

Investment and Grants (approved December 10, 2020)

4.3 Investment Policy

An Investment Committee of Fort Sackville Corporation shall be established consisting of the Board Chair, the Treasurer, and at least 2 other members from the Executive or Board of Directors. If possible, each member should have basic familiarity with investments and investment portfolios. The Committee (by its unanimous approval) has the power to add another person with investment expertise, who is not a Director or Executive member but that person shall have no voting privileges.

4.3.1 The Committee shall have the responsibility to ensure that Investments are made in compliance with this policy, as may be amended from time to time.

4.3.2 In determining the financial assets available for investment, the Committee must be mindful of normal operational needs of the Foundation and be aware of upcoming capital projects or major changes to normal revenue and expense streams.

4.3.3 The Committee shall act in the best interests of the Foundation by considering risk, liquidity and yield in making its investment decisions and in balancing its portfolio.

4.3.4 So long as the total Investment portfolio is less than \$100,000, the Committee may themselves decide whether the portfolio be managed through an investment broker or be self-managed by the Committee, subject to the rules herein. If managed through a broker, that person shall be properly licensed and be affiliated with a recognized financial institution. (Bank, Trust company, or national firm)

4.3.5 If the portfolio is self-directed through on-line facilities, the account number and passwords shall be given to the Treasurer and one of the Directors serving on the Investment Committee to allow them visual access to the Investment account for enquiry and monitoring purposes. This director will be selected by the committee.

4.3.6 The Treasurer and the designated director have the trading and signing authority on the Investment account.

4.3.7 At least 40% of the portfolio shall be invested in “fixed income” investments, which shall be:

- (a) Term Deposits, high rate savings accounts or like deposits issued by a member of Canada Deposit Insurance Corporation, so long as the product is eligible for CDIC;
- (b) Bonds, strips, or coupons of the Canadian government or a provincial government of Canada;
- (c) Federal or Provincial Government Treasury-Bills; or
- (d) High-interest savings accounts or other deposits available on 24-hour notice.

4.3.8 If the interest rate or yield (on an annual basis) is less than 3%, no investment shall exceed a term of 3 years to redemption or maturity date. In no case shall a fixed term investment exceed 5 years to maturity. (CDIC coverage does not cover term deposits with a term more than 5 years.)

4.3.9 Up to 60% of the portfolio may be invested in common shares of Canadian corporations, subject to the following conditions:

- (a) The annual dividend yield compared to purchase price must be at least 1% greater than the best 3-year GIC rate available;
- (b) The company must have at least a 10-year history for continuous payment of dividends without interruption;
- (c) Since purchase timing is important for equity investments, the intent at time of purchase should normally be to hold the investment for a moderate period of time (at least 2-3 years);
- (d) The choice and amount of any equity investment must have the unanimous approval of the Investment Committee;
- (e) The Investment choice must clearly be considered “blue chip”;
- (f) Equity investments in a single company shall not exceed \$10,000;
- (g) Equity investments in a self-directed portfolio shall be limited to the 6 largest Canadian banks, recognized utilities, or corporations primarily involved in telecommunications or the production or sale of consumer goods or services. Such entities must be included in the S & P TSE Composite 300. Additional equities may be considered if the portfolio is managed through a licensed broker based on his/her recommendation.

4.3.10 Notwithstanding this Investment Policy, if the Foundation receives any securities in kind through direct donation or bequest, the Investment

Committee may choose to retain the said securities in its portfolio (by changing the registration only) and any ratio of fixed income securities and equity investments set out in this Policy shall apply before calculating the value of donated or bequeathed securities.

4.3.11 This Investment Policy should be reviewed at least every two years. In addition, If and when the market value of the portfolio exceeds \$100,000 an automatic review should occur, because different strategies may be appropriate.

4.4 Grants

4.4.1 The Fort Sackville Foundation is a non-profit volunteer organization which may seek grants to support the ongoing work of the foundation.

4.4.2 When applying for grants, the FSF will ensure that the organizations awarding the grants are aligned with the values of the FSF.

4.4.3 All grant applications should be reviewed by the Executive Committee prior to submission, with the exception of applications that have been approved in the past. (i.e. HRM Operating Grants; Provincial and Federal Student Hiring Grants).

4.4.4 Any grant applications that require contributions (either in-kind or financial) will require the approval of the Board of Directors prior to submission.

4.4.5 The person in charge of the received grant will be responsible to complete required final reports in accordance with grant approvals.