

INVESTMENT POLICY EXECUTIVE SUMMARY

PURPOSE OF STATEMENT

This Statement of Investment Objectives and Policies (the “Statement”) is intended to:

- A. Outline the investment related responsibilities of the Jewish Foundation, staff, Investment Committee, Foundation Trustees and the providers of investment services retained to assist with the management of the Jewish Foundation’s assets.
- B. Establish formal yet flexible investment guidelines incorporating prudent risk parameters, appropriate asset guidelines and realistic return goals.
- C. Ensure that the funds held by the Jewish Foundation are invested in a prudent manner in order to optimize long term returns at an appropriate level of risk.
- D. Provide a framework for regular constructive communication between the Foundation Trustees, Investment Committee, staff and the Jewish Foundation’s providers of investment services.
- E. Create standards of investment performance which are historically achievable and by which the investment managers agree to be measured over a reasonable time period.

It is expected that this Statement will be reviewed annually by the Investment Committee and amended as necessary by the Foundation Trustees to ensure the relevance of its contents to current capital market conditions and the needs of the Jewish Foundation.

INVESTMENT OBJECTIVES

The Jewish Foundation is expected to operate in perpetuity and also has an annual financial obligation based on the minimum disbursement quota requirement of the Canada Revenue Agency, which must be met regardless of how the investment portfolio is performing. Being risk averse is thus critical for the Jewish Foundation to ensure that it has the money it needs when it requires it. At the same time, the Jewish Foundation also faces the risk of the loss of purchasing power due to conservative asset mixes that barely beat inflation.

To address these risk factors, the Foundation has adopted an investment strategy that focuses on the longer term and is based on a diversified portfolio.

The Jewish Foundation’s long-term investment strategy has the following return objective:

- A total investment return that:
 - o Protects the purchasing power of the capital component
 - o Achieves the distribution objectives of the Jewish Foundation
 - o Recovers the cost of managing and administering the funds, and
 - o Establishes a reserve for future market declines

RESPONSIBILITIES – INVESTMENT COMMITTEE

The Investment Committee has advisory responsibility to the Foundation Trustees. It advises or recommends the general investment policy for the Jewish Foundation, and is responsible for guidance, monitoring and oversight of the investment program. This program may not include certain assets that fall under the direct supervision of the staff, including State of Israel bonds, segregated funds, and private shares.

The Committee meets at least quarterly, prior to regular Foundation Trustee meetings. The Chair reports to the Trustees. The minutes of the meetings are distributed to the Committee members and are available to the Trustees.

In the event a conflict of interest arises, the individual or group involved must immediately notify the Chair of the Investment Committee and may not participate in the decision-making process concerning the transaction in question.

INVESTMENT POLICIES

PURPOSE DRIVEN INVESTING

The Jewish Foundation uses a Purpose Driven Portfolio strategy to establish the policy weights for each asset group. In this structure, asset allocation is a function of aggregate portfolio goals. Broad asset classes are not the primary focus. Investment allocations are based upon their ability to further the goals of the total portfolio and are evaluated in this context. With this in mind, the assets are grouped into three primary categories:

- **Return Enhancers:**

The goal of the strategies within this area of the portfolio is primarily to increase return. These strategies will likely be more volatile and contain greater directional market exposure than other areas of the portfolio.

- **Portfolio Stabilizers:**

As the name suggests, these strategies are designed to provide consistent returns while providing access to liquidity. The assets in this portfolio are there both for normal market environments as well as times of crisis.

- **Economic Hedges:**

This portion of the portfolio is meant to provide a hedge against significant inflation because inflation has the potential to erode the long-term real purchasing power of the Jewish Foundation's investment portfolio.

ASSET ALLOCATION

This asset mix is designed to achieve reasonable diversification and thereby reduce the risk associated with undue concentration. This strategy may be changed from time to time on the recommendation of the Investment Committee.

	Minimum	Policy	Maximum
Return Enhancers		60%	
Canadian Equity	10%	15%	20%
Global Equity	35%	45%	55%
Portfolio Stabilizers		30%	
Fixed Income (including Cash)	25%	30%	35%
Economic Hedges		10%	
Real Assets	0%	10%	15%
		100%	

Canadian Equity includes investments in domestic equities invested according to a broad range of potential styles, including traditional long-only, long/short, and private equity. They can include structures such as separate accounts, mutual funds, and commingled funds for long-only equities, and limited partnerships and mutual funds for long/short equities and private equity.

Global Equity includes investments in international equities, emerging market equities or a combination of international/domestic/emerging equities invested according to a broad range of potential styles, including traditional long-only, long/short, and private equity. They can include structures such as separate accounts, mutual funds, and commingled funds for long-only equities, and limited partnerships and mutual funds for long/short equities and private equity.

Fixed Income includes investments in domestic fixed income securities, international fixed income securities, and emerging market debt instruments. Strategies include traditional long-only, long/short, and private debt.

Real Assets refers to investments or strategies composed of real property, buildings and developments, timber, commodities or other assets intended to respond more directly to changes in inflation. These investments may be made through publicly-traded securities and funds or private funds.

REBALANCING POLICY

The Investment Committee has the discretion to allocate assets within the ranges stated above. Staff and the Consultant will monitor the portfolio allocation on a monthly basis. If the estimated portfolio mix is not in compliance with the ranges on a market value basis, Staff will notify the Chair of the Investment Committee and recommend appropriate actions. The Chair of the Investment Committee has the authority to call an interim Investment Committee meeting to discuss potential changes to the asset allocation should extraordinary market events occur.

Additionally, each calendar quarter, the Investment Committee will formally review the total portfolio for compliance with the asset mix guidelines.

The Investment Committee can use existing cash flows and/or can rebalance out of current investments to bring component weightings back to within the ranges. The timing and frequency of any rebalance is subject to liquidity constraints of the underlying investments.

If at any time, the portfolio mix is not in compliance with the ranges and the Investment Committee elects not to rebalance, the Investment Committee will inform the Foundation Trustees of its intentions.