
The Winnipeg Foundation

Asset Management Governance Plan & Statement of Investment Beliefs, Policies and Guidelines

January 1, 2014
(Revised June 25, 2019)

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Our Vision

"A Winnipeg where community life flourishes for all."

is supported by several core strategies, one of which is:

Stewardship

Achieving maximum returns consistent with prudent investment practices to support the grant-making activities and administration of The Foundation, and assuring that the legacy created by the donor is respected in perpetuity by protecting the purchasing power of those funds over the long term.

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The Winnipeg Foundation

Board of Directors

Doneta Brotchie, Chair
Carolyn Duhamel, Treasurer
George Bass, Q.C., ICD.D
Hazel Borys
Tom Bryk, FCPA, FCA
Spencer Duncanson
Albert El Tassi
Daniel Friedman
Tracy Graham CPA, CA
Gerry Labossière, CPA, CA
Joy Loewen
Patricia Mainville
John Pollard
Maureen Prendiville
Diane Roussin
Anita Southall
Mayor Brian Bowman (ex-officio)

Investment Committee

Daniel Friedman, Chair
George Bass, Q.C., ICD.D, Vice-Chair
Doneta Brotchie (ex-officio)
Tom Bryk, FCPA, FCA
Gerry Labossiere, CPA, CA
Evan Mancer, CFA
Peter Munro, CFA
Scott Penman, CFA
John Pollard

Professional Advisors

Auditors

Deloitte LLP

Investment Managers

Assiniboine Credit Union
Baillie Gifford Overseas Limited
Beutel, Goodman & Company Ltd.
Canada Life
Connor Clark & Lunn Investment Management Ltd.
Dimensional Fund Advisors
IFM Global Infrastructure (Canada), L.P.
TD Asset Management
TD Greystone Asset Management

Custodian

RBC Investor and Treasury Services

Solicitors

Thompson Dorfman Sweatman LLP

Asset Management Consultant

Mercer (Canada) Limited

Principal Banker

Royal Bank of Canada



An Introductory Note

The Winnipeg Foundation has a proud history reaching back to 1921 when William Alloway's gift of \$100,000 created our first endowment fund. The following year, grants totaling \$6,000 were disbursed to Winnipeg charities from the interest earned.

From our beginnings as Canada's first community foundation, stewardship and trust have been fundamental values underlying all of our work. Donors from all walks of life have expressed their confidence in our organization by the generosity of their gifts. These endowments are a wonderful legacy to our city and province, and we commit to diligence in our management of them.

As part of this commitment, our Board of Directors, with the advice of our Investment Committee, has approved this revised version of the Asset Management Governance Plan and the Statement of Investment Policies and Guidelines. The reader is reminded that there are updates from time to time.

For more information respecting these policies, please contact:

Richard Frost
Chief Executive Officer

Susan Hagemeister, FCPA, FCA
Director of Finance

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The Spending Policy of The Winnipeg Foundation

It is the long-term objective of The Winnipeg Foundation to make available for annual grant making activities an amount of 4.5% of the average of the three preceding year's market value of each fund in the Consolidated Trust Fund (CTF). The average market value is calculated on the basis of 12 quarters.

The Winnipeg Foundation may annually recoup a portion of its operating expenses as set out in The Winnipeg Foundation's Fee Policy as amended from time to time and that amount shall be determined by The Board of Directors of The Winnipeg Foundation, taking into account, the actual annual costs incurred in operating The Winnipeg Foundation.

The Winnipeg Foundation uses 1979 as a base year to calculate an inflation adjustment for each successive year's capital contributions to the CTF. Thus, in addition to knowing contributed capital, The Winnipeg Foundation monitors an inflation protected target which essentially is required to protect the purchasing power of the original gifts. The difference between the inflation protected target and the actual market value is monitored and if this excess deteriorates or improves on an average 3-year basis, the spending policy calculation will be adjusted upward or downward in accordance with the following:

Average Excess Between Inflation Protected Target & Market value Over 3 Years	Amount Available for Annual Grant Making	Inflation Protected Target
10% or more	5.0% average market value	100%
9.0% - 9.9%	4.9% average market value	98%
8.0% - 8.9%	4.8% average market value	96%
7.0% - 7.9%	4.7% average market value	94%
6.0% - 6.9%	4.6% average market value	92%
5.0% - 5.9%	4.5% average market value	90%
4.0% - 4.9%	4.4% average market value	88%
3.0% - 3.9%	4.3% average market value	86%
2.0% - 2.9%	4.2% average market value	84%
1.0% - 1.9%	4.1% average market value	82%
0.0% - 0.9%	4.0% average market value	80%
Less than 0.0%	POLICY REVIEW	

Any adjustment to grant making will not be greater than 0.2% in any given year, and any adjustment to the inflation protected target will not be greater than 4% in any given year.

The spending for the next fiscal year (October 1) will be determined in September.

When any document cites the Spending Policy of The Winnipeg Foundation, it is referring to the above formula. The CRA requires that endowments "spend" at least 3.5% annually. In situations where it is appropriate, taking into account donor preference, longer term Agency benefit and administrative circumstances, The Foundation may use the stipulated CRA minimum rate as an approved alternate to the Spending Policy.

The spending policy of The Winnipeg Foundation may be amended from time to time.

September 30, 2015

Fee Policy of The Winnipeg Foundation

Investment Fees—All Funds

The Winnipeg Foundation (The Foundation) may annually recoup from all funds the actual audited investment costs incurred during The Foundation's fiscal year. On average fees are expected to range from 0.35% - 0.40%.

Actual costs include investment manager fees, custodial costs, other consulting costs related to investment matters, and any costs associated with dedicated investment staff of The Foundation.

The Foundation has the authority to charge these costs on a quarterly basis in accordance with the approved Investment Expenses Budget. In the initial year the fund is created, fees are applied on a pro-rated basis.

Administrative Fees—All Funds

The Foundation may annually recoup from all funds a portion of its operating expenses. The recovery amount shall be determined by the Board of Directors of The Foundation, taking into account the actual annual costs incurred in operating The Foundation. The current administrative fee rate is 0.50%.

The administrative fee will be charged to all funds at the beginning of the fiscal year based on the opening market value. In the initial year the fund is created, fees are applied on a pro-rated basis.

Administrative Fees for funds over \$10 million

When a fund's market value is greater than \$10 million, The Foundation provides an adjusted fee schedule recognizing the economies of scale in the administration of larger funds. The ultimate goal of The Foundation's Fee Policy for funds in excess of \$10 million in market value is based on incremental reductions as follows.

Market Value	Fee Rate
first \$10 million	0.50%
next \$10 million	0.40%
next \$10 million	0.30%
final \$70 million	0.20%
Any funds equal to or in excess of \$100,000,000 will be charged a flat administrative fee of 0.25%.	

The Fee Policy is reviewed from time to time and revisions are approved by the Board.

Revised: December 11, 2018



Asset Management Governance Plan

January 1, 2014
(Updated June 26, 2018)

(The Statement of Investment Beliefs, Policies and Guidelines is a companion document.)

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1. Overview

1.1 The Winnipeg Foundation (The Foundation) has adopted a vision statement:

“A Winnipeg where community life flourishes for all.”

And a mission statement:

“To be a catalyst for strengthening community well being, now and for future generations, by promoting philanthropy, creating partnerships and supporting diverse charitable organizations.”

In pursuit of these overall goals, The Foundation has adopted several core strategies, including:

“Stewardship: achieving maximum returns consistent with prudent investment practices to support the grant-making activities and administration of The Foundation, and assuring that the legacy created by the donor is respected in perpetuity by protecting the purchasing power of those funds over the long term.”

1.2 This asset management governance plan (the “Governance Plan”) describes the processes put in place for the management of The Winnipeg Foundation’s **Consolidated Trust Fund** herein referred to as the “Fund” In addition to the Consolidated Trust Fund, The Foundation operates **Other Trust Funds** as a result of specific agreements with donors. In some situations, these funds may eventually be transferred to the Consolidated Trust Fund. However, other situations require an on-going segregated management approach. Other Trust Funds are generally managed using the same investment policies and guidelines as pertain to the Consolidated Trust Fund. Accordingly, Other Trust Funds are not further referenced within this document. Also, in addition to the Consolidated Trust Fund, The Foundation operates a **Fixed Income Fund**.

1.3 The Governance Plan is strictly concerned with investment-related matters; it does not deal with benefit and funding policy.

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

1.5 The Governance Plan is an internal document drafted by the Investment Committee (the Committee) and approved by the Board of Directors (the Board) of The Winnipeg Foundation.



- 1.6 Each new Board and Committee member receives an updated version of the Governance Plan. A summary of the Plan is available to the public upon request, but should be checked for recent amendments.

2. Legal Context

- 2.1 The management of the Fund must satisfy all applicable legal requirements. Governance Plan provisions should never be construed as suggesting legal requirements not be strictly satisfied.
- 2.2 The Fund includes assets pertaining to the Consolidated Trust Fund, Other Trust Funds and Fixed Income Fund of The Foundation.
- 2.3 The management of the Fund must comply with the provisions of:
- The Winnipeg Foundation Act;
 - The Income Tax Act of Canada;
 - The Securities Act (Manitoba), insofar as Managed Funds are concerned.

3. The Committee

- 3.1 The Board of Directors of The Winnipeg Foundation, in its capacity as Administrator of the Plan, has delegated some of its investment 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, supervisory and overview responsibilities in the following areas:
- (i) Policy decisions:
- investment objectives;
 - investment constraints;
 - investment preferences;
 - governance issues;
 - permitted investments; and
 - asset mix targets and ranges.
- (ii) Strategic decisions:
- manager structure;
 - appointment and termination of investment managers, custodians and other advisors;
 - development of investment strategies and philosophies; and
 - formulation of the Plan's current and future positions on capital market expectations.

- (iii) Investment decisions:
 - tactical asset allocation within investment policy parameters; and
 - asset buy and sell
- (iv) Operational decisions:
 - ensuring Investment Manager compliance with mandate;
 - reviewing trust statements for unusual transactions;
 - meeting with Investment Managers;
 - meeting with performance measurement consultants; and
 - evaluating Investment Manager performance.
- (v) Expenditure decisions:
 - evaluating budget variances related to investments authorized by the Chief Executive Officer.

- 3.2 Annually the Committee is responsible for the completion of the Due Diligence Report to the Board and contains at least:
- recommended changes to the Governance Plan and to the Fund’s Investment Beliefs, Policies and Guidelines;
 - description of the work completed by the Committee and its agents and advisors;
 - detailed report on the performance in relation to the Spending Policy; and
 - recommends spending rate for the next fiscal year in accordance with the Spending Policy.
- 3.3 Annually assess the effectiveness of the Committee against its Mandate and report the results of the assessment to the Board.
- 3.4 Conduct an Asset Mix Study every 5 to 10 years or as the Committee deems necessary.
- 3.5 Perform any other activities consistent with this Mandate, The Foundation’s by-laws, any governing law, as the Committee of the Board deems necessary or appropriate.
- 3.6 The Investment Committee members shall serve at the direction of the Board and operate within its established policies and practices.

Membership of the Investment Committee shall consist of five (5) Directors and up to three (3) non-Board members as determined by the Board, each of whom are unrelated personally or in business and free from any relationship which would interfere with the exercise of his or her independent judgment. All members of the Committee should have experience in investment markets or in investment policy setting.



- 3.7 The Committee meets at least four times annually, or more frequently as circumstances dictate. The Committee meets to:
- review the Statement of Investment Beliefs, Policies and Guidelines, review services of advisors, service providers and investment managers and to finalize the Annual Due Diligence Report for submission to the Board;
 - review and assess investment performance and fees;
 - review and hear presentations from Investment Managers; and
 - consider other matters related to the stewardship of the Fund.
- 3.8 The Chair and Vice-Chair of the Committee and its members shall be appointed by the Board upon recommendation of the Board Governance Committee. If the investment Committee Chair is not designated or present, the Vice-Chair assumes the responsibilities of Chair. The Investment Committee Chair will be a Board member. The Board Chair is an ex-officio member of the Investment Committee.
- 3.9 One half of the members of a Committee, if present, shall constitute a quorum provided that at least three (3) Board Members are in attendance. The position of Board Chair shall not be counted in calculating the 50% requirement for quorum. In the event that the Chair of the Board is in attendance at any given meeting, his/her presence shall be included in constituting quorum. In the event that a meeting fails to achieve a quorum, those in attendance may discuss the items of the agenda and provide a report to the Board.
- 3.10 Every Committee member shall declare any direct or perceived conflict of interest in adherence to The Foundation's Conflict of Interest Policy.
- 3.11 No Committee member shall disclose confidential information which they are privy to in the context of this Committee's work, in adherence with The Foundation's Confidentiality Policy.
- 3.12 The Investment Committee is supported by the Chief Executive Officer and the Director of Finance and may call upon any member of Senior Staff to seek clarification of Foundation policy or strategy.
- 3.13 Staff prepare minutes of all Committee meetings. The Minutes are transmitted to Committee members as soon as practicable, following each Committee meeting and before the next Committee meeting. A copy of any documentation formally distributed at Committee meetings is appended to the Minutes for Members who were absent.
- 3.14 The Minutes provide a record of at least:
- date and place of meeting;
 - parties present and their capacity;
 - acceptance of the Minutes of the preceding meeting;
 - matters discussed;
 - documents formally distributed;



- proposals submitted for voting;
 - voting;
 - decisions made and/or action taken;
 - considerations and advice relied upon; and
 - party(ies) responsible for implementation.
- 3.15 Staff maintain a permanent record of the Minutes along with any documentation formally distributed to Members which may have had a material impact on decisions made or action taken.
- 3.16 Members absent from a Committee meeting are assumed to concur with decisions made or action taken, as described in the Minutes, unless their dissidence and the underlying reasons are entered in the Minutes of the following Committee meeting, or transmitted to the Committee in writing within a reasonable period.
- 3.17 The Committee may recommend the services of advisors with respect to management of the Fund.
- 3.18 The Committee assigns terms of reference to its agents and advisors, including:
- a description of services to be provided;
 - the way and time such services are to be delivered;
 - financial arrangements including the amount of fees to be paid; and
 - conditions governing the termination of the relationship.

The terms of reference (including contracts) for all agents and advisors currently providing services to The Foundation related to investment function are retained by the Secretary.

- 3.19 The Committee maintains an active role at least with respect to:
- drafting and revision of investment policies and guidelines as described in Section 6;
 - selection, supervision and termination of agents and advisors.
- 3.20 Some employees of The Foundation provide specific assistance to the Committee with respect to the management of the Fund. The Committee elaborates on a reporting mechanism and supervises their activities on an on-going basis. Their duties are as follows and will require appropriate interaction with investment managers, the custodian and other advisors:

Chief Executive Officer

- recommends policy changes with respect to Investment Policy and Spending Policy;
- oversees general administration of The Foundation;
- recommends retention of, or changes to, agents and advisors;
- authorizes expenditures within the overall budget approved by the Board; and



- assigns staff to record and retain Committee Minutes.

Director of Finance

- serves as Chief Financial Officer, directing and overseeing financial management and control systems of The Foundation;
- assures the maintenance of the asset management computer system;
- monitors performance of investment managers relative to policies and objectives established by the Board, as well as the work of the custodian and other independent professionals, in order to provide advice to the Committee and Chief Executive Officer;
- develops trend analysis relative to experience of other foundations and identifies policy alternatives;
- ensures all policies and objectives have been formalized in writing;
- plans agendas for Investment Committee meetings, taking into account Committee responsibilities and any special considerations identified by the Committee Chair or Chief Executive Officer; and
- oversees the work performed by Finance staff.

Finance Staff

- records investment transactions in accordance with established procedure;
- measures performance against a predetermined benchmark and/or an initial set of agreed-to objectives as required;
- calculates quarterly and annual returns on a timely basis;
- co-ordinates quarterly investment reports for consideration by the Committee;
- handles all short-term investment requirements in accordance with policy; and
- maintains financial files and records of The Foundation.

- 3.21 A checklist of recurring Committee actions is provided in the appendix. This is intended to serve as a reminder; it is strictly indicative and does not add to (or detract from) the management practices described elsewhere in the Governance Plan.
- 3.22 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.
- 3.23 Financial assistance can be provided by The Foundation to Committee members to update or enhance Members' competence in investment-related matters. Such assistance must be approved by the Committee Chair in advance, based upon a written request, unless it is incorporated into the normal budget plan.



4. Duties & Responsibilities of Agents and Advisors

- 4.1 The Committee recommends retention of the services of one or more investment managers (the Investment Manager), a custodian (the Custodian), an asset management consultant (the Asset Management Consultant) and may retain the services of one or more other advisors on an ad hoc basis. The external auditor (the Auditor) is retained by the Board on advice of the Audit Committee of The Foundation.
- 4.2 The role of the Investment Manager consists of:
- allocating assets among 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 prompt notice to the custodian of each purchase/sale.
- 4.3 The role of the Custodian consists of:
- safekeeping of assets;
 - collecting contributions, and paying benefits and expenses, as directed by the Committee;
 - collecting coupons, maturities, and other cash distributions attached to securities;
 - exercising other privileges tied to securities, or disclosing their existence to those having the responsibility to exercise them and acting as directed;
 - processing transactions as directed by the Committee or the Investment Manager;
 - making payments regarding transaction-related charges and taking action to recover sums owed to the Fund, such as withholding taxes;
 - informing the Investment Manager of cash available for investing;
 - providing the Investment Manager, the Asset Management Consultant and the Auditor with agreed-upon information required to execute their mandate;
 - maintaining a record of all transactions; and
 - providing periodic reports of income (cash flows) and holdings.
- 4.4 The role of the Asset Management Consultant consists of providing investment information and advice in:
- investment policies and guidelines;
 - investment management structure;
 - selection and supervision of the Custodian and the Investment Manager;
 - measurement and evaluation of investment returns; and
 - explanation of characteristics of other asset classes considered worthwhile for the Fund and how they might assist in achieving the fund's objectives.



- 4.5 The role of the Auditor consists of:
 - reviewing and auditing financial statements; and
 - providing advice with respect to internal financial controls.
- 4.6 The role of other advisors is varied and usually consists of providing non-investment-related advice such as actuarial, legal or managerial advice.

5. Selection and Supervision of Agents and Advisors

- 5.1 When the Committee engages in a selection process for agents or advisors, it maintains a written record of at least:
 - request for proposal;
 - candidate criteria;
 - person(s) or organization(s) called upon to submit a proposal;
 - candidate(s) whose proposal was (were) discarded for lack of conformity to terms of the request for proposal and elements of non-conformity; and
 - factors taken into account in the final selection process.

Selection factors include:

- 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 services of agents or advisors 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:
 - 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.
 - 5.3 The Committee supervises the actions of its agents and advisors and reviews the performance of investment managers on a quarterly basis by receipt of a written quarterly report and, meets with each investment manager once every three year, or sooner, as requested by the

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Committee. The Committee performs an annual evaluation of their services, taking into consideration the following factors where appropriate:

- compliance with Committee directions and terms of reference;
- satisfaction of agreed-upon objectives;
- competence, ability to communicate, and availability of personnel assigned to the Fund;
- quality and timeliness of presentations and written reports;
- flexibility, innovation and problem-solving ability;
- co-operation with other agents and advisors; and
- developments at the firm (reputation, personnel turnover, new services).

5.4 Agents and advisors whose services are determined to be unsatisfactory are either:

- terminated, or
- advised and requested to provide to the Committee an acceptable remedial action plan within sixty (60) days.

Where a remedial action plan is implemented, the Committee will provide a follow-up report to the Board.

6. Investment Beliefs, Policies & Guidelines

6.1 The Board maintains written investment beliefs, policies and guidelines that provide direction to the Committee and/or its agents and advisors in a companion document to this Governance Plan entitled *The Statement of Investment Beliefs, Policies and Guidelines*. The Board believes asset mix management can reduce risk and therefore has established a range for each asset category and chosen a balanced approach using the services of specialized managers. The Board also believes good security selection can add value and therefore has emphasized active, rather than passive, mandates.

6.2 The Statement of Investment Beliefs, Policies and Guidelines is periodically revised. The Committee and its agents must conform with its provisions, including those dealing with conflicts of interest. A copy of the investment policy guidelines and changes thereto, are transmitted to the Investment Manager, the Custodian, the Asset Management Consultant, The Foundation's solicitor and auditor, and other concerned agents and advisors. The investment policy guidelines take 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 The Committee reviews, at least on a quarterly basis, the Investment Manager's written confirmation indicating compliance with the provisions of the investment policy statement and



of the manager mandate. Inadvertent violations shall be reported immediately to the Chief Executive Officer or the Director of Finance. Action may or may not be taken by the Committee for any temporary exceptions. Among other issues, the compliance report may address:

- manager objectives;
- permitted investments;
- asset allocation; and
- risk factors, such as diversification, liquidity, leverage, credit and currency.

7. Monitoring the Fund

- 7.1 The Committee monitors the Fund's asset returns and investment-related expenses.
- 7.2 On a quarterly basis the Asset Management Consultant calculation of time-weighted rates of return. Rates of return are calculated net of execution costs but before management fees, and where possible net of management fees.
- 7.3 Review quarterly the Asset Management Consultant report on fund performance against the Investment Objectives set out in the Investment Policy.
- 7.4 Rates of return are broken down by Investment Manager and asset class. They are compared to those obtained by other Investment Managers having similar mandates.
- 7.5 Security holdings and transactions are reviewed by the Asset Management Consultant to ensure strategies used by the Investment Manager to obtain returns are consistent with the approaches presented to the Committee prior to implementation.
- 7.6 At least once every three years the Investment Manager, and quarterly the Asset Management Consultant make a formal presentation to the Committee providing an assessment of the rates of return obtained.
- 7.7 Approve any new contracts, contract changes, additions or deletions for Investment Manager, Custodian, Asset Management Consultant service over and above all normal investment-related expenses pursuant to formal contracts may be approved by the Director of Finance.
- 7.8 Review on a periodic basis, as directed by the Committee, investment related expenses.



Statement of Investment Beliefs, Policies and Guidelines

January 1, 2014
(Revised June 25, 2019)

The Asset Management Governance Plan of
The Winnipeg Foundation is a companion document

Appendix: Conflict of Interest Policy
Appendix: Compliance Reports

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Investment Beliefs

The Consolidated Trust Fund of The Winnipeg Foundation is managed on the basis of the following investment beliefs:

1. Asset mix is the most important factor in determining the long-term investment performance of the Fund.
2. Higher expected returns generally require an investor to assume higher risk.
3. Diversification across and within asset classes offers the opportunity to reduce total portfolio risk.
4. In the longer term, equities will outperform bonds to compensate for higher risk. Within equities, small cap equities provide a higher expected premium with higher expected volatility than large cap equities.
5. Short-term tactical asset mix shifts are not expected to provide a consistent source of added value over the long-term.
6. Active management can reduce portfolio risk below market risk and potentially add value through security selection and sector allocation strategies. In more efficient markets, passive management is a reasonable option to gain low-cost broad market exposure, subject to an assessment of the risks associated with the characteristics of the market index being replicated.
7. There is not one investment style that will consistently add value over another in all market environments, and it is important to maintain exposure to a range of investment styles and approaches that incorporate both fundamental and quantitative research elements in order to maximize long-term returns.
8. While Environmental, Social and Governance (ESG) factors are likely to generate higher and more consistent returns, the consideration of ESG factors is delegated to the investment managers.
9. A substantial allocation to foreign equities provides the potential for enhanced long-term returns while, at the same time increasing portfolio diversification and thereby decreasing portfolio risk.
10. It may be appropriate to retain more than one investment manager to provide asset class and style diversification.
11. The benefits of a specialty manager structure has the potential to more than compensate for the additional costs.
12. Over the long-term, currency movements will not have a significant effect on performance and currency exposures should not be explicitly hedged.
13. Effective implementation strategies at the investment manager, internal staff and Committee level, can improve both returns and the risk profile of the Fund.
14. Alternative investments such as real estate, private equity, infrastructure and hedge funds may offer potential for diversification and/or enhanced returns but will impact the liquidity of the Fund. **(Revised June 26, 2018)**
15. The portfolio structure and related manager mandates should be aligned with investment beliefs.

June 23, 2015

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1. Overview

- 1.1 This Statement of Investment Beliefs, Policies and Guidelines (the Policy) applies to assets held by The Winnipeg Foundation (The Foundation). It contains investment objectives, investment guidelines, and monitoring procedures.
- 1.2 The Board must establish for The Foundation's funds an investment policy that is consistent with the duty of care that a trustee has in administering the property of others.
- 1.3 With respect to any portion of the Consolidated Trust Fund (the Fund) invested in pooled funds, provisions of the investment policy statement of such pooled funds shall prevail over those of the Statement to the extent that they are in conflict. The Fund will not invest in a pooled fund if the guidelines of that fund are materially different from the provisions of the Policy.
- 1.4 Definitions provided in the Asset Management Governance Plan of The Foundation apply to this Policy.

2. Responsibilities

- 2.1 The responsibility for investment of the Fund lies with the Board of Directors of The Foundation and its Investment Committee (the Committee), as set out in the Asset Management Governance Plan.

The one exception will be the assets committed to specific projects which are deemed to have a positive impact on community wellbeing.

With specific approval of The Foundation's Board, assets in the Fund may be invested in specific projects which are deemed to have a positive impact on community well-being. In making such decisions, the Board understands that financial returns may not be equal to returns from other investments overseen by the Investment Committee.

Such specific projects authorized by the Board do not fall under Section 6 and responsibility for monitoring these investments on an annual basis shall rest with the Finance and Audit Committee.

- 2.2 With respect to investment of the Fund, the Committee may delegate some of its responsibilities to agents and advisors. In particular, the services of a custodian (the Custodian) and of one or more investment managers (the Manager(s)) are retained. The Committee maintains an active role with respect to the following:



- (i) formulation of the Policy;
- (ii) appointment and monitoring of agents and advisors; and
- (iii) evaluation of performance.

2.3 Any person to whom the Committee delegates responsibilities with respect to the investment of the Fund must adhere to the provisions of the Policy.

3. Conflicts of Interest

3.1 The Conflict of Interest Policy of The Foundation shall apply (See Appendix).

3.2 A conflict of interest, whether actual or perceived, is defined for the purposes of this policy as any event in which the Directors, an employee of The Foundation, any Manager or delegate, the Custodian or any person directly related to the foregoing, may benefit materially from knowledge or participation in, or by virtue of, an investment decision.

3.3 Should a conflict of interest arise, the person in the actual or perceived conflict of interest shall immediately disclose the conflict in writing, with all relevant details, to the Chairperson of the Committee who, in turn, discloses it to all Committee members at the appropriate time. Any such party will thereafter abstain from decision making with respect to the area of conflict.

3.4 Any person having discretionary authority over the investment of the Fund is a fiduciary. This generally includes, but is not limited to, the Board of Directors and a member of a Committee or any employee, agent or advisor of The Foundation.

3.5 No part of the Fund shall be loaned to any Director or employee of The Foundation or to any person directly related thereto.

4. Fund Characteristics

4.1 The Foundation is a registered charity (#119300960RR0001) as defined by the Income Tax Act.

4.2 Part of The Foundation's mission is to provide for ongoing grant-making to meet certain community needs; thus, income stability and an adequate rate of return on investments is required on the Fund to meet The Foundation's spending policy objectives.



5. Investment Objectives

5.1 The Foundation's ultimate goal is to provide for grant-making in perpetuity. To attain this goal, The Foundation pursues the following eleven (11) investment objectives:

- (i) The Foundation seeks to earn sufficient total returns to allow for annual disbursements in accordance with its approved spending policy. The spending policy targets 4.5% of average market value calculated over 3 years for grant-making and 0.5% of annual opening market value for its administrative expense recovery plus a percentage calculated annually for investment expenses. The Foundation monitors its performance against this objective by comparing actual total annual returns over moving four-year periods against 5.40%, which includes a 0.40% adjustment for expected annual investment expenses. **(Revised June 26, 2018)**
- (ii) Total annual returns over moving four-year periods should be at least a 1% greater than a passive benchmark return that could have been earned by investing solely in the indices that make up the benchmark. The benchmark shall consist of:
 - 24% Canadian Equity Benchmark S&P/TSX Composite;
 - 14% US Equity Benchmark S&P 500 Index (CDN\$);
 - 5% US Small Cap Equity Benchmark Russell 2000 Value Index (CDN\$);
 - 17% International Equity Benchmark MSCI ACWI ex US;
 - 10% Mortgage Benchmark 40% FTSE Canada Mid-term Bond Index + 60% FTSE Canada Short-term Bond Index;
 - 20% Bond Benchmark FTSE Canada Universe Bond Index;
 - 5% Canadian Real Estate Benchmark MSCI/REALPAC Canada Property Index (IPD);
 - 5% Global Infrastructure Benchmark Canadian Consumer Price Index (CPI) + 5%.**(Revised June 26, 2018)**
- (iii) For active Canadian equity and US equity mandates, it is expected that portfolio returns will exceed the respective benchmark index by 1.0% over rolling four-year periods. For active US small cap equity and International equity mandates, it is expected that portfolio returns will exceed the respective benchmark index by 1.25% over rolling four-year periods. **(Revised June 27, 2017)**
- (iv) For active Canadian bond mandates, it is expected that portfolio returns will exceed the respective benchmark index by 0.4% over rolling four-year periods.
- (v) For passive bond and equity mandates, it is expected that portfolio returns will track the respective benchmark index within a +/- 0.20% tolerance over rolling four-year periods. **(Revised June 26, 2018)**

- (vi) For the mortgage mandate, it is expected that portfolio returns will exceed the respective benchmark index by 0.5% over rolling four-year periods. **(Revised Dec 16, 2014)**
 - (vii) For the Canadian real estate mandate, it is expected that portfolio returns will exceed the annualized REALpac/IPD Canada Property Index (IPD) over rolling four-year periods. **(Revised June 26, 2018)**
 - (viii) For the global infrastructure mandate, it is expected that portfolio returns will exceed the annualized Canadian CPI by 5% over rolling four-year periods. **(Revised June 26, 2018)**
 - (ix) Performance results should be achieved in each asset class and for the total fund that rank above median in moving four-year periods in a sample universe of similar funds identified by the Asset Management Consultant.
 - (x) Over the longer term, total returns should be sufficient to grow the asset base so as to protect the purchasing power of the investment portfolio. That is, net of spending and new contributions, the objective is to grow the contributed capital value at least at the adjusted rate of inflation which is currently 90% of CPI. The Foundation monitors its performance against this objective by comparing the growth of portfolio value against the consumer price index using 1979 as a base year. (While a 4.5% spending target for grant-making is the objective, the Spending Policy recognizes the potential need to adjust annual spending rates.) **(Revised June 27, 2017)**
 - (xi) The standard deviation of the total portfolio return should be less than that of the benchmark, measured over moving four-year periods.
- 5.2 Investment decisions shall be made without distinction between principal and income; the decisions to realize investment gains or losses are strictly based on investment factors involved.
- 5.3 Investment returns are maximized given the level of risk deemed appropriate by the Committee.
- 5.4 The Managers have full discretion in the selection of securities, portfolio structure and asset allocation, subject to the constraints of this Policy.
- 5.5 The broad intention of The Foundation's investment policy and corresponding investment managers is to consider Environment, Social and Governance (ESG) factors for the purpose of generating higher and more consistent returns.

6. Permitted Investments

6.1 The Fund may be invested in the following asset categories:
(Revised June 26, 2018)

- (i) cash;
- (ii) demand or term deposits;
- (iii) short-term notes;
- (iv) treasury bills;
- (v) bankers' acceptances;
- (vi) commercial paper;
- (vii) investment certificates issued by banks, insurance companies, trust companies and Credit Unions;
- (viii) bonds and non-convertible debentures;
- (ix) asset backed securities;
- (x) mortgages secured against Canadian real estate;
- (xi) convertible debentures;
- (xii) common and preferred stocks, including depository receipts;
- (xiii) Canadian commercial real estate properties;
- (xiv) global infrastructure equity;
- (xv) pooled funds, closed-end investment companies and other structured vehicles invested in any or all of the above asset categories; or
- (xvi) income trusts.

6.2 The Fund may hold derivative instruments such as options, futures and forward contracts on any securities allowable under the Statement, including index options and futures and equivalents. Derivatives shall not be used for speculative purposes, and may be used to:

- (i) hedge (i.e., reduce), fully or partly, any investment risk, including market, interest rate, credit, liquidity and currency risk;
- (ii) replicate direct investments in the underlying assets or groups of assets (i.e., indexes) so as to achieve some advantage of lower cost, transactional ease, or market exposure.

If there is any doubt prior to acquisition as to whether the derivative is permitted by this Statement, the permission of the Committee must be received prior to entering into this transaction.

6.3 Borrowing on behalf of the Fund is not permitted; the Fund will not be used to guarantee any borrowing. However, unanticipated temporary overdrafts when cash is not sufficient to settle a purchase are expected to occur.



6.4 The Foundation holds capital contributions in short-term investments prior to turning these funds over to the Managers. These funds are turned over to the Managers if not required to meet The Foundation’s spending policy, taking into account the rebalancing guidelines outlined in this Policy. In addition, The Foundation may hold capital contributions to the Fund in its Fixed Income Fund up to 3% of the total value of the Fund subject to the direction of the Committee.

The Foundation has investments for some specific funds that were transferred to The Foundation in kind. These investments are not part of the Consolidated Trust Fund. However, as these investments mature, the monies are rolled to the Consolidated Trust Fund.

6.5 Where the approved mandate involves an investment in a pooled fund, the specific investment guideline for the pooled investment fund will take precedence over the requirements detailed in this section, provided such guidelines and amendments are approved by the Committee. If, over time, a pooled fund investment guideline varies significantly from the general policies of The Foundation, then the continued appropriateness of the pooled fund investment will be reviewed.

7. Asset Allocation

7.1 The Fund’s benchmark asset allocation and allowable ranges are:

Asset Class (Group)	Minimum	Bmark	Maximum
Short Term	0%	0%	5%
Bonds	17%	20%	23%
Mortgages	8%	10%	12%
Total Fixed Income	25%	30%	35%
Canadian Stocks	21%	24%	27%
US Stocks	11%	14%	17%
US Small Cap Stocks	4%	5%	6%
International Stocks	14%	17%	20%
Total Stocks	55%	60%	65%
Canadian Real Estate	2%	5%	8%
Global Infrastructure	2%	5%	8%
Total Real Assets	4%	10%	16%

(Revised June 26, 2018)

7.2 The benchmark asset allocation has been determined in order to relate the Manager’s performance to the returns that would have been generated had the assets been invested in



the respective benchmark indices according to the benchmark weights. **(Revised June 27, 2017)**

- 7.3 Short-term investments include cash and fixed income investments having a maturity of less than one year when issued.
- 7.4 Bonds and mortgages shall include all mortgages and all fixed income securities having a maturity of one year and more when issued. Non-convertible preferred shares shall be included in this category. **(Revised Dec 16, 2014)**
- 7.5 Eligible stocks must be traded on a recognized exchange.
- 7.6 Canadian stocks include common stocks and convertible securities of Canadian issuers.
- 7.7 U.S. stocks include common stocks and convertible securities of U.S. issuers.
- 7.8 International stocks include common stocks and convertible securities of non-U.S. domiciled companies, including depository receipts.
- 7.9 Real estate includes only Canadian commercial real estate properties, short-term securities and other investments whose primary business is the ownership of income producing real estate. **(Revised June 27, 2017)**
- 7.10 Infrastructure equity includes global core infrastructure holdings that primarily large scale investments in long term assets and concessions. **(Revised June 26, 2018)**
- 7.11 Securities held in a pooled fund are classified on the basis of the assets comprising the major portion of such pooled funds.
- 7.12 Derivative instruments, along with any collateral held thereon where specifically approved by the Committee in writing, are included in the asset class comprising the securities whose return or price serves as the basis for the pricing of such derivative instruments.

8. Investment Risk

8.A DIVERSIFICATION WITHIN ASSET CLASSES

- 8.1 Diversification between asset classes is provided through the asset allocation guidelines set forth in this Policy.



- 8.2 Diversification within each asset class may be provided by appointing Managers with different investment styles in certain asset classes, and by investing across different securities, industry groups and regions.
- 8.3 No more than 10% of the Canadian or foreign equity portion of the Fund will be invested in the securities of a single issuer.
- 8.4 No more than 10% of the bond portion of the Fund will be invested in securities issued or guaranteed by any one corporation or municipality.
- 8.5 No more than 20% of the bond portfolio will be invested in securities issued or guaranteed by the government of a single Canadian province.
- 8.6 No more than the FTSE Canada Universe Bond index sector weight plus 30 percentage points will be invested in corporate and municipal issues in the bond portfolio. Written permission from the Committee will be required in order to increase these percentages.
- 8.7 The aggregate Canadian stock portfolio will be broadly diversified by name, and will contain a maximum investment in any one sector of the S&P/TSX Composite that is the greater of 3X the GICS sector index weight or 7 percentage points in excess of index weight by industry to a maximum of 35% per sector.
- 8.8 The aggregate U.S. stock portfolio holdings will be broadly diversified by name, and will contain a maximum investment in any one sector of the S&P500 Index that is the greater of 3X the GICS sector index weight or 7 percentage points in excess of index weight by industry to a maximum of 35% per sector.
- 8.9 The aggregate International stock portfolio will be broadly diversified by name, sector and country. The portfolio will have guideline limits relative to the MSCI ACWI ex US index weight as follows: **(Revised June 25, 2019)**

No. of Holdings	70-110
Industry	Minimum 20 industries
Country	Minimum 14 countries
Sector	Minimum 6 sectors
Stock	6% absolute

The Manager may exceed these guidelines if they deem that this is in the best interests of The Foundation, subject to providing subsequent written notification to the Committee. Holdings in securities invested in emerging markets will be permitted +/- 15% MSCI ACWI ex US index



to a maximum limit of 35% of this portfolio at the time of purchase. The Committee must be informed if this emerging market limit is subsequently exceeded.

- 8.10 The mortgage portfolio will consist of commercial and multi-residential mortgages, diversified by factors including property type, geographic location within Canada, quality of borrower, type of loan, loan-to-value ratios and other prudent risk management limits. **(Revised Dec 16, 2014)**
- 8.11 The real estate portfolio will consist of Canadian office, retail, industrial and multi-family residential properties, diversified by property type and geographic location within Canada. No more than 10% of the portfolio may be invested in any one real estate property at cost. **(Revised June 27, 2017)**
- 8.12 The global infrastructure portfolio will consist of holdings in large and mid-scale infrastructure assets diversified by economic sector and geography. **(Revised June 26, 2018)**

8.B INTEREST RATE RISK

- 8.13 For the purpose of calculating the duration of the bond portfolio, short-term investments may be included, at the Manager's discretion. The Manager will indicate how this calculation is made in all compliance reporting to the Committee.

8.C LIQUIDITY

- 8.14 Liquidity is provided by not allowing direct investments in real estate, venture capital and resource properties, as specified in the asset allocation guidelines set forth in this Policy.

For donations of assets which are not listed securities, concurrence of the Committee is required in order to accept the gift.

- 8.15 Written permission from the Committee is required in advance for the purchase of:
- (i) private placements not expected to become publicly traded within 6 months of purchase; and
 - (ii) stocks which do not trade on a recognized exchange.
- 8.16 No more than 10% of a single public issue will be held by the Manager on behalf of all its clients without notification to the Committee.



- 8.17 No more than 10% of the Canadian stock portfolio will be invested in stocks having a market capitalization of less than \$500 million.
- 8.18 No more than 10% of the U.S. stock portfolio will be invested in stocks having a market capitalization of less than \$1 billion U.S.
- 8.19 No more than 10% of the International stock portfolio will be invested in stocks having a market capitalization of less than \$500 million.

8.D QUALITY

- 8.20 Short-term investments will have a minimum credit rating of R-1 or its equivalent when purchased.
- 8.21 At least 80% of the bond portfolio investments will have a minimum credit rating of A or equivalent when purchased. Up to 20% of the bond portfolio may be invested in bonds with a BBB rating, which is the minimum credit rating permitted.
- 8.22 The weighted average credit rating of the bond portfolio will be maintained at or above A.
- 8.23 The Manager will notify the Committee and take immediate action to correct the situation when:
 - (i) more than 5% of the market value of short-term securities has a credit rating lower than R-1 or its equivalent; or
 - (ii) more than 10% of the market value of bond portfolio investments has a credit rating lower than A or its equivalent.
- 8.24 Unrated bonds will be assumed to fail all of the credit ratings referred to in this section.
- 8.25 Notwithstanding other provisions of this section, the Manager will be entirely responsible for establishing the creditworthiness of issues.

8.E CURRENCY

- 8.26 Currency risk is controlled by limiting the investment in foreign stocks, as specified in the asset allocation guidelines set forth in the Policy.
- 8.27 No more than 20% of the market value of the bond portfolio will be denominated in foreign currencies.



8.28 The Manager will not hedge foreign currency exposure without the written permission of the Committee.

9. Short Term Funds

3.1 The Foundation may operate a **Fixed Income Fund (FIF)**. The approved policy guidelines surrounding this fund are:

The Foundation's objective in establishing a FIF is to maximize its return on short-term investments that are not held in its Fund. These investments may include operating funds, grants payable, temporary capital, flow-through funds and the Fund monies not yet turned over for long-term management. The FIF also consists of permanent gifts where the donor specifies that the equity investments normally held in the Fund are not permitted.

Using a laddered approach of staggered maturity/redemption dates of up to 60 months (five years), the FIF is placed into a balance of government and corporate fixed income investments in accordance with this policy. To the extent feasible and prudent, maturity/redemption dates will be equally weighted for each 6-month period within the permitted 60 month horizon of this Fund.

An alternative to this laddered bond fund, The Foundation may purchase other short term instruments listed as permitted investments with maturity /redemption dates that will be equally weighted for each 6 month period within a 60 month period, including short term investments issued by Credit Unions of Manitoba that are guaranteed by Deposit Guarantee Corporation of Manitoba.

The performance objective will be 0.25% in excess of the annual rate of return of the FTSE Canada Short Term Bond Index measured over moving average four-year periods.

This FIF is established with monies that are not expected to be withdrawn for immediate cash flow needs and, as a result, investments are made on the basis of a buy and hold strategy. For any of The Foundation's endowments to become solely invested in the FIF, the initial contribution should be no less than \$100,000 Canadian dollars.

The FIF portion contained within the Consolidated Trust Fund will comprise no more than 3% of the overall Consolidated Trust Fund portfolio.

The FIF overall will be comprised of the following bond mixes:

	Min.	Max.
Government of Canada Bonds (or cash)	35%	80%

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Provincial Bond and Guarantees	0%	65%
Corporate/Municipal Bonds	0%	65%

No more than 20% of the FIF will be invested in securities issued or guaranteed by the government of a single Canadian province.

No more than 10% of the FIF will be invested in the securities issued or guaranteed by any one corporation or municipality.

The weighted average credit rating will be maintained at or above A.

At least 80% of the bond portfolio investments will have a minimum credit rating of A or equivalent when purchased. Up to 20% of the bond portfolio may be invested in bonds with a BBB rating, which is the minimum credit rating permitted.

No more than 20% of Market Value will be denominated in foreign currencies.

10. Borrowing

- 10.1 Borrowing on behalf of the Fund is only permitted as a result of unanticipated requests by the Committee and of anticipated overdrafts when cash is not sufficient to settle a purchase. The Custodian notifies the Committee where such borrowing remains outstanding for more than five business days.
- 10.2 The Fund will not guarantee any borrowing.
- 10.3 The Fund will not engage in short sales.
- 10.4 The Fund will not engage in the purchase of securities on margin.

11. Voting Rights

- 11.1 Voting rights on Fund securities are delegated to the Managers. However, the Committee reserves the right to exercise voting rights on Fund securities when it deems appropriate.
- 11.2 The Managers shall maintain a record of how Fund voting rights have been exercised.
- 11.3 In case of doubt as to the best interests of the Fund, the Managers shall request instructions from the Committee and acts in accordance with such instructions.



12. Securities Lending

- 12.1 The Fund may enter into securities lending agreements to lend investments of the Fund to reputable and well-established broker/dealers provided the loaned investments are secured by cash or readily marketable investments at a rate greater than 100% of the loan, reflecting Canadian industry "best market practices" (as determined by the Custodian) with full indemnification and that level of security is maintained daily.

13. Soft Dollars

- 13.1 It is the responsibility of the Managers to ensure that trade execution services are cost effective, and that the commission distribution is representative of the services rendered.

Managers may use soft dollars to pay for research and other investment-related services provided they comply with the Soft Dollar Standards promulgated by the CFA Institute. The nature and form of disclosure will be agreed upon between the Committee and the Managers.

14. Monitoring

- 14.1 Each quarter, the Managers shall provide a compliance report. The Managers are required to report immediately any breach of compliance in writing, along with pertinent details, explanations and remedial action taken.
- 14.2 As of the end of each quarter, the market value of each Fund investment is calculated. Investments that are not regularly traded are valued by the Custodian according to a methodology acceptable to the Committee. Any such investment that may represent more than 1% of the market value of the Fund is valued by a qualified independent appraiser or by the Committee through a unanimous resolution at least every three years.
- 14.3 Each quarter, Fund performance is evaluated by the Asset Management Consultant. Such evaluation is focused on objectives set for the Fund and for the Managers.
- 14.4 Each Manager reports to the Committee to:
- (i) provide information concerning new developments affecting the firm and its services;
 - (ii) review transactions in the latest period and assets held at the end of the period and explain how they relate to the strategy advocated;
 - (iii) explain the latest performance; and

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- (iv) provide an economic outlook along with a strategy under such circumstances.

15. Statement Review

15.1 The Policy is reviewed at least annually.

15.2 Material changes in the following may cause a revision:

- (i) long-term risk/return trade-off in the capital markets;
- (ii) Fund spending policy;
- (iii) risk tolerance; or
- (iv) legislative environment.

16. Rebalancing Policy

16.1 The Fund’s manager benchmark mix and allowable ranges are as follows:

Asset Class (Group)	Minimum	Bmark	Maximum
Canadian Equity Managers	21%	24%	27%
Mortgage Manager	8%	10%	12%
US Equity Managers	11%	14%	17%
Bond Manager	17%	20%	23%
US Small Cap Equity Manager	4%	5%	6%
International Equity Manager	14%	17%	20%
Canadian Real Estate Manager	2%	5%	8%
Global Infrastructure Manager	2%	5%	8%

(Revised June 26, 2018)

16.2 On completion of the quarterly financial statements, staff review the asset benchmark allocation to actual holdings among different Managers.

In order to keep the overall portfolio within the benchmark ranges, excess cash flow derived from excess gifts over administration and grant expenses are directed to the Manager(s) that are underweight in their mandate. Managers overweight in their mandate do not receive new cash. Certain asset classes (i.e., Mortgages, Real Estate and Infrastructure) can be illiquid and it may take a period of time to invest new commitments. In addition, it may be impractical to



rebalance to the benchmark weight or asset class range limits. Recognizing this, Bonds have been determined to be a suitable asset class with which to act as a buffer with respect to any overweighting or underweighting of Mortgages relative to the benchmark allocation. Canadian Equities has been determined to be a suitable asset class with which to act as a buffer with respect to any overweighting or underweighting of Real Estate relative to the benchmark allocation, and US Passive Equities have been determined to be a suitable asset class with which to act as a buffer with respect to any overweighting or underweighting of Infrastructure relative to the benchmark allocation.

Transition Provisions for Illiquid Asset Classes

An illiquid asset class will be considered “in transition”, if the allocation to that asset class has not yet achieved a Fund weighting equal to the benchmark allocation weight less 2%. While an asset class in transition is underweight its benchmark allocation, another asset class must be overweight its benchmark allocation. The following table indicates the “paired” asset class for various illiquid asset classes in transition.

Asset class in transition	Paired asset class
Mortgage	Bond
Real Estate	Canadian Equity
Infrastructure	US Equity

While an asset class is in transition, the maximum limit of the permitted range for its designated “paired” asset class (as indicated above) shall be increased by the amount of the underweight of the benchmark allocation for the asset class in transition. **(Revised June 25, 2019)**

- 16.3 Cash calls from Managers are required only if the asset mix exceeds the ranges stipulated in the above chart and net cash flow from normal operations do not bring the portfolio within the approved ranges. The cash rebalancing is intended to bring the Manager that is over/under the range back to 50% of the difference between the respective benchmark weight and maximum/minimum.



Appendix to the Asset Management Governance Plan

Checklist of Recurring Committee Actions

Action	Minimum frequency
Hold Committee meeting	Q
Obtain performance evaluation report	Q
Obtain report from and meet with: Asset Management Consultant	Q
Specialty Portfolio Managers	T
Evaluate services of agents and advisors	A
Review beliefs, policies and guidelines	A
Obtain confirmation of compliance from Investment Managers	Q
Prepare due diligence report for the Board	A

Legend:

Semi-Annually	SA
Quarterly	Q
Annually	A
Biennial	B
Triennial	T

(Revised June 25, 2019)



Appendix to the Asset Management Governance Plan

Conflict of Interest Policy

June 26, 2007

A statement of principle

Integrity is a core value of The Winnipeg Foundation and all actions of the Board, management and staff are founded on the principle of ethical community leadership.

The Board, management and staff are conscious of the possible or perceived conflict of interest which may arise in the normal course of business or as a result of Board Members being connected to charitable organizations which have received, or may apply for, a grant from The Winnipeg Foundation. At the same time, it is recognized that the process of selection of Board Members inherently involves seeking individuals that are, and will continue to be, active in the community. Likewise, The Winnipeg Foundation does not desire to deprive other charitable organizations, although they may be prospective applicants, from seeking the involvement and expertise of our Board Members.

It is in this context that the following policy is adopted:

Definitions

“Integrity” means conducting all affairs of The Winnipeg Foundation in an honest, forthright and impartial manner and building our community relationships on the basis of respect for the values, perspectives and aspirations of others.

“Conflict of interest” means a perceived, potential or actual conflict of interest between the unbiased exercise of judgment on behalf of The Winnipeg Foundation and:

- a perceived, potential or actual obligation to a person or organization that might benefit from special consideration related to a grant application; or
- a perceived, potential or actual benefit accruing to an individual, corporation, partnership, other business enterprise or non-profit organization of which the Board or staff member or volunteer or a person in his or her immediate family (“immediate family” includes anyone living in the same household) is an officer, director, partner or substantial shareholder.



Policy Provisions

1. *Obligation to Declare:*

Upon consideration of any application for funding assistance from an organization with which the Director or staff member is affiliated, that affiliation shall be disclosed. The individual so affiliated shall declare a conflict and leave the room during discussions and shall not vote or use personal influence on Board action. The abstention shall be noted in the Minutes.

- It is the responsibility of each Member of the Board to advise the Secretary of organizations with which the Member or his/her immediate family have affiliation and which have received a grant from The Winnipeg Foundation in the past or might reasonably be expected to apply for a grant in the future. Foundation staff, when made aware of these potential conflicts, shall list such potential conflicts of interest on the meeting agenda. To facilitate this process and as a reminder of the policy, the Secretary shall circulate a copy of the Conflict of Interest Policy at the first Board meeting in December of each year and immediately thereafter to all Directors and staff not in attendance at this meeting.
- It is the responsibility of the Chief Executive Officer to assure that the Board is aware of any potential staff conflicts of interest resulting from a staff member or his/her immediate family having affiliation with an organization, which has received a grant from The Winnipeg Foundation or might reasonably be expected to apply for a grant in the future.
- No employee shall participate in the decision-making process surrounding a grant application where there is a perceived, potential or actual conflict of interest. As a general rule, staff can take an active role in community organizations even where those organizations are prospective grant recipients provided that no employee shall participate in the decision making process surrounding a grant application where there is a perceived, potential or actual conflict of interest. As part of this policy, the Chief Executive Officer shall ask each staff member to identify on an annual basis those organizational relationships which could potentially result in the need to declare a conflict. This list shall be included on a Board Governance Committee agenda each year.

A declaration of a conflict of interest shall not affect the quorum of the meeting.

2. *Confidentiality of Information:*

Information about community projects reviewed by The Winnipeg Foundation is not generally considered to be confidential but some guidelines do apply:

- It is expected by applicants that information will be used with discretion;

- No information obtained through involvement with The Winnipeg Foundation is to be used for personal gain;
- The Board acts as a whole and positions of individual Board Members during deliberations are not disclosed – the privacy of discussion pertaining to Board decisions shall be respected;
- Third party opinions, provided with respect to grant applications, are treated in confidence; and
- Donor requests regarding confidentiality are always respected.

Matters related to personnel, litigation and property transactions are considered private.

3. Full Disclosure:

No undisclosed or unrecorded asset or account is to be held or established for any purpose at The Winnipeg Foundation. No false or misleading entries will be made in the books and records of The Winnipeg Foundation for any reason. No payments will be approved or made with the knowledge or intention that any part is to be used for any purpose other than that described in the supporting documentation.

4. Non-monetary Transactions:

No Member of the Board or staff of The Winnipeg Foundation shall use for personal gain or advantage The Foundation's facilities, equipment, mailing lists, computer data, employee time or other assets.

5. Acceptance of Gifts:

No Board member, officer, employee or volunteer shall accept gifts (other than of nominal nature) or use their position at The Winnipeg Foundation to obtain personal gain from those doing or seeking to do business with The Winnipeg Foundation.

6. Non-Compliance:

The Chairman or the Chief Executive Officer, as the case may be, shall assess the circumstances surrounding any non-compliance with this policy and shall make a recommendation to the Board of Directors.

7. Orientation Program:

This Conflict of Interest Policy shall form part of the orientation of every Board Member, employee and volunteer of The Winnipeg Foundation.

8. Public Statement:

The Annual Report of The Winnipeg Foundation shall include a brief statement, referencing adherence to a written conflict of interest policy.

