

**INVESTMENT POLICY**  
**WESTSHORE COMMUNITY FOUNDATION INC.**

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**A. OVERVIEW:**

This Investment Policy (“Policy”) is to be used for funds managed in the name of the Westshore Community Foundation Inc. (“the Foundation”). Its primary goal is to provide for grant making in perpetuity from the income of its invested funds. To do this effectively, the Policy seeks to obtain a total return sufficient to provide a dependable source of income for distribution and to preserve in real dollar terms (*ie* after inflation adjustment) the Foundation’s capital.

A copy of the latest revision of the Investment Policy should be provided to all members of the Board of Directors.

**B. RESPONSIBILITIES**

The Board of Directors of the Westshore Community Foundation (the “Board”) has delegated its investment supervising and monitory responsibilities to the Foundation’s Finance Committee (the “Committee). The Board retains final authority over the Investment Policy but relies on advice from the Committee.

The Committee and its agents/advisors must conform to the provisions of the Investment Policy. The Committee must review the Policy at least annually to ensure that it is appropriate and effective and report to the Board of Directors on the results of its review. A detailed list of the responsibilities of the committee is outlined in the Asset Governance Plan. The members of the Committee are to adhere strictly to the Conflict of Interest Guidelines outlines in Section E of the Asset Governance Plan.

**C. BASIC OBJECTIVES**

- I) To ensure safety of capital over the long term
- II) To provide income to meet the requirements of the Disbursement Policy
- III) To maintain a proper balance between meeting the Disbursement Policy requirements and ensuring that over the longer term that our endowment funds grow (net of new donations) in value at a rate at least equal to inflation.

#### **D. PERMITTED INVESTMENTS**

The Foundation's investment assets may only be invested in the following asset categories:

- I) Cash
  - Deposits at a Bank or Credit Union with preference given to those institutions located within the Foundation's geographical service boundaries.
- II) Demand or term deposits
  - At a recognized Bank or Credit Union within our service area.
- III) Treasury Bills, money market securities
  - Maturing within one year
- IV) Investment Certificates issued by Banks, Credit Unions, Insurance Companies or Trust Companies
  - Maximum maturity of 5 years
- V) Bonds or non convertible debentures
  - Federal or provincial gov't bonds or gov't guaranteed bonds or corporate bonds rated A or better
- VI) The Consolidated Trust Fund of the Winnipeg Foundation.

It is the Foundation's current intention to utilize the investment opportunity provided by maintaining a Managed Fund within the Consolidated Trust Fund of the Winnipeg Foundation as the primary instrument for our long term investing.

The Foundation's investment portfolio will not be invested in any other than those investments listed above without the prior consent of the Finance Committee and the Board of Directors as evidenced by a resolution of the Board of Directors duly passed and recorded in the Board meeting minutes.

#### **E. APPROPRIATE INVESTMENT OBJECTIVES & CRITERIA**

As outlined in the Governance Plan, the Foundation has chosen to account for its monies under two separate categories:

I) Unrestricted Net Assets:

This category includes amounts set aside to fund short term obligations likely to be paid out within a year so these assets must be readily accessible and highly liquid. Investments should be held in cash, (checking/savings accounts) &/ or short term money market instruments/GICs.

II) Restricted Funds:

- a) Short Term Requirements – Monies required for granting activities in accordance with the Disbursement Policy for the current year.

These Monies must be readily accessible and highly liquid so they should be held in cash or short term money market instruments/GICs.

- b) Medium Term Requirements- Monies required for estimated granting activities for the next 3 to 5 years.

These monies can be held in liquid fixed income investments like Bonds/GICs with maturities “laddered” to come due as granting requirements dictate. The maintenance of this maturity ladder is a responsibility of the Finance Committee.

- c) Long Term Requirements – Balance of the endowment funds. The major objective here is to obtain an investment performance that will bear the primary responsibility for generating sufficient returns in the long term to support the Disbursement Policy requirements and enhance capital value sufficient to offset inflation. Greater volatility is acceptable within prudent limits to achieve these objectives.

Suitable investments for these funds would be Bonds, GICs and the Consolidated Trust Fund of the Winnipeg Foundation

## **F. ASSET MIX**

The following are the Foundation's allowable mix ranges for its investments:

<u>ASSET CLASS</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>
A. Short Term Chequing/savings accounts Money market investments GICs under 1 year	5%	25%
B. Bonds/GICs over 1 year	0%	55%
TOTAL FIXED INCOME	50%	80%
Canadian Stocks	10%	50%
Foreign Stocks	0%	40%
TOTAL EQUITIES	20%	50%

A significant portion of our monies may be invested in our Managed Fund within the Consolidated Trust Fund (CT Fund) of the Winnipeg Foundation and it is deemed acceptable for the Finance Committee to utilize the asset mix of the CT Fund as of September 30 in calculating Westshore's asset mix position as of December 31 of the same year.

The asset mix must be calculated at least annually and reported by the Finance Committee to the Board of Directors as part of its Annual Report with a specific comment on its compliance with the allowable mix ranges as outlined above.

## **G. REVISION HISTORY**

Original - March, 2005

Revision No.1- March, 2011