

	Quesnel Community Foundation	Approved	June 2014
	Investment Policy	Revised	January 2018
		Revised	October 2019

## **Committee**

The Board of Directors will appoint an investment committee each year to advise the board and take initiative regarding investments for the Foundation.

- The committee will consist of five voting members, of whom three will be current directors of the Foundation.
- The three board members will be appointed by the directors and will include a designated chair and vice chair as well as the treasurer.
- The three board members of the committee will recommend to the directors two non-board voting members for confirmation by the directors.
- The committee will meet at least three times per year to review current investments at those meetings and recommend new or changes to investments as and when necessary.
- A quorum of the investment committee will be three committee members present including at least two members who are directors.

## **Investment Decisions**

- Investment decisions of the committee may or may not be unanimous but must be accepted by a minimum of four committee members.
- Decisions of the committee will be acted upon on by the chair of the committee or the vice chair. Any action shall be communicated to the board of directors at the next board meeting following the action.
- If only three members are present, then any investment changes recommended must be confirmed by a fourth committee member by email before any actions are taken ie. four committee members must be in favour of any actions of the committee.
- The board of directors, on the recommendation of the investment committee may appoint an investment advisor to make investments for the Foundation but such decision will only be made, based on the investment policy outlined below. If an investment advisor is appointed, the Foundation may appoint more than one advisor or may only designate part of Foundation funds to be managed by the advisor or advisors.

## **Investment Objectives**

- The objective of the investment policy of the Foundation is to provide for long term capital growth and income by investing primarily in a well-diversified, balanced portfolio of Canadian, US and international stocks, bonds, funds and money market securities.

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- The target ratio of Canadian, US and International holdings will be determined by the committee and reviewed by the members at least annually.
- The allotment of investments will nominally be 65% equities and 35% fixed income. There will be a tolerance of 5% on this ratio i.e., it may vary between 70% equities and 30% fixed income and 60% equities and 40% fixed income.
- Further, at the time of making an investment no individual stock shall exceed 3% of the value of the total investment fund of the Foundation.
- No purchase of any fund shall exceed 25% of the investment fund of the Foundation. Those percentages include any of the stock or funds already owned.

### **Reporting**

- A report will be produced for the Board each quarter. The report will compare the investment account performance with the benchmarks: TSX and S&P 500. The report will also include the outlook going forward and potential changes contemplated by the investment committee.
- Annually, a report will be prepared for Board review including a comparison to the benchmarks in graphic format. The compound rate of return for 3, 5 and 10 years will be shown for the investment account and the benchmarks. A current snapshot will show the current composition of the investment account: cash and gic's, preferreds, investment grade bonds, non-investment grade bonds and equities. An additional chart will show the distribution of equity investments geographically. There will be a brief analysis of the year's performance as well as comments on the 3, 5- and 10-year returns. Strategy for the next year will be commented upon.

### **Financial Controls**

- Two members of the committee will be delegated to trade on the investment account. One will be the chair the other the vice chair. On the first few days of the month, one of these individuals will send the rest of the committee a summary of the account holdings and a summary of the transactions of the past month.
- Presently the investment account is configured by the financial institution so that only the individuals who can trade are able to view the account on-line. It is desirable for all committee members to view the account and use the tools provided. This feature will be made available as soon as the financial institution is able to provide on-line viewing to committee members without the ability to use the trading function.
- Regarding cash transfers, the chair of the committee or the vice chair may transfer cash only to an account registered with RBC Direct Investing and in the name of Quesnel Community Foundation. Protocols are in-place for the security of cash in the QCF accounts.

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- The appointed QCF auditor will review the account as a part of the annual audit. The protocols on the account for trading and cash transfers will be checked. Annually the auditor will request an independent statement/account balance direct from the investment institution where the account is held.
- It is understood that passwords will be changed periodically and will not be shared with anyone. Also, each time a new chair or vice chair is appointed new passwords will be initiated.