

Addendum #1

This solicitation addendum is issued to:

1. Provide the following questions and answers:

Q.1. Can you provide any information on where the funds are currently held and managed?

A.1. At this time, the Group RRSP and Group TFSA is managed by an insurance company.

Q.2. Can you clarify details in the Notes section of 7.7 ...stating " Commission -based arrangements will not be considered"?

A.2. Typically, in the context of capital accumulation plans, all fees are paid by participants in basis points. This approach of basis points fees, as part of investment management fees charged to participants is acceptable for CMHC. A commission-based arrangement would not be acceptable for CMHC.

Q.3. Can you share withdrawal information?

A.3. When employees leave CMHC, they are required to withdraw/transfer their funds to a personal RRSP and/or TFSA. CMHC does not have any details on the frequency/amounts of withdrawals from current active employees.

Q.4. Can you send a fillable pdf or a word doc so we can send you the answers in your preferred format?

A.4. There is no fillable form available at this time.

Q.5. Why are you going to market? --- Governance? Price check? Change to delegated model?

A.5. Our current contract with our service provider is expiring and as a Crown Corporation we are obligated to go to market. In addition, CMHC is looking at delegating responsibilities for key investment decisions related to the GRRSP and GTFSA to an external provider.

Q.6. Are you working with a consultant? --- I believe Mercer is their DB actuary and investment consultant. I don't know for RRSP?

A.6. We are not currently working with a consultant for our GRRSP/GTFSA.

Q.7. You are asking for a delegated DC solution : Please confirm what your expectation is regarding delegation. "Is it that Desjardins take on fiduciary responsibility for manager selection, oversight, monitoring and reporting and share governance responsibilities? or is it the current model you are currently in?"

A.7. In addition to providing full in-house administration, recordkeeping and custody services, CMHC is looking at delegating responsibilities for key investment decisions related to the group RRSP and group TFSA to an external provider, such as, but not limited to the following:

- a. Assist CMHC in determining the objectives, the plan design and the investment structure for both the group RRSP and group TFSA and provide access to top tier managers, best portfolio construction to achieve its objectives;
- b. Exercise fiduciary responsibility for manager selection, oversight, monitoring and reporting and share governance responsibilities;
- c. Provide independent financial consultation services to employees as well as handle communications and education material; and

- d. Demonstrate the evaluation risks and the performance of fund managers as well as the insurance of that investment fees are competitive.
- e. Provide employees access to a call centre, a website, financial planning assistance tools as well as administration support.
- f. Have the ability to provide the services in Canada's both official languages.
- g. Maintain all employee personal and confidential information within Canada.

Q.8. Please can you provide the annual cash flows for 2017 2018 and 2019 by plan?

A.8.

Plan	RRSP	RRSPS	TFSA
2017	1,691,000.00	145,000.00	278,000.00
2018	1,787,000.00	162,000.00	269,000.00
2019	2,289,000.00	149,000.00	367,000.00
Grand Total	5,767,000.00	456,000.00	914,000.00

Q.9. As you mention "Commission-based arrangements will not be considered", can you please clarify what type of fee arrangements will be acceptable and for what services. Typically, in the context of capital accumulation plans, all fees are paid by participants in basis points. Would that approach be appropriate for CMHC? If not, please provide examples of arrangements that would be appropriate.

A.9. Yes, the current practise of basis points fees, as part of investment management fees charged to participants is acceptable.

Q.10. Have there been any changes/amendments to the plan or the contribution requirements since December 31, 2019?

A.10. No

Q.11. Are there "locked-in" amounts in the RRSP? If so, what is the market value?

A.11. No, the locked-in amounts are not part of the group RRSP. However, there are locked-in amounts in separate LIRRSPs. The market value is around \$365,000.

Q.12. What is the current investment menu for members ? (managers and asset class) ?

A.12. Employees can choose to invest in already set portfolios based on their age and risk tolerance or they can chose from a variety of funds to build custom portfolios.

Q.13. Please provide explanation of "EBID". Are there any system or other specifics?

A.13. EBID is an account email where we received the proposals from suppliers.

Q.14. Please confirm that Sunday, September 27, 2020 is the effective date of the new plan.

A.14. Effective date is September 27th 2020.

Q.15. Can we use the CMHC logo? If so can we get a copy of it?

A.15. Please use supplier logo not the CMHC logo for your proposal.