

# **Investment Policy Statement**

**For**

**The**

**Marie Robbins Education Foundation**

**Approved by Board of Directors on XXXX XX, XXXX**

## Table of Contents

<b>Executive Summary .....</b>	<b>3</b>
<b>Scope of Investment Policy .....</b>	<b>4</b>
<b>Purpose of the Investment Policy Statement .....</b>	<b>4</b>
<b>Delegation of Authority .....</b>	<b>4</b>
<b>Assignment of Responsibility .....</b>	<b>5</b>
<b>Responsibility of Financial Advisor(s) .....</b>	<b>5</b>
<b>Investment Management Policy .....</b>	<b>5</b>
<b>Goal of Foundation .....</b>	<b>6</b>
<b>View of Charitable Givings .....</b>	<b>6</b>
<b>Spending Policy .....</b>	<b>6</b>
<b>Investment Objectives .....</b>	<b>6</b>
<b>Investment Goals .....</b>	<b>7</b>
<b>Definition of Risk .....</b>	<b>7</b>
<b>Investment Guidelines .....</b>	<b>7</b>
<b>Allowable Assets</b>	<b>7</b>
<b>Prohibited Assets</b>	<b>8</b>
<b>Excluded Transactions</b>	<b>8</b>

## Executive Summary

**Type of Plan:** Not – For Profit Organization  
**Current Assets:** \$ \_\_\_\_\_  
**Expected Annual Return (after fees):** 5.0 – 6.0%  
**Risk Tolerance:** Moderate

### Asset Allocation:

<b>Equities</b>	<b>65% +/- 10%</b>
<b>Canada</b>	<b>15% +/- 10%</b>
<b>US</b>	<b>30% +/- 10%</b>
<b>International</b>	<b>20% +/- 10%</b>
<b>Fixed Income &amp; Alternatives</b>	<b>35% +/- 10%</b>
<b>Real Estate Exposure (included in equity allocation)</b>	<b>up to 10%</b>

### Investment Benchmark

<b>Equities</b>	<b>S&amp;P 500 – US</b>
	<b>S&amp;P TSX Composite – Canadian</b>
	<b>MSCI Europe</b>
<b>Fixed Income</b>	<b>FTSE Canada Government Bond</b>
	<b>Morningstar Aggregate Bond</b>
<b>Real Estate</b>	<b>MSCI World Real Estate Index</b>

# **Statement of Investment Policy, Guidelines, and Objectives**

**For the \_\_\_\_\_ Foundation**

## **SCOPE OF THIS INVESTMENT POLICY**

This statement of investment policy reflects the investment policy, objectives, and constraints of the overall account.

## **PURPOSE OF THIS INVESTMENT POLICY STATEMENT**

The purpose of this document is to establish the policies, objectives and guidelines that are to govern the investment of the assets of this portfolio. This document is not to be taken as a set of rules, but rather as benchmarks to guide the board to interpret and apply through the investment process. The Investment Policy should be reviewed on an annual basis to ensure it continues to meet the ongoing needs of the Foundation. The Policy will aid in:

1. Establish investment goals and objectives of the portfolio assets.
2. Define and assign responsibilities of all parties.
3. Establish a process for evaluation of investment performance.
4. Seek guidance from various professionals in managing the assets of the Foundation.

## **DELEGATION OF AUTHORITY**

The Board of Directors is responsible for directing, monitoring and evaluating the management of Fund assets. In this capacity the Board of Directors is authorized to delegate certain responsibilities to professionals in various fields. These include, but are not limited to:

1. Financial Advisor. The advisor will work with the Board of Directors or its delegates to recommend and implement the purchase, sale, or holding specific securities to meet the investment objectives for the Foundations assets.
2. Board of Directors: These individuals are authorized to direct the investment of Foundation funds
3. Custodian. The custodian will direct the withdrawal of funds to pay for Foundation expenses and disbursement of Scholarships: 2 of three signatures
4. Other specialists such as accountants, lawyers, investment consultants, actuaries and others may be employed by the Board of Directors to assist in meeting the obligations and responsibilities to manage the Foundation assets prudently.

If any experts are employed all expenses for professional services must be typical and reasonable and will be paid by the Foundation as deemed appropriate and necessary.

## **ASSIGNMENT OF RESPONSIBILITY**

### **RESPONSIBILITY OF THE FINANCIAL ADVISOR(S)**

Each Financial Advisor must seek agreement from the appropriate delegates of the Foundation before processing any purchases, sales or redemptions of funds. No Financial Advisor will have discretionary trading authorization and is expected to work within the guidelines and objectives set out in the Investment Policy. Specific responsibilities of the Financial Advisor(s) include:

1. Collaborative investment management providing recommendations for purchases, sale and to hold securities, and to rebalance asset allocation within the guidelines set forth in this statement.
2. Reporting on a monthly basis in the form of monthly statements.
3. Communicate any major changes to economic outlook, investment strategy or other factors that may impact the investment objectives of the Foundation.
4. Meeting at a minimum for an annual review with the Delegates/Board of Directors. Discuss objectives, performance, portfolio allocation and review of the Investment Policy for any changes.

### **INVESTMENT MANAGEMENT POLICY**

1. Generation of Income – In line with the objective of providing annual scholarships the Financial Advisor(s) will seek to generate cash flow in the portfolio to offset some need for liquidation of capital to fund disbursement needs.
2. Diversification – The Financial Advisor(s) will work with the Delegates/Board of Directors to establish a diversified portfolio consisting of multiple assets classes as well as geographical diversification.
3. Adherence to Investment Discipline – Financial Advisors are expected to adhere to the investment management limitations set out in the Investment Policy. The Financial Advisor(s) will be evaluated regularly for adherence to the set investment discipline.

### **GOAL OF FOUNDATION**

The Foundation seeks to build and sustain the assets of the Trust to ensure the existence of scholarships for new to Canada students in perpetuity, as long as the Trust exists. To attain this goal, the overriding objective of this Foundation is to raise money and increase grants while managing the funds prudently.

## **VIEW OF CHARITABLE GIVINGS**

Future contributions to the Foundation are unknown and can be unpredictable. As such, the Board of Directors has set an investment strategy with the objective of generating income and growth of the assets. Future donations will serve to increase our investments with the expectation that the number of scholarships will also increase.

## **SPENDING POLICY**

The Foundation hopes to maintain scholarships in perpetuity. The Foundation's policy on spending is to limit withdrawals to 5% of invested assets. To last through periods of underperformance the Foundation will continue to raise donations in the form of free cash flow in order to supplement scholarship payments.

The Foundation will award scholarships annually from investment returns at a fixed rate of 5% of the invested assets balance as of December 31<sup>st</sup> of the previous year. Discretion of the Board of Directors may be used to disburse funds above or below this threshold should long-term economic outlook warrants. All approvals will be documented during the minute meetings of the Board of Directors.

## **INVESTMENT OBJECTIVES**

In order to meet the needs for the Foundation, the investment strategy is to emphasize total return: this is the aggregate return from dividend, interest income and capital appreciation (deferred and realized).

The primary objective in the management of the assets shall be:

Long-Term Growth of Capital – To focus on long-term growth of principal while generating annual free cash flow to help pay for scholarship awards. Market volatility occurs regularly, and our current 65/35 Investment Policy was created to help the funds withstand long and short-term fluctuations in the markets.

## **INVESTMENT GOALS**

It is the goal for the Invested assets to meet or exceed:

**An absolute return range of 5.0% - 6.0%.**

## **DEFINITION OF RISK**

The Board of Directors understands that there are many ways to view and define risk. The Board believes that any person or institution in charge of managing the Foundation assets understands how they define risk so that the assets are managed in line with the Foundation's objectives and strategy as outlined in the statement of investment policy.

## **INVESTMENT GUIDELINES**

### **ALLOWABLE ASSETS**

1. Cash Equivalents
  - a. Treasury Bills
  - b. Money Market Funds
  - c. Cashable Guaranteed Investment Certificates
  - d. Short Term Investment Fund
  - e. Short Term Bonds
  - f. High Rate Savings Accounts
2. Fixed Income Securities
  - a. Government and Agency Securities (Local and Foreign)
  - b. Investment Grade Corporate Notes and Bonds
  - c. Preferred Shares
  - d. Fixed Income Exchange Traded Funds (ETF's)
  - e. Option Strategies that seek to reduce risk (some ETF's and Mutual Funds use this as fixed income alternatives)
3. Equity Securities
  - a. Common Stock – Large/Mid Cap
  - b. REITs – Real Estate Trusts
  - c. Convertible Preferred Shares
  - d. Exchange Traded Funds (ETF's with similar exposures to equities and REIT's)
4. Mutual Funds
  - a. Mutual Funds that invest in similar securities as allowed in this statement

### **PROHIBITED ASSETS**

Prohibited investments include, but are not limited to the following:

1. Commodities and Futures Contracts
2. Direct Options Trading outside of Mutual Fund mandates with appropriate risk tolerance

3. Principal Protected Notes
4. Venture-Capital Investments
5. Crypto currencies
6. Penny Stock

## **EXCLUDED TRANSACTIONS**

Transactions include, but are not limited to the following:

1. Short Selling
2. Margin Transaction