

INVESTMENT POLICY

INVESTMENT POLICY FOR

1. Background

- (a) The Charity is incorporated under the Canada Corporations Act;
- (b) The Charity is registered under the Income Tax Act as a public foundation with registration number xxx;
- (c) The Letters Patent of the Charity contain the following special provisions dealing with investments:

“The directors [of the Charity] may appoint a person or corporation to act as the directors’ agent for the management of the assets of the [Charity] and from time to time may terminate such appointment and/or make another. The directors are authorized to fix the remuneration to be paid to any such person or corporation and such remuneration is to be charged upon the property of the [Charity] and payable out of the capital and/or income thereof in such proportions as the directors may from time to time decide. In making any such arrangements as aforesaid, the directors may place any or all of the said investments in the custody of such person or corporation and may transfer such investments, or any of them, into the name of such person or corporation, or any nominee thereof. Without limitation, the directors may delegate their investment authority to investment counsel provided the directors set guidelines; and the directors may delegate their investment authority in the course of or as a result of the investment in, or the purchase or holding of, shares or units of mutual fund corporations or trusts or shares or units of pooled funds.”

- (d) The Charity is not taxable on its investment income;
- (e) xxx
- (f) The approximate value of the investment assets of the Charity as at
- (g) The Charity has the following factors which are specific to it which are relevant to its investment needs:
 - i. The sum of xxx received from xxx, and any property substituted therefore (including investments), must be held for a period of ten years ending July xxxx (the “Restricted Funds”);
 - ii. Interest or capital growth on this amount and other monies donated to the Charity are available for general purposes (the “Unrestricted Funds”).

2. Purpose and Objectives

- (a) The purpose of this Investment Policy is to provide a framework for the proper management of the investment assets of the Charity;
- (b) The objectives of the Charity are:
 - (i). to operate exclusively as a charitable foundation to receive and maintain a fund or funds and to apply all or part of the principal and income therefrom to registered charities pursuant to the *Income Tax Act* (Canada);
 - (ii). to use, apply, give, devote or distribute from time to time all or part of the fund or funds of the Charity and the income therefrom for any “qualified donee”, as defined in the *Income Tax Act* (Canada), which will best promote the objects of the Charity;
 - (iii). to solicit, accept, receive and acquire by purchase, lease, agreement, grant, donation, legacy, gift, bequest or otherwise any kind of real or personal property and to enter into and carry out agreements, undertakings and conditions in connection therewith;
 - (iv). for the proposed objects, to acquire, hold, purchase, convert, lease, mortgage, sell or dispose of any asset of the Charity; and to invest and re-invest any of the assets of the Charity in investments which the directors in their discretion consider appropriate without limitation to investments in which trustees are authorized to invest trust funds by any statute of law, and the directors shall not be held responsible for any loss that may be occasioned by any such investment made by the directors in good faith;
 - (v). to disburse and distribute money and property in the furtherance of the objects of the Charity;
 - (vi). to co-operate with other registered charitable organizations and foundations; and
 - (vii). to do all such other things as are incidental or conducive to the attainment of the above objects.
- (c) The Charity plans to distribute annually funds to at least satisfy the disbursement quota requirements of the *Income Tax Act*;
- (d) The first objective for the Charity’s investments is to provide reasonable long-term

growth with a focus on preservation of capital; and

- (e) The second objective for the Charity's investments is to grow its investment capital to develop a sustainable income stream over the long term for the annual distribution of funds to charitable organizations and institutions.

3. Investment Arrangements

- (a) The board of directors of the Charity (the "Board") shall have responsibility for the management of the Charity's investments;
- (b) The Board shall act prudently in making investment decisions for the Charity and in so doing shall specifically consider all relevant criteria, including the following:
 - (i) general economic conditions;
 - (ii) the possible effect of inflation or deflation;
 - (iii) the expected tax consequences of investment decisions or strategies;
 - (iv) the role that each investment or course of action plays within the overall portfolio of the Charity;
 - (v) the expected total return from income and the appreciation of capital;
 - (vi) needs for liquidity, regularity of income and preservation or appreciation of capital;
 - (vii) an asset's special relationship or special value, if any, to the purposes of the Charity; and
 - (viii) any need to diversify the investments.
- (c) Because of the size of the Charity's investment assets, the Board may decide to retain investment managers or investment counsel (the "Managers") to advise with respect to the management of the investments;
- (d) The Board should ensure that no conflict of interest is created by retaining any Managers;
- (e) The Board may appoint an Investment Advisory Committee ("IAC") to assist it in the management of the Charity's investments and the initial members of the Committee shall be comprised of no fewer than three (3) directors or officers of the Charity; and
- (f) The IAC shall be responsible for ensuring any Manager's adherence to the

additional investment guidelines, terms and conditions set out in the attached Schedule "A".

4. **Reporting, Evaluation and Review**

- (a) The Board or IAC shall review this Investment Policy annually to ensure that it continues to meet the Charity's objectives and all applicable legal requirements;
- (b) The Board's IAC should meet to discuss the results and performance of the Charity's investments at least twice per year;
- (c) The Board should obtain quarterly reports on investments from its Treasurer indicating portfolio holdings, investment result and investment activity;
- (d) The Board should receive a report from the IAC at least annually;
- (e) The Board and IAC should meet with any Managers at least annually and ensure that any Investment Advisory Committee meets with any Managers more frequently;
- (f) The Charity's investments should be recorded on the books of the Charity according to Generally Accepted Accounting Principles;
- (g) The Board should ensure that the Charity's auditors review the Charity's investments annually from an audit point of view but not from a performance point of view; and
- (h) effective from the date set out below, this Investment Policy replaces all previous Investment Policies of the Charity.

ENACTED by the Board this day of

200_.

LAST REVIEW DATE:

Schedule "A": Additional Investment Guidelines, Terms and Conditions

1. **Consideration:** The Charity shall give consideration to investment products and services offered by or through xxx, which includes but is not limited to, xxx
2. **10% Limit:** Further to the *Charitable Gifts Act* (Ontario), in no case shall the Charity own more than 10% of any business or any class of a corporation.
3. **Land:** Further to the *Charities Accounting Act* (Ontario), in no case shall the Charity hold land not required for its charitable purposes (such as investment property) for more than three years.

ENACTED by the Board this day of _____ 200_.

LAST REVIEW DATE: _____