EXHIBIT IV

STATEMENT OF INVESTMENT BELIEFS

FOR DISCUSSION

Beliefs that Joint Pension Board Members have requested more debate on (by order of interest):

- Belief # 10: Foreign currency hedging is desirable to reduce risk
- Belief # 4: Alternative investments should be considered on a case by case basis
- Belief # 6: Active management may add value in some markets but passive management is the Pension Board's default choice
- Belief # 8: Market timing doesn't generally work

EXPOSURE TO FOREIGN CURRENCIES

AllianceBernstein Global Bond Fund

	Min	Neutral	Max
Canadian	30%	50%	70%
Non-Canadian	0%	50%	70%
Unhedged	0%	0%	25%

Diversified Bond Fund

	Min	Neutral	Max
Canadian	53%	67%	80%
Non-Canadian	0%	34%	47%
Unhedged	0%	0%	17%

Diversified Equity Fund

Asset Class	**Exposure**
Canadian	30%
Non-Canadian	70%
Unhedged[1]	50%

Balanced Income Fund

	Min	Neutral	Max
Canadian	46.2%	56%	65%
Non-Canadian	21%	44%	54%
Unhedged	15%	15%	27%

Balanced Growth Fund

	Min	Neutral	Max
Canadian	37%	41%	45%
Non-Canadian	49%	59%	63%
Unhedged	35%	35%	40%

[1] The "Unhedged" component is as a proportion of total portfolio

EXHIBIT IV

Tier 3 Funds

Fund	% Unhedged
U.S. Equity Hedged	0%
U.S. Equity Unhedged	100%
Non-North American Equity	100%
Socially Responsible Global Equity	100%

EXHIBIT IV

<u>Documentation of Currency Beliefs</u>
<u>Investment Policy Committee of the Joint Pension Board</u>
<u>December, 2005</u>

At the urging of our investment consultant and to assist with the review of our foreign equities exposure, the Investment Policy Committee has documented their beliefs with respect to currency exposure for foreign securities. This documentation, which considers the Joint Pension Boards principles and preferences, is expected to serve as a reference for future committees as they make decisions about foreign investments for the retirement plans.

In our duty to prudently manage the funds of our beneficiaries, we are concerned about the degree of volatility introduced with foreign currency exposure. However, we believe some exposure is important to reduce volatility. In order to measure volatility we look at the total effect in our Balanced Funds (tier one) and our Diversified funds(tier two). In these funds we believe our overweight in Canadian stocks and bonds should serve to reduce the volatility of currency exposure when combined with foreign securities.

We are concerned about being in the wrong place at the wrong time when the Canadian dollar makes significant moves. To minimize regret, we endorse a 50/50 exposure policy with respect to foreign equities. Bonds are another matter. They are introduced to our balanced funds and portfolios of individual members for stability – a 100% hedged approach is preferred with these securities.

There are variations in how to interpret 50% exposure. With respect to the Diversified Equity Fund, the exposure is currently 50/50 if you consider the entire fund (30% Canadian Equities + 20% US Equities hedged). We are willing to allow active managers make calls at the margin. The committee is aware that the benchmark given to the manager for their product will dictate the amount of active currency management. In the case of active foreign bonds managed as part of a Canadian bond portfolio by Alliance Bernstein, the benchmark is 100% Canadian which will influence the manager's currency practices. While the most regret to be minimized is for members investing at the tier 3 level, the committee has agreed that their focus is on the tier one and tier two funds when applying this currency beliefs. Some committee members would like to have the tier 3 Non-North American Equity Fund completely hedged to protect these investors however they understand why this is not administratively efficient or necessarily the correct answer.

We want to be responsive to members' preferences but we currently understand these preferences based on anecdotal evidence and an estimate of their consumption basket in retirement. Anecdotal evidence indicates members do not know the currency exposure they currently have in the tier one and tier two funds. Current economic statistics indicate that the average Canadian's consumption basket in retirement is influenced by foreign currencies by up to 40%. We have observed that the members' preferences seem to depend on where we are in the cycle of Canadian dollar valuations.

Member choice is important and we believe it is important for members to decide on their own currency exposure if they are not satisfied with the exposure in tier one and tier two funds. They can do this with a combination of the tier 3 Canadian, US and Non-North American Equity funds.

We are concerned that members make well informed decisions and we want them to understand all non-Canadian exposure, but the education should be primarily focused on equities. We are concerned that some members do not realize what an unhedged position means. In the Diversified Equity Fund many members do not know what their currency risk is. When explaining options to members, the majority of the time is currently spent explaining the tier strategy. The committee would like to review the monthly performance summary to streamline the data presented and perhaps highlight the effect of currency exposure. With respect to the Non-North American Equity Fund (tier 3) members are getting a pure exposure to a basket of foreign currencies. We should be providing members with a pie chart indicating this exposure in tier 3.

We want to establish foreign securities in the program in a cost effective way, ensuring adequate measurement and monitoring of the results. We should have sufficient funds devoted to foreign equities to make currency management a worthwhile exercise. We are not willing to introduce a currency overlay or separate currency manager in order to maintain the position stated by our beliefs since this adds in a degree of administrative complexity and cost that is has limited expected returns. We have spent a great deal of time aligning the manager strategies according the core, value and growth approaches. We are concerned about “contaminating” these strategies by imposing a currency approach on the manager.

The Joint Pension Board has a preference for passive management where active management is not justified or is difficult to implement. We are not interested in a specific currency manager but are willing to let active managers apply currency hedging as a strategy to beat the market benchmark which will be an unhedged benchmark. Alliance Bernstein, our current EAFE manager doing active currency management has added about 50 bps value added.

It is important that we have the monitoring systems in place to ensure that the currency policy is on track and effective, however this is not currently the case. We should be monitoring the attribution of value added/subtracted due to currency management techniques of our active managers. If the probability of adding value is negligible then we should change the manager’s mandate.

Russell has indicated that other institutional investors rarely have a 100% hedged strategy for foreign equities because of the cost of hedging. Using Russell’s diagram on currency management choices (see below) our Diversified Equity Fund has 70% foreign exposure and the time horizon, while it varies by members, is longer rather than shorter – this indicates a 50/50 approach is appropriate for this fund.