarislowsky &amp; T. Rowe Price</td>
<td>S&amp;P 500 (C$)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>14.0% Blackrock</td>
<td>Russell 1000 (Hedged)</td>
</tr>
<tr>
<td>Non-North American Equities</td>
<td>+/- 3%</td>
<td>8.0% GMO</td>
<td>MSCI EAFE (C$)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7.0% Walter Scott</td>
<td>MSCI EAFE (C$)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7.0% Templeton</td>
<td>MSCI EAFE (C$)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(with SSGA currency overlay)</td>
<td>MSCI EAFE (Hedged)</td>
</tr>
<tr>
<td>Real Assets</td>
<td>To Be Determined +/- 1%</td>
<td>1.0% Bentall Kennedy</td>
<td>IPD Canada Property Index</td>
</tr>
<tr>
<td>Bonds</td>
<td>+/- 3%</td>
<td>9.0% Beutel Goodman-Univers</td>
<td>FTSE TMX UBI</td>
</tr>
<tr>
<td></td>
<td>+/- 2%</td>
<td>6.0% BlackRock-Univers</td>
<td>FTSE TMX UBI</td>
</tr>
<tr>
<td></td>
<td>+/- 3%</td>
<td>15.0% BlackRock-Long Term</td>
<td>FTSE TMX LT</td>
</tr>
<tr>
<td></td>
<td>+/- 2%</td>
<td>5.0% BlackRock-RRB</td>
<td>FTSE TMX RRB</td>
</tr>
</tbody>
</table>

Note: For proportion of Total Fund, please refer to 2.04 (a).

**Active Canadian Equity Managers:**
- Jarislowsky Fraser
- SSGA (formerly GE Asset Management)

**Active U.S. Equity Manager:**
- Jarislowsky Fraser
- T. Rowe Price

**Active Canadian Bond Manager:**
- Beutel Goodman

**Enhanced Active U.S. Equity Index and Bond Index Manager:**
- BlackRock Investment Management

**Active Non-North American Managers:**
- Grantham, Mayo, van Otterloo & Company (GMO)
- Franklin Templeton Investments Corp.
- Walter Scott & Partners

**Currency Overlay Managers:**
- State Street Global Advisors (SSGA)

**Real Asset Managers:**
- Bentall Kennedy
Health, Safety and Risk Management
Report to the Board of Governors

Report 2017-5 for the period September 30, 2017 – November 21, 2017

The Health, Safety and Risk Management (HSRM) unit of Human Resources Services incorporates Environmental and Occupational Health Support Services (EOHSS), Employee Health Services (EHS) and works in cooperation with the Organizational Development unit. Together, we strive to promote the health, safety, wellness and engagement of all McMaster employees.

Executive Summary

- Ministry of Labour (MOL) visited campus on one occasion as a result of an anonymous complaint. The Inspector investigated and issued one order. The order was corrected the next day and notice of compliance sent into MOL.

- McMaster has received notification that it is in a WSIB surcharge position in the amount of $99,219 based on our NEER performance from 2013-2016. While our lost time days are increasing, it is noticeable that our comparative performance is actually improving against our peer group.

- Lost time days have increased in 2017 compared with lost time days in 2016 and we would forecast another surcharge for 2018.

- WSIB has introduced a policy, effective January 1, 2018, that will entitle a worker to benefits for chronic mental stress arising out of and in the course of the worker’s employment.

1. Training and Loss Prevention Initiatives

- Members of EOHSS and Security Services completed the annual compliance review of the Violence in the Workplace Policy as required under the Occupational Health and Safety Act.

- The Violence Risk Assessment Team completed annual refresher training days as delivered by Protect International Risk and Safety Services.

- EOHSS continues to work on providing researchers with education tools/information in preparation for the staged WHMIS 2015 implementation. The current phased implementation approach allows WHMIS 1988 labelling and material safety data sheets for chemicals to be used in the laboratories. Effective December 1, 2018, all chemicals that were reclassified under the new legislation will need to be relabelled or disposed of through the chemical hazardous waste stream. In addition, all material safety data sheets will need to be updated and replaced with the new format and content, safety data sheets (SDS) for compliance purposes. December 1, 2017 was the start of the newest communication plan by EOHSS to supervisors to ensure they start to make plans for their lab compliance.
- Take Our Kids to Work Day was held on November 9, 2017. As part of the University’s commitment to providing a healthy and safe working and learning environment, EOHSS requires for all participants in the Take Our Kids to Work Day to complete the Ministry of Labour Health and Safety worker orientation training. This training is legislatively required training by the Ministry of Labour to minimize injuries, particularly among young workers.

- The next edition of the Workplace Wellbeing Newsletter will be released in December with articles on: WHMIS 2015, new WSIB chronic stress policy, slips, trips and falls, reporting hazards, the importance of documenting site specific training/due diligence, job hazard analysis process, and snow closure procedure.

2. Government Relations and External Inspections/Audits

- A Ministry of Labour (MOL) Inspector visited campus in late October as a result of an anonymous complaint. The MOL is required to follow up on all anonymous complaints received about a workplace. The six complaints alleged a variety of issues ranging from: equipment provided for cleaning is not safe, chairs stacked too high and not in good repair, golf carts are not functioning, storage areas are overcrowded, inability to report injuries, no WHMIS training for some employees, and a leak in the basement in a tunnel. The Inspector met with EOHSS team and a union representative to discuss the complaints/allegations. The Inspector could not find any evidence of these issues and as a result did not issue any orders on these issues. The Inspector did issue one order in a maintenance room in which a ladder was improperly stored. This was corrected the next day and a notice of compliance was sent to MOL.

3. Employee Health Services Summary

3.1 Critical Injuries

There were no critical injuries during this period.

3.2 Lost Time Update

Employee Health Services (EHS) actively manages WSIB as well as salary continuance, sick leave, employee accommodation requests and long-term disability claims. EHS continues to collaborate with departments and faculties to develop and maintain proactive strategies to help reduce lost time incurred by employees throughout the University. The team remains focused on supporting programming, education and processes with the goal of early and safe return to work and reduction of lost time days.

The New Experimental Experience Rating (NEER) Status report for 2017 from the Workplace Safety and Insurance Board (WSIB) has been received since the date of the Audit Committee meeting. This report assesses McMaster University’s performance based on our lost time and healthcare claim costs (experience rating) for 4 years ie: 2016, 2015, 2014, and 2013. The 2017 NEER Summary has placed McMaster in a surcharge position of $99,219, which is lower than our initial projected estimate. 2017 has seen an increase in lost time, mainly from 2 maximum claim costs, therefore we predict a NEER surcharge again in 2018.
The chart below illustrates the number of WSIB lost time days from January 1-October 31\textsuperscript{st} for the past three years. 

<table>
<thead>
<tr>
<th>Jan. 1- Oct. 31 Year</th>
<th># of Lost Time Days</th>
<th>Total # approved Lost time claims</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>117</td>
<td>23</td>
</tr>
<tr>
<td>2016</td>
<td>236</td>
<td>18</td>
</tr>
<tr>
<td>2017</td>
<td>289</td>
<td>16</td>
</tr>
</tbody>
</table>

Although the number of lost time claims have decreased year over year, there is a small number of long duration claims that make up a large portion of the lost time days.

- In 2015 – 3 long duration lost time claims make up 60\% of the total lost time days
- In 2016 – 2 long duration lost time claims make up 74\% of the total lost time days
- In 2017 – 2 long duration lost time claims make up 72\% of the total lost time days

Furthermore, our comparative experience against our G6 peer group, shows material comparative improvement. WSIB has released a new tool called Compass which allows the public access to injury statistics about an Ontario Workplace. This tool allows us to compare our results to the G6 Universities in Ontario.
Lost Time Injury Rate (LTI) is defined as: Number of allowed lost time injuries/illnesses per 100 derived full time equivalent (FTE) works for the injury year specified, where 100 FTE=200,000 derived hours. FTE is a derived number based on reported payroll to WSIB. The intent is to measure the proportion of covered workers who had a lost time claim.

This chart illustrates McMaster’s improvement in the reduction of injury rates by the decline since 2014.

3.3 WSIB Regulatory Changes

WSIB has approved a new Operational Policy which will allow ‘chronic mental stress’ claims, in addition to ‘traumatic mental stress’ claims effective January 1, 2018. WSIB has indicated that where illness/injury is caused by a substantial work-related stressor arising out of and in the course of employment, it will meet the threshold for approval as chronic mental stress. This new policy change is expected to have a significant impact as claims for mental stress today are treated as sick leave/salary continuance, or unpaid leaves. Human Resources Services is currently reviewing options for mitigation of this issue, including injury prevention, keeping people at work through modified work/interim measures, clarifying reporting requirements, and putting in place a process to accelerate investigations of such claims. These claims will require close and careful management to avoid exceptional increases in WSIB costs.

On November 14, the provincial government introduced additional amendments to the mental stress provisions of the Workplace Safety and Insurance Act, 1997. If passed, it would mean that people who were diagnosed with a work-related chronic mental stress disorder on or after April 29, 2014 may be eligible for WSIB benefits as long as they file a claim on or before July 1, 2018. In addition, people who have not yet received a final decision on their mental stress claim by the WSIB and/or the WSIAT as of January 1, 2018 may also be eligible for benefits.

McMaster does have a comprehensive mental health strategy for staff, faculty and students. Human Resources Services oversees and delivers mental health education and supports for employees, while Student Affairs continues to take the lead on student related programming. Where appropriate the two units of the University combine resources and programming to meet the needs of the University community.

4. Workplace Wellness Initiatives

The Organizational Development (OD) team fosters a supportive work environment that promotes employee development, engagement, recognition and wellness. Organizational wellness is supported by addressing the thirteen psychosocial factors related to the National Standard of Canada for Psychological Health & Safety in the Workplace.

Since the last report, the OD team has focused on providing and promoting a variety of employee wellness strategies aimed at helping faculty and staff thrive in their personal and professional lives, as well as leading the implementation of a campus-wide wellness initiative.
Such activities included:

- Human Resources continues to partner with Student Affairs and many other University offices to champion the Tobacco and Smoke-Free Campus Policy initiative which prohibits the use of tobacco and other smoke-producing products effective January 1, 2018. Since the last report, efforts have focused on education, health promotion and development of supporting processes.

Other recent campus wellness activities include:

- Planned, organized and hosted McMaster’s Healthy Workplace Month initiatives. This included a teambuilding bus pull in support of the United Way Campaign as the kickoff, a team scavenger hunt, workshops on topics such as healthy relationships and healthy cooking, and physical activity sessions.
- Offered weekly financial wellness workshops on savings strategies, retirement planning, financial education and estate planning as part of Financial Literacy Month. This also included a weekly financial literacy newsletter developed in-house.
- Continued to author and distribute monthly communications focusing on topics and supports related to McMaster Employee & Family Assistance Plan and health promotion topics such as tobacco cessation and professional development.
- Supported groups and teams through customized workshops on mental health, stress, and work-life balance.
- Continued to partner with Athletics & Recreation to offer a walking group at the DBAC indoor track twice per week as well as new Spin and Cardio classes.
- Continued to promote and support a Weight Watcher’s at Work program.
- Investigated opportunities and negotiated a contract with a third party to offer a new employee discount program which will have a health and well-being focus. It is anticipated that this program will be available to employees and retirees before the holidays.

Further details about workplace wellness initiatives can be found at:
http://www.workingatmcmaster.ca/healthy-workplace/index.php

**Glossary:**

**New Experimental Experience Rating (NEER):** The Workplace Safety & Insurance Board’s NEER plan recognizes an organization’s health and safety performance (based on its accident cost experience) and adjusts premiums accordingly through refunds and surcharges. When determining claims costs for the refund or surcharge calculation, NEER takes into account overhead costs and the future costs of benefits relating to the claim. The University’s status is determined by comparing its performance to other organizations in the same industry.
Mandate

This is the annual report of the Equity and Inclusion Office ("the Office") at McMaster University. It includes updates from the Office's two program areas: the Human Rights Program and the Equity Services Program.

Under sections 58 and 71 of the Policy on Discrimination and Harassment: Prevention & Response and section 38 of the Sexual Violence Policy, the Equity and Inclusion Office is responsible for gathering and analyzing statistics on consultations, disclosures, complaints, investigations, sanctions and outcomes, and for reporting on that data to the Senate and the Board of Governors.

Report Parameters

Unless stated otherwise, this report covers data collected from September 1, 2016 to August 31, 2017.

The report includes data gathered by the Equity and Inclusion Office and data provided to the Office by Human Resources Services; Faculty of Health Sciences Professionalism Office; and Student Support & Case Management.

Relevant Links

Accessibility Hub
https://accessibility.mcmaster.ca/

Policy on Discrimination and Harassment: Prevention & Response

Equity & Inclusion Office
https://equity.mcmaster.ca/

Equity & Inclusion on Facebook
https://www.facebook.com/EIOMcMaster/

President's Advisory Committee on Building an Inclusive Community (PACBIC)
pacbic.mcmaster.ca

Sexual Violence Policy

Sexual Violence Response Protocol
svrp.mcmaster.ca
Executive Summary

In the 2016/17 academic year, McMaster University continued to strengthen its commitment to equity and inclusion and to understanding, preventing, and responding to discrimination, harassment and sexual violence/harassment.

As the office responsible for developing and supporting equity, diversity, and inclusion initiatives within and throughout the McMaster community, the Equity and Inclusion Office focused on supporting the University’s ongoing efforts to create and maintain a strong culture of collegiality, respect, safety and openness.

To that end, representatives from the Office were involved in drafting McMaster University’s stand-alone Sexual Violence Policy which took effect on January 1, 2017 and in the revision of its Policy on Discrimination and Harassment: Prevention and Response to align with the new Sexual Violence Policy. The result for both complainants and respondents is a clearer, more streamlined process – and one that is consistent regardless of which policy is initially engaged.

The Office also brought its staff up to a full complement, adding a new Director, Human Rights and Dispute Resolution and a Senior Human Rights Officer to the Human Rights Program, and an Equity and Inclusion Educator to the Equity Services Program. The Human Rights Program participated in an intensive Workplace Investigation training to further hone its investigation techniques. This has enabled the University to respond to human rights complaints in a more timely and cost-effective manner, and to be able to investigate more complaints using our internal resources.

The Office continues to improve its processes and tools for collecting complete and accurate data on complaints and consultations and is currently looking to update its case management system to provide an even more efficient and transparent complaints resolution process.

On the Equity Services Program side, the team worked closely with campus partners to successfully deliver several new initiatives, including: introducing over 50 All-Genders Washrooms across campus; launching a series of accessibility initiatives including – the Accessibility Hub, the FLEXForward teaching and learning resource to help instructors anticipate and mediate barriers to accessibility and the Accessibility Network for McMaster employees to foster sharing of information, resources and suggestions among members of staff and faculty who personally identify with disability-related issues. The Equity Services Program team, in partnership with the Human Resources Services’ Employment Equity Specialist also launched the Building Inclusion Workshops Series with the inaugural presentation focussing on “Unintentional Racism: Managing a Diverse Workforce”.

Overall, the Office continued to strengthen its partnerships with other campus groups and community members, notably through jointly presented workshops and training, establishing quarterly meetings with the various Intake Offices to develop a consistent approach and response to consultations and complaints and the Anti-Racism Resource Centre, to be launched in downtown Hamilton in early 2018. These partnerships helped the Office to increase the number of workshops, training sessions and events held by 25% over the 2015/16 academic year. It enabled the Office to reach over 6,300 people – an increase of 66% over the previous year.

All of this foundational work is providing the McMaster community with greater clarity around the University’s commitment to equity and inclusion and to engaging in fair and caring processes when addressing discrimination, harassment and sexual violence/harassment concerns or complaints.
The Equity and Inclusion Office

Promoting equity, diversity & inclusion.
Building a culture of collegiality, respect, safety & openness.

The Equity and Inclusion Office has a broad and proactive mandate to work with campus and community partners to promote, develop and support equity, diversity, and inclusion initiatives, which contribute to a culture of collegiality, respect, safety and openness.

The primary role of the Office is to:

- provide expert advice and assistance on matters of equity, diversity, and inclusion
- advance the University’s commitment to building an inclusive community
- receive concerns and complaints and facilitate their resolution
- promote respect, equity and fairness, and celebrate the rich diversity of the campus community.

Two distinct programs: Human Rights and Equity Services

The Human Rights Program offers confidential advice, guidance and consultation to students, staff, and faculty at McMaster University on issues related to human rights.

As one of four Intake Offices listed in McMaster’s Policy on Discrimination and Harassment: Prevention and Response and Sexual Violence Policy, the Human Rights Program is responsible for facilitating the resolution of concerns and complaints and for investigating formal complaints, related to issues of discrimination, harassment, and sexual violence.

The Equity Services Program partners with members of the University community to advance a culture of accessibility, equity, inclusion and human rights.

The Program engages students, staff, and faculty members through educational and community development initiatives, including consultations, customized educational workshops, remedial training, robust social media sites, and on-campus equity events.

The Equity Services Program also provides support to the President’s Advisory Committee on Building an Inclusive Community (PACBIC) which extends to each of PACBIC’s working groups, including Accessibility, Disability & Ableism, First Nations, Métis & Inuit Priorities, Interfaith Issues, LGBTQ+, Madness/Distress, Eugenics, Discrimination & Saneism (MEDS), Race Racialization & Racism, and Violence Against Women/ Gender Based Violence.

1 The other intake offices are Human Resources Services, Student Support & Case Management, and the Faculty of Health Sciences Professionalism Office.
Human Rights Program: 2016/17 Highlights

**Sexual Violence Policy Launched January 1, 2017**


The Policy applies to all members of the McMaster community, including students, staff, faculty, volunteers, and visitors, and to all acts of sexual violence where the University has the jurisdiction to pursue, adjudicate or take steps to safeguard the community.

The Policy outlines the processes for making disclosures, requesting accommodations, initiating a complaint under the Policy, and filing a criminal report with McMaster’s Security Services and the Hamilton Police Services.

It specifies the investigation and adjudication processes to be followed in the event of a complaint and establishes an Assessment Team to ensure all complaints lodged under the Policy are reviewed in a timely and consistent manner. The Director, Human Rights & Dispute Resolution is responsible for sitting on each Assessment Team under the *Sexual Violence Policy*. The Policy also describes the supports available to survivors and respondents in complaints of sexual violence.

To ensure that individuals administering the Policy and those with specific responsibilities under the Policy were fully briefed on the new Policy, the Human Rights Program, Sexual Violence Response Coordinator, together with representatives from each of the other three Intake Offices, held a series of training sessions across the University.

**Revised Policy on Discrimination and Harassment: Prevention and Response**

McMaster’s predecessor discrimination policy – *Discrimination, Harassment and Sexual Harassment: Prevention and Response* (DHSH) – was approved by Senate and the Board of Governors in May/June 2015. As part of the approval process, the University made a commitment to undertake a detailed review of the policy two years out.

When the Senate and Board of Governors approved the new *Sexual Violence Policy* in December 2016, however, it became apparent that the discrimination policy review should be accelerated to ensure alignment between the two policies and to avoid overlap or duplication.

A Review Panel, chaired by Dr. Gary Warner and including the Director, Human Rights & Dispute Resolution, was therefore established in December 2016 and asked to report back in May 2017 with recommended revisions. The Panel’s Terms of Reference included assessing the effectiveness of the Policy’s various processes and educational and training initiatives. The result was the revised **Policy on Discrimination and Harassment: Prevention and Response**, approved on June 8, 2017.

The revised Policy aligns and integrates, as much as possible, with the new *Sexual Violence Policy* so that the processes to be followed by both complainants and respondents are clearer, more streamlined, and consistent regardless of which policy is initially engaged.

For example, the policies make it clear that any complaint involving an element of sexual harassment should be processed under the *Sexual Violence Policy*. This is to ensure that complainants and respondents have access to the specialised supports and resources available under the *Sexual Violence Policy*. Where it is not clear which policy should be followed, an Assessment Team will review the details and determine the most appropriate route.
The policy on discrimination was revised in several other key ways:

- It places more emphasis on attempts at informal resolution.
- It is shorter and simpler, thus enhancing readability and understanding.
- It established an Assessment Team to review and assess all Formal Complaints, in which the Director, Human Rights & Dispute Resolution is responsible for sitting on.
- It addresses the concerns that respondents in a complaint situation may not always receive the support they need, and that interim measures may be left in place for too long a period.
- While the principle of timeliness still applies to the entire process, to allow for greater flexibility, some of the more rigid timelines have been relaxed or removed.

Understanding the Campus Climate: Student Voices on Sexual Violence Survey

As part of its March 2016 legislative amendments, the Ontario government instituted a requirement that postsecondary educational institutions participate in a survey of students related to sexual violence.

In the 18 months since then, representatives from student associations, Ontario postsecondary institutions, the violence against women community, researchers, and the university, college and private career college associations have been working with the Ministry of Advanced Education and Skills Development to develop a campus climate survey. McMaster’s Sexual Violence Response Coordinator participated in providing feedback on the campus climate survey and will continue to support the efforts of the Ontario Government and the McMaster campus community in the implementation of the survey. Through the online Campus Climate Survey, over 650,000 full-time, Ontario postsecondary students will be invited to confidentially share information about their experiences and their general attitudes and beliefs related to sexual violence. The goal of the survey is to better understand and measure sexual violence on campuses through consistent, quality data.

The survey results will help institutions and students identify and build awareness of issues surrounding sexual violence; it will also help institutions update their policies and processes and improve campus services based on the information provided by students.

The Ministry of Advanced Education and Skills Development has engaged an external research company (CCI Research) to implement the survey between February and April 2018.
Consistent System-Wide Data: Developing Common Reporting Metrics

The Ministry of Advanced Education and Skills Development has also contracted with an external company (Directions Evidence and Policy Research Group) to develop a set of common metrics that all institutions within Ontario’s postsecondary system can use to measure the number of formal sexual violence complaints made by students. The report and recommendations are expected in Fall 2018.

The Sexual Violence Response Coordinator, within the Office of Equity and Inclusion, is McMaster’s key contact for both the campus climate survey and the common metrics initiative.

Building In-House Capacity to Conduct Investigations

With the Human Rights Program at full complement for the first time in four years, the team now has the capability and capacity to conduct internal investigations into complaints lodged under McMaster’s Policy on Discrimination and Harassment: Prevention and Response and the Sexual Violence Policy.

Moreover, in the Spring 2017, all intake officers from the four intake offices on campus participated in specialized training on investigative techniques.

These developments benefit McMaster in two important ways. First, the work can be performed in a more timely, efficient and cost-effective manner by individuals with institutional knowledge. Second, it helps build trust as it signals to complainants and respondents that the University is taking their issues and concerns seriously, while balancing the principles of fairness, thoroughness, timeliness, and confidentiality.

Anti-Racism Resource Centre (ARRC): Heightened collaboration with community advocates and stakeholders

The ARRC is a collaborative initiative between McMaster University, the City of Hamilton, and the Hamilton Centre for Civic Inclusion. Its mandate is to address discrimination and harassment based on race and hate incidents by capturing statistics and providing support, information and referrals to persons impacted by racism and race-related oppression and violence. The ARRC will also make available a range of educational workshops and resources to the broader Hamilton community.

The ARRC will include one staff person, employed by McMaster’s Equity and Inclusion Office. The Anti-Racism Officer will establish and manage the daily operations of a comprehensive city-wide intake and referral centre for members of Hamilton’s racialized communities who are experiencing, or have experienced, incidents of racism and/or race-based discrimination in the City of Hamilton. The Anti-Racism Officer position was posted in August 2017; recruitment and selection was underway as this report was being drafted.

The ARRC will be located in the Hamilton Centre for Civic Inclusion office in downtown Hamilton and is scheduled to launch in early 2018. The ARRC organizers will pilot the program for three years, relying on the expertise and scholarship of faculty members in McMaster’s School of Social Work to evaluate its success.
Equity Services Program: 2016/17 Highlights

**Workshops: Continuing staples and a new initiative**

The Equity Services Program continues to deliver a range of highly sought after workshops and presentations including: *Human Rights Fundamentals, Accessibility 101, Challenging Islamophobia on Campus, What's In a Word: Insult or Inclusion?* in addition to responding to invitations for customized workshops delivered to classrooms, in residences and to administrative units across campus.

The **H.E.A.R.T. Workshop Series** — Human rights, Equity, Accessibility, Respect Toolkit - continues to be very popular with students, staff and faculty. Offered bi-annually, the series consists of six to eight workshops on topics such as Anti-Racism, Positive Space, and Anti-Oppression.

The **Wen-Do Women’s Self Defence Course**, also open to students, staff, and faculty, was again offered twice in the 2016-2017 academic year, in September and March. This 3-hour workshop provides women and girls, aged 10 and up, with an opportunity to practice physical and verbal techniques to deal with common assaults and situations women typically experience. It identifies and validates the steps that women are currently implementing to ensure their own safety from threats and experiences of violence in their daily and personal lives.

In addition, Equity Services regularly offers three variations of the **Supporting Survivors of Sexual Violence Workshop:**

1. **Supporting Survivors of Sexual Violence** — facilitated by McMaster’s Sexual Violence Response Coordinator. Offered twice yearly as part of the H.E.A.R.T. Workshop Series, this workshop is open to students, staff, faculty, and community members.

2. **Supporting Survivors of Sexual Violence — A Workshop for Students** — jointly presented with the Women and Gender Equity Network (WGEN). Open to students only, this workshop educates students on how best to respond when survivors disclose experiences of sexual violence. It also helps students develop skills to challenge rape culture on campus.

3. **Supporting Survivors of Sexual Violence — An Introductory Workshop for Staff** — jointly presented with McMaster’s Student Wellness Centre. This workshop educates staff and faculty on how best to respond when survivors disclose experiences of sexual violence. It also helps them develop skills for challenging sexual violence myths and assumptions.

New this year was the **Building Inclusion Workshop Series**, designed to address identified learning needs of the campus community with a particular focus on managers of people. The first workshop, offered in August 2017 and facilitated by Zaheer Lakhani, Bernardi Human Resources Law, was titled: “Unintentional Racism: Managing A Diverse Workforce.” Additional workshops will be offered throughout in the 2017-2018 academic year.
Welcome Week: Training student leaders on sexual violence

In August, in preparation for Welcome Week, all Welcome Week Faculty Reps, Residence Orientation Reps, and Community Advisors received training from the Sexual Violence Response Coordinator in partnership with the Sexual Assault Centre Hamilton and Area (SACHA).

This training aims to explain rape culture on campus, encouraging student leaders to recognize opportunities to interrupt and disrupt sexual violence myths, assumptions and behaviour. It also provides student leaders with the skills necessary to respond effectively and appropriately when students disclose experiences of sexual violence.

The Sexual Violence Response Coordinator and SACHA also organized bystander intervention training for the McMaster Maroons and Campus Events Staff via Project Soundcheck. ([http://www.sanottawa.com/projects/project-soundchecktm](http://www.sanottawa.com/projects/project-soundchecktm))

All Genders Washrooms Campaign

The Equity and Inclusion Office coordinated a campaign to introduce more than 50 All-Genders Washrooms — washrooms available to everyone regardless of their gender identity or gender expression.

As part of the campaign, the Equity and Inclusion Office will be posting an online resource for transgender, gender non-binary and two-spirit students, staff and faculty members. The resource provides information on various topics, including how to change the name and/or gender marker on a student or employee file, how to access services such as residence or athletics, and recreation health benefits.

For more information, please visit: [https://equity.mcmaster.ca/our-services/trans-inclusion-project-1/washroom](https://equity.mcmaster.ca/our-services/trans-inclusion-project-1/washroom)

AccessMAC: Three New Accessibility Initiatives

The Accessibility Hub is a new website designed as the primary portal for students, staff, faculty, and community members to find resources and links to accessibility-related information at McMaster University. The Hub was the result of a collaboration between many departments and groups, including the McMaster Accessibility Council and AccessMac within the Equity Services Program of the Equity and Inclusion Office.

Launched in Spring 2017, FLEXFoward (Focus on Learning and Eliminating Exclusion) is a teaching and learning resource created to meet the University’s compliance obligations under the Accessibility with Ontarians with Disabilities Act (AODA) while providing instructors with a comprehensive and practical suite of resources on accessible teaching and learning. The resource focuses not on accommodations, but rather on accessibility, helping instructors anticipate and welcome diverse campus members by proactively identifying and mediating barriers to accessibility. For more information, please see the Flex e-book: [https://flexforward.pressbooks.com/](https://flexforward.pressbooks.com/)

Inspired by the community building efforts of McMaster students with disabilities, in August 2017, the Equity and Inclusion Office also launched an Accessibility Network for staff and faculty who personally identify with disability-related issues. The network provides opportunities for McMaster employees with disabilities to meet other employees with disabilities in a confidential setting to share information, resources, and suggestions to enhance accessibility at McMaster.
Policy on Discrimination and Harassment: Prevention and Response

1. Overview

- Total cases: 351
- Consultations: 228
- Complaints: 123

2. Complaints: Breakdown by Resolution

- Complaints Informally Resolved - 94
- Complaints Formally Investigated - 24
- University Initiated Investigations - 4
- Complaints Referred to Hearing - 1

3. Complaints: Status of Formal Complaints and University-Initiated Investigations

- Open at start of academic year: 10
- New complaints received: 28
- Closed*: 22
- Open at end of academic year: 16

* Of the 22 complaints closed, six resulted in a finding of a policy violation and 10 resulted in a finding of no policy violation. For the remaining six complaints, a resolution was achieved between the parties, either during the investigation process or immediately following the investigation process, prior to a decision on finding being made. Examples of types of outcomes include a written apology, retroactive accommodation, changes to a graduate student’s academic supervision, reinstatement into a program of study, implementation of an academic accommodation plan, remedial education, no contact order, written reprimand, and unpaid suspension.
4. Consultations: Breakdown by Issue

- Harassment - Personal - 78
- Discrimination - 50
- Accommodation - 44
- Harassment - Human Rights - 34
- Sexual Harassment - 14
- Poisoned Environment - 8

Total 228

5. Consultations: Cases by Ground

Marital status: 1
Record of offences: 1
Citizenship: 3
Age: 4
Ethnic origin: 4
Place of origin: 5
Political belief: 5
Gender identity/gender expression: 5
Family status: 8
Membership or non-membership in a trade union, employee/employer organization: 8
Ancestry, colour, race: 12
Sex: 19
Creed/religion: 24
Disability: 61
Personal Harassment (bullying): 78

Note that some cases involve more than one ground.
6. Consultations: Participant Type

- Undergraduate Student: 73
- Graduate Student: 31
- Staff: 54
- Faculty: 51
- Other (external, such as hospital residents, not identified): 19

7. Consultations: Area of the University Community in Which Concern Originated

- Academic Studies: 123
- University Employment: 75
- Broader Campus Community: 17
- Off Campus (with nexus to University): 9
- Residence: 4
8. Complaints: Breakdown by Issue

- Harassment - Personal - 37
- Discrimination - 29
- Accommodation - 28
- Poisoned Environment - 12
- Harassment - Human Rights - 10
- Sexual Harassment - 7

Total 123

9. Complaints: Cases by Ground

- Sexual orientation: 1
- Language, accent or dialect: 1
- Political belief: 1
- Ethnic origin: 3
- Place of origin: 3
- Family status: 3
- Sex: 8
- Ancestry, colour, race: 10
- Creed/religion: 15
- Disability: 38
- Personal Harassment (bullying): 45

Note that some cases involve more than one ground.
10. Complaints: Participant Type

- Undergraduate Student: Complainant 11, Respondent 42
- Graduate Student: Complainant 12, Respondent 6
- Staff: Complainant 34, Respondent 28
- Faculty: Complainant 18, Respondent 67
- Other (external, not identified): Complainant 17, Respondent 11

11. Complaints: Area of the University Community in Which Concern Originated

- Academic Studies: 63
- University Employment: 44
- Broader Campus Community: 9
- Off Campus (with nexus to University): 6
- Residence: 1
12. Sexual Violence Policy

The Equity & Inclusion Office is awaiting direction from the Ministry of Advanced Education and Skills Development prior to reporting metrics under its Sexual Violence Policy. This is to ensure when the Office reports, it does so using the common metrics all institutions within Ontario’s postsecondary system have been asked to use. It is anticipated next year’s report will reflect these metrics.

13. Sexual Violence Response Protocol Overview

Launched in Fall 2015, the Sexual Violence Response Protocol guides all in the McMaster community – students, staff, and faculty – on how to receive sexual and gender-based violence disclosures in a supportive way.

Under the Protocol, any community member who receives a disclosure is expected to refer the individual to the Sexual Violence Response Coordinator who, in turn, can provide support, including referring the individual to the Protocol’s dedicated website.

The Sexual Violence Response Coordinator will also outline the options available to individuals who believe they have experienced sexual violence under the Sexual Violence Policy. These include: disclosing under the policy, receiving accommodations, lodging a formal complaint, and accessing the criminal justice process.

Disclosures and Consultations 88
Informal Resolutions 0
Academic Accommodations 26
Workshops, training, and presentations 52
People Reached 3850
Equity and Accessibility

Equity

- Consultations: 119
- Workshops & Events: 55
- People Reached: 2271

Accessibility

- Consultations: 18
- Training & Events: 10
- People Reached: 240
What’s on the Horizon for 2017/18?

- Introduction of the new Vice Provost, Equity and Inclusion
- Launch of the Anti-Racism Resource Centre in Downtown Hamilton
- Implementation and report on the Ministry of Advanced Education and Skills Development’s Campus Climate Survey on Sexual Violence
- Smudging Protocol
- New tools and training under the Discrimination and Sexual Violence policies to support those with particular responsibilities
- Continued Collaboration with Intake Offices to jointly present and attend at workshops
- Partnership between the Equity Services Program and the Employment Equity Specialist, Human Resources on a training program for people managers
- More equity-related programs, including anti-racism and sexual violence initiatives, and new workshops in the Building Inclusion series
- Amplifying the Voices of Marginalized Students on Campus, with support from the President and Vice-Chancellors Fund: Let’s Talk About Race, Let’s Get Smudging, DISability Discussions, the Blanket Exercise, Creating Authentic Spaces for Trans Community Members.
### Agenda Item 13.c.

#### Headcounts of Level 1 students, as of November 1, 2017

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* 101 - students registered in previous academic year at Ontario Secondary School
* 105 - all other applicants including students that came indirectly from an Ontario Secondary School
* Returning - internal transfers, students repeating Level 1, students readmitted, and students with course deficiency

Note 1: Headcounts as of November 1 and as reported to MTCU.
Note 2: Headcounts exclude Divinity, Mohawk & Conestoga Nursing.
Source: Student Records Database.

PREPARED BY THE OFFICE OF INSTITUTIONAL RESEARCH AND ANALYSIS
Full Time and Part Time Undergraduate Enrolment by Faculty and Level, as of November 1st 2017

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Note 1: Program names are as they appear in the Student Records database.
Note 2: Headcount enrolment is as of November 1, 2017 and as reported to MAESD.
Note 3: The Headcount total column excludes students in the co-op column.
Note 4: Effective Summer 2015, McMaster’s definition of a part-time student changed from 12 units to 9 units per four month term.
Note 5: Faculty of Engineering Other includes: Continuing Student-Engineering, Exchange Student(Incoming)-EN, LOP (Incoming) - EN, LOP / Visiting (Incoming) - EN, Transition Student-Engineering
Source: Student Records database (PeopleSoft Campus Solutions)
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Note 1: Headcount is as of November 1st and as reported to MAESD.
Source: Student Records Database (PeopleSoft Campus Solutions)
Prepared by the Office of Institutional Research and Analysis