

# SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

## Asset Management Governance Policy

The **Statement of Investment Policy** is a companion document.

### OVERVIEW

1.1 This asset management governance policy (*the “**Governance Policies**”*) describes the processes put in place for the management of The Selkirk and District Community Foundation’s Invested Funds herein after referred to as the “**Fund**”.

1.2 The Governance policies are strictly concerned with investment-related matters; it does not deal with benefit and funding policy.

1.3 The purpose of the Governance Policy is to ensure that the Fund is managed effectively, prudently and in compliance with all applicable legal requirements. It identifies the roles and responsibilities of all parties involved and it promotes the co-ordination and integration of their respective contributions.

1.4 The Governance Policies is an internal document drafted by the Investment Committee (*the “**Committee**”*) and approved by the Board of Directors (*the “**Board**”*) of The Selkirk and District Community Foundation (*the “**Foundation**”*).

1.5 Each new Committee member receives an updated version of the Governance Policies. The policy is available to the public upon request, and is available on the Foundations website.

### LEGAL CONTEXT

2.1 The management of the Fund must satisfy all applicable legal requirements. Governance Policy provisions should never be construed as suggesting that legal requirements are not to be strictly satisfied.

2.2 The management of the Fund must comply with the provisions of:

- the Income Tax Act of Canada;
- the Securities Act (Manitoba) insofar as “Managed Funds” are concerned; and
- the Insurance Companies Act.

### THE COMMITTEE

3.1 The Board of the Foundation, in its capacity as Administrator of the Governance Policies, has delegated some of its monitoring and supervisory powers and responsibilities to the Committee. The Board retains final authority on policy and overall budget control but relies on the Committee to provide advice. The Committee’s terms of

reference include advisory, monitoring and overview responsibilities in the following areas:

(i) Policy decisions

- investment objectives
- investment constraints
- investment preferences
- compliance and governance
- permitted investments
- asset mix benchmarks and ranges

(ii) Strategic decisions

- structure of investment management
- appointment of investment managers and/or other advisors
- development of investment strategies and philosophies

(iii) Investment decisions

- tactical asset allocation within investment policy parameters

(iv) Operational decisions

- ensuring investment managers compliance with mandate
- reviewing periodically portfolio statements
- meeting with investment managers
- evaluating investment managers performance

3.2 On an annual basis, the Committee provides a written Report to the Finance Committee that may contain the following information:

- description of the work completed by the Committee and its agents and advisors; and
- a report on the Fund's financial statements and performance.

3.3 The Committee consists of the Treasurer of the Board, along with up to two Board Members who are appointed by the Board annually and the Chair of the Board as ex officio. Up to two non-board members can be appointed to add expertise and perspective that the Board deems advisable. The Committee appoints Chair, who is a Board Member, based on the Roles & Responsibilities of Directors Policy.

3.4 The Committee meets at least semi-annually or at such other times as the Committee deems necessary. The Committee will:

- hear the presentations from the Investment Manager and to review results to June 30th;

- review year-end statements prepared for the Committee,
- review the Statement of Investment Policy tri-annually

3.5 Meetings are convened by the Chair of the Committee. The Executive Director of the Foundation will be the Secretary. A proposed agenda is distributed in advance of the meeting and additional information may be made available when the meeting is convened.

3.6 The quorum for a meeting is a majority of the Members. Decisions are carried by simple majority of the Members present.

3.7 The Secretary prepares notes of all Committee meetings (the Notes). The Notes are transmitted to Members in a timely manner and before the next Committee meeting. A copy of any documentation formally distributed at Committee meetings is appended to the Notes for Members who were absent.

3.8 The Secretary maintains a permanent record of the notes along with any documentation formally distributed to Members, which may have had a material impact on decisions made or action taken.

3.9 In the absence of the Chair or the Secretary at a Committee meeting, Members elect a chair or a secretary amongst themselves.

3.10 A checklist of recurring Committee actions is provided in the appendix

3.11 Members are reimbursed by the Foundation for reasonable out-of-pocket expenses but are not otherwise entitled to any remuneration in connection with Fund-related activities.

3.12 Financial assistance can be provided by the Foundation to Committee members to update or enhance Members' competence in investment-related matters. The Committee Chair must approve such assistance in advance, based upon a written request, unless it is incorporated into the normal budget plan.

## **DUTIES & RESPONSIBILITIES OF MANAGERS, ADVISORS AND AGENTS**

4.1 The Committee recommends retention of the services one or more investment managers (*the "Investment Manager"*) and **may** retain the services of one or more investment advisors and/or an asset management consultant and/or one or more other advisors on an ad hoc basis. The role of the Investment Advisor is to coordinate the Investment strategy amongst the Investment Managers.

4.2 The role of the Investment Manager consists of:

- allocating assets amongst asset classes in which they are authorized to invest;
- selecting securities or investments within such asset classes;
- initiating trades and transactions to give effect to investment decisions;
- explaining their expectations concerning the economy and financial markets along with their strategy under such circumstances;
- calculating and reporting rates of return, by asset class on a quarterly basis; and
- providing monthly reports of income (cash flows) and holdings.

## SELECTION & SUPERVISION OF MANAGERS, ADVISORS AND AGENTS

5.1 When the Committee engages in a selection process for managers, advisors or agents, it maintains a written record of at least the following:

- request for proposal;
- candidate criteria;
- person(s) or organization(s) called upon to submit a proposal;

Amongst the factors considered in the selection process are the following:

- organization and business plan;
- firm's philosophy/strategy;
- experience with similar mandates;
- key personnel and personnel assigned to the Fund;
- performance (or references); and
- fees.

5.2 The Committee may engage the services of managers, advisors or agents without issuing a formal request for proposal where the parties have provided current information as potential candidates for a specified mandate. Under such circumstances, the written record, referred to in the first part of article 5.1, will address the following:

- mandate;
- candidate criteria;
- person(s) or organization(s) satisfying such candidate criteria;
- person(s) or organization(s) satisfying candidate criteria who indicated an interest in the proposed mandate;
- factors considered to select the finalists; and
- factors taken into account in the interview of finalists.

## Investment Policies & Guidelines

6.1 The Board maintains written investment policies and guidelines that provide direction to the Committee and/or its managers, advisors or agents in a companion document to this Governance Policy entitled ***The Statement of Investment Policies***.

6.2 The Committee and its agents must conform to its provisions, including those dealing with conflicts of interest. A copy of the investment policy statement and changes thereto are transmitted to the Investment Manager and other concerned agents and advisors. The investment policy statement takes into account:

- the type of plan involved;
- its characteristics such as investment objectives and liquidity needs;
- its risk controls; and
- its target asset allocation.

6.3 Annually the Investment Manager is required to confirm in writing to the Committee compliance with the provisions of the investment policy statement. Inadvertent violations shall be reported to the Chair and action shall be taken to remedy the situation.

## Monitoring of the Fund

7.1 The Committee monitors the performance of the Fund.

7.2 Rates of Return are compared with other Investment Funds having a similar mandate such as the Winnipeg Foundation, and CFC Endowment Fund

7.3 The Investment Manager will annually make a formal presentation to the Board providing an assessment of asset portfolio performance.

7.4 All normal investment-related expenses pursuant to formal contracts may be approved by the Committee. Any new contracts, contract changes, additions or deletions shall be brought to the Board for approval by the Committee.

This policy is to be reviewed every three years.

**ADOPTED at a meeting of the Board of Directors of the Foundation:**

**DATE: June 12, 2018**

**SIGNED: Chair \_\_\_\_\_ Gord Henrikson**

**Secretary \_\_\_\_\_ Michele Polinuk**

*Original Asset Management Governance Plan  
Approved by Board of Directors on November 9th, 2004*

## Appendix to the Asset Management Governance Policy

## Checklist of Recurring Committee Actions

Action	Minimum Frequency
Hold Committee meeting	SA
Meet with the Investment Manager (item 3.4)	A
Arrange meeting with the Investment Manager and the Board of Directors (item 7.4)	A
Obtain confirmation of compliance from Investment Manager	A
Evaluate services of any other agents and advisors	N/R
Review policies and guidelines	A

Legend:

Semi-annually SA

Quarterly Q

Annually A

Not Required N/R