

## Expendable Fund Investment Policy

### Investment Objectives:

#### Cash Balance

- Maintain an appropriate cash balance using existing RBC Investments accounts (or equivalent).
- Cash balance to be actively managed quarterly by the Finance Committee to ensure all cash flow requirements are met.

#### Active Management

- Maintain an appropriate balance between Fixed Income and Equity investments to ensure Preservation of Capital
- Sufficient diversification in both asset classes so as to limit exposure to volatility.
- Fixed Income – to achieve a rate of return that exceeds the rate of inflation by a minimum of 2 to 4 % by investing in varying maturities of bonds, GIC's, bond funds or equivalents.
- Equity – to achieve long-term capital appreciation by investing equity securities of issuers from around the world.
- Current Asset Mix Guidelines - to be allocated as follows:

	Minimum	Maximum
Fixed Income	50%	85%
Equity	15%	50%

### Investment Manager's Constraints:

- No fixed income investment (with one issuer) will exceed 10% of the fixed income component of the portfolio without prior consent of the Finance Committee;
- The minimum investment rating for bond selections will be an "A" quality as rated by Dominion Bond Rating Service (or equivalent) unless prior consent is given by the Finance Committee;
- No equity investment in any one company will exceed 10% of the equity component of the portfolio;
- Avoid over-concentration in specific sectors or geographical regions
- Venture capital and highly speculative situations (such as options, futures, real property, precious metals, and currency) are not to be included in the portfolio;
- The investment manager shall not borrow money, pledge or otherwise encumber any of the portfolio assets;
- Liquidity of the Portfolio sufficient to meet the planned cash flow requirements of the Board's programs and projects on a quarterly basis;

### Investment Manager's Responsibilities:

- Provide regular monthly statements to the Foundation and Finance Committee;
- Upon request - conduct or provide an investment review with the Finance Committee; measuring performance against indexes that represent each of the asset classes and geographic regions of the portfolio;
- Annually, or as may be requested from time to time, conduct a review meeting with the Finance Committee and/or Board providing actual portfolio holdings and returns; measuring performance against indexes that represent each of the asset classes and geographic regions of the portfolio;
- Select investments within each asset class subject to the constraints set out in this statement;
- Maintain total costs related to portfolio management at the prescribed levels as determined during negotiations with the Finance Committee.

## Endowed Funds Investment Policy

### Investment Objectives:

- Preserve Capital
- Maintain an appropriate balance between Fixed Income and Equity investments to ensure Preservation of Capital
- Sufficient diversification in both asset classes so as to limit exposure to volatility.
- Fixed Income – to achieve a rate of return that exceeds the rate of inflation by a minimum of 2 to 4 % by investing in varying maturities of bonds, GIC's, bond funds or equivalents.
- Equity – to achieve long-term capital appreciation by investing equity securities of issuers from around the world.
- Current Asset Mix Guidelines - to be allocated as follows:

	Minimum	Maximum
Fixed Income	50%	85%
Equity	15%	50%

### Investment Manager's Constraints:

- No fixed income investment (with one issuer) will exceed 10% of the fixed income component of the portfolio without prior consent of the Finance Committee;
- The minimum investment rating for bond selections will be an "A" quality as rated by Dominion Bond Rating Service (or equivalent) unless prior consent is given by the Finance Committee;
- No equity investment in any one company will exceed 10% of the equity component of the portfolio;
- Avoid over-concentration in specific Sectors or Geographical regions
- Venture capital and highly speculative situations (such as options, futures, real property, precious metals, and currency) are not to be included in the portfolio;
- The investment manager shall not borrow money, pledge or otherwise encumber any of the portfolio assets;
- Liquidity of the Portfolio sufficient to meet the planned cash flow requirements of the Board's programs and projects.

### Investment Manager's Responsibilities:

- For each endowment of \$25,000 or greater provide segregated reporting.
- Provide regular monthly statements to the Foundation and Finance Committee;
- Upon request - conduct or provide an investment review with the Finance Committee; measuring performance against indexes that represent each of the asset classes and geographic regions of the portfolio;
- Annually, or as may be requested from time to time, conduct a review meeting with the Finance Committee and/or Board providing actual portfolio holdings and returns; measuring performance against indexes that represent each of the asset classes and geographic regions of the portfolio;
- Select investments within each asset class subject to the constraints set out in this statement;
- Maintain total costs related to portfolio management at the prescribed levels as determined during negotiations with the Finance Committee.