

Statement of Investment Policies and Procedures for the

Ottawa Jewish Community Foundation

Adopted by Investment Committee: June 5, 2023

Adopted by Board of Directors: June 20, 2023

Table of Contents

Page Number

1	General	3
2	Fund Objectives	3
3	Responsibilities	4
4	Authorized Investments	5
5	Risk Guidelines	7
6	Performance Expectations for the Fund	8
7	Reporting and Monitoring	9
8	Standard of Care	10
9	Conflict of Interest	10
10	Proxy Voting	10
11	Acknowledgements	11
Appendix A - Mandate for PH&N Institutional		12
Appendix B - Mandate for Connor, Clark & Lunn		14

1 General

1.1 Purpose

This Investment Policy Statement applies to the assets of the Ottawa Jewish Community Foundation (the “Foundation”). The purpose of this Investment Policy Statement (“the Statement”) is to outline the procedures and policies to effectively manage and monitor those investments. The assets will be managed in accordance with all applicable legal requirements. Any investment manager(s) (“the Manager(s)”) or any other agent or advisor providing services in connection with the Fund shall accept and adhere to this Statement.

1.2 Background

Established in 1971, with a fiscal year- end of December 31st, the Foundation is a public foundation with the principal goal of ensuring that there is sufficient financial support for the continued development of a strong and vibrant Ottawa Jewish Community. The Foundation is supported by tax receiptable contributions from the general public with the income generated from the investment of these contributions, in whole or in part, in support of charitable causes consistent with the Foundation’s goal.

2 Fund Objectives

2.1 Investment Objectives

The overall objectives, in their order of priority, of the Fund are to:

- preserve capital in real terms;
- maintain adequate liquidity necessary to meet cash requirements; and
- maximize the rate of return within acceptable levels of risk consistent with market conditions.

It is expected that the Fund will achieve an annualized real rate of return (i.e. a rate of return in excess of the rate of inflation as measured by the CPI) of at least 3.5% per annum, net of all expenses over a rolling four-year period.

2.2 Risk Tolerance

The Portfolio’s exposure to risk will be measured in terms of the standard deviation of its investment returns. The Portfolio should be structured and managed so as to provide for the generation of its targeted rate of investment return while assuming the lowest possible risk.

3 Responsibilities

3.1 Board of Directors and Investment Committee

The Board of Directors (“the Board”) of the Foundation has ultimate responsibility and decision-making authority over the assets of the Fund. The Board has established an Investment Committee. The Investment Committee, in turn may delegate some of its responsibilities with respect to the investment of the Fund to agents or advisors. In particular, the services of a custodian (“the Custodian”) and one or more investment managers (the “Managers”) are retained.

The Investment Committee will have an active role to:

- maintain an understanding of legal and regulatory requirements and constraints (if any) applicable to the fund;
- on an annual basis, review the Funds Statement of Investment Policies and make any necessary changes thereto, and obtain the Board’s approval thereof;
- oversee the Fund and the activities of the Manager(s), including the Managers’ compliance with the mandates, the investment performance of assets managed by each manager (if more than one manager is retained), and the performance of the Fund as a whole;
- retain the services of a firm to assist in the monitoring of the Manager(s);
- ensure that Manager(s) are apprised of any amendments to their mandates;
- inform the Manager(s) of any significant cash flow requirements; and
- retain and replace Manager(s) as the Investment Committee deems appropriate.

3.2 Investment Manager(s)

The Manager(s) are responsible for:

- selecting securities within the asset class(es) assigned to them, subject to any applicable legislation and any constraints set out in this Statement;
- providing the Investment Committee with quarterly reports of actual portfolio holdings and a review of investment performance, including comparisons with appropriate benchmarks and future strategy;
- attend meetings of the Investment Committee at least annually to review performance and to discuss proposed investment strategies; and
- inform the Investment Committee promptly of any investments which fall outside the investment constraints contained in this Statement and what actions will be taken to

remedy the situation, and- advise the Investment Committee of any elements of the Statement that could prevent attainment of the Fund's objectives.

3.3 Investment Consultant

The Investment Consultant is responsible for:

- assisting the Investment Committee in the preparation and ongoing review of this Statement;
- assisting the Investment Committee in the monitoring of the Fund's investments and Investment Managers on both a qualitative and quantitative basis;
- discussing with the Investment Committee and make recommendations affecting changes to the investment strategy of the Fund;
- meeting with the Investment Committee quarterly, and
- provide such other information and analysis regarding the Fund as the Investment Committee may request.

4 Authorized Investments

Outlined below are the general investment criteria as understood by the Investment Committee. If pooled funds are used, the Investment Committee requests the Manager(s) to notify them, in writing, prior to any changes to the policy of one of these pooled funds. At any time, the Investment Committee can re-evaluate the continued investment in the pooled funds. The Investment Policy Statements of any pooled funds utilized by the Fund are appended to this document.

4.1 List of Permitted Investments

(a) Short term investments:

Cash

Demand or term deposits

Short term notes

Treasury bills

Bankers acceptances

Commercial paper

Investment certificates issued by banks, insurance companies and trust companies

- (b) Fixed income instruments
 - Bonds (including investment grade and below investment grade securities)
 - Debentures (convertible and non-convertible)
 - Mortgages and other asset-backed securities
 - Senior loans
- (c) Canadian equities
 - Common and preferred shares
 - Rights and warrants
- (d) Foreign equities
 - Common and preferred shares
 - Rights and warrants
 - American Depository Receipts (ADRs) and Global Depository Receipts (GDRs)
- (e) Real Assets
 - Real estate
 - Infrastructure
- (f) Pooled funds, closed end investments companies and other structured vehicles in any or all of the above permitted investment categories is permitted.

4.2 Derivative Instruments

Investment in derivative instruments may be used for hedging purposes to facilitate the management of risk or to facilitate an economical substitution for a direct investment. Under no circumstances will derivative instruments be used for speculative purposes or to create leveraging of the portfolio.

4.3 Pooled Funds

With the approval of the Investment Committee, the Manager(s) may hold any part of the portfolio in one or more pooled or commingled funds managed by the Manger(s), provided that such pooled funds are expected to operate within constraints reasonably similar to those described in this document. It is recognized by the Investment Committee that complete

adherence to this Statement may not be entirely possible; however, the Manager(s) are expected to advise the Investment Committee in the event that the pooled fund exhibits, or may exhibit, any significant departure from the Statement.

It is expected that all Manager(s) will recognize environmental, social and governance (ESG) factors in the construction of their investment portfolios.

4.4 State of Israel Bonds

In addition to the managed funds as described in Section 6.1 of this document, the Foundation will, from time to time, make purchases of bonds issued by the State of Israel. Such allocation is not expected to exceed the lesser of \$1.2 million or 2.5% of the value of the overall Fund. For asset allocation purposes, these bonds will be considered to be part of the allocation to fixed income.

5 Risk Guidelines

5.1 Cash and Cash Equivalents

All investment in cash or cash equivalents shall be rated at least R1 using the rating of a recognized rating agency.

5.2 Fixed Income

(a) Investment Grade

Maximum and minimum holdings of the fixed income portfolio by credit rating are:

Credit Quality	Maximum in Bond Portfolio	Minimum in Bond Portfolio	Maximum Position in a single issuer
Government of Canada	100%	0%	No limit
Provincial Governments	70	0	25
Municipals	15	0	10
Corporate	70	0	5
AAA	100	0	10
AA	70	0	10
A	50	0	10
BBB	20	0	5
BB and less	30	0	1

Maximum holdings of the fixed income portfolio by a single issuer:

- 20% for asset-backed securities,
- 20% for mortgages or mortgage funds,
- 20% for bonds denominated for payment in non-Canadian currency,
- 20% for unhedged bonds and
- 10% for real return bonds.

(b) Sub Investment Grade

Credit Quality	Maximum in Portfolio	Minimum in Portfolio	Maximum Percent in a single issuer
BB and less	30	0	1

(c) All debt ratings refer to the ratings of a recognized rating agency such as Dominion Bond Rating Service (DBRS), Standard and Poor's or Moody's. If a rating change causes a maximum to be exceeded or non-compliance, the Manager(s) shall sell the security as soon as is practical to the extent required for compliance or obtain approval from the Trustees to continue to hold the security.

5.3 Equities

- (a) No one equity holding shall represent more than 10% of the market value of the assets of a single pooled fund.
- (b) There will be a minimum of 30 securities in each pooled fund portfolio.
- (c) No more than 5% of the market value of an equity pool may be invested in companies with a market capitalization of less than \$100 million at the time of purchase.

6 Performance Expectations for the Fund and Asset Mix

The fund is expected to earn a pre-fee rate of return in excess of the weighted benchmark return over the most recent four-year rolling time period. Return objective include realized and unrealized capital gains or losses plus income from all sources. Returns will be measured quarterly and will be calculated as time-weighted rates of return. The benchmark is composed of:

27.5% FTSE Canada Universe Bond Index

15.0% S&P/TSX Composite Index

32.5% MSCI World Index (in Canadian \$)

20.0% CPI + 5%

5.0% FTSE Canada Short Term Bond Index + 5.0%

Over the 4-year period ending March 31, 2022, this benchmark earned an average annualized return of 7.9%. This return was 5.0% above the average annualized rate of inflation over this period.

6.1 Asset Mix, Ranges and Benchmarks

Asset Class	Target Mix	Range	Benchmark
Cash and Short Term	0%	0 – 10%	FTSE Canada 91-day T-bill Index
Fixed Income	27.5%	20 – 45%	FTSE Canada Universe
Equities – total		35 – 60%	
Canadian	15.0%	10 – 35%	S&P/TSX Composite Index
Non-Canadian	32.5%	25 – 50%	MSCI World Index (\$Cdn)
Private Debt	5.0%	0 - 10%	FTSE Canada Short Bond Index + 5.0%
Real Assets	20.0%	15 – 25%	CPI + 5%

7 Reporting and Monitoring

7.1 Investment Reports

Each quarter, the Manager(s) will provide to the Trustees a written investment report containing, as a minimum, the following information:

- portfolio holdings as at the end of the quarter;
- portfolio transactions during the quarter; and
- rates of return for the portfolio, with comparisons to relevant benchmarks or indices.

7.2 Monitoring

At the discretion of the Investment Committee as required, the manager(s) will meet with the Investment Committee regarding:

- the rate of return achieved by the Manager(s);
- the Manager(s) future strategies and other issues as requested; and
- the filing of compliance reports.

7.3 Annual Review

It is the intention of the Investment Committee to ensure that this Statement is continually appropriate to the Fund's needs and responsive to changing economic and investment conditions. Therefore, the Investment Policy Statement shall be reviewed and confirmed or amended annually by the Investment Committee, and obtain the Boards approval thereof.

8 Standard of Care

The Manager(s) are expected to comply, at all times and in all respects, with the code of Ethics and Standards of Professional Conduct as promulgated by the CFA Institute.

The Manager(s) will manage the assets with care, diligence and skill that an investment Manager of ordinary prudence would use in dealing with all clients. The Manager(s) will also use all relevant knowledge and skill that they possess or ought to possess as a prudent Investment Manager.

9 Conflicts of Interest

All fiduciaries shall disclose the particulars of any actual or potential conflicts of interest with respect to the Fund. This shall be done in writing to the Chair of the Board of the Foundation. The Chair will, in turn, table the matter at the next meeting of the Investment Committee. It is expected that no fiduciary shall incur any personal gain because of their fiduciary position. This excludes normal fees and expenses that are incurred in fulfilling the responsibilities if documented and approved by the Investment Committee.

10 Proxy Voting Rights

- (a) Proxy voting rights on the Fund securities are delegated to the Manager(s). However, in the case of any segregated holdings, the Investment Committee reserve the right to exercise voting rights on Fund securities when they so deem it to be appropriate.
- (b) The Manager(s) maintain a record of how voting rights of securities in the fund, or any pooled funds in which the Fund invests, were exercised.
- (c) The Manager(s) will exercise acquired voting rights in the best interest of the Fund. In case of doubt, as to the best interest of the Fund, the Manager will request instructions from the Investment Committee and will act in accordance with such instructions. It is understood that this may not be applicable to any pooled funds in which the Fund invests.


11 Acknowledgement

This Statement has been approved by the Board on behalf of the Ottawa Jewish Community Foundation:



Sandy Pollack

Chair, Ottawa Jewish Community Foundation Board



Susan Viner Vered

Chair, Investment Committee

Appendix A - Mandate for PH&N Institutional

1. Application and Purpose

This appendix to the Investment Policy Statement has been adopted by the Investment Committee and Board of Directors and is meant to summarize the investment strategy employed by PH&N Institutional (“PH&N”) as agreed to in the Investment Management Agreement dated August 31, 2021.

2. Asset Mix and Allowable Investment Strategies

Asset Class	Target	Minimum	Maximum	Allowable Investment Strategies
Cash/T-bills	0%	0%	10%	N/A
Fixed Income	31%	21%	41%	PH&N Core Plus Bond Fund
Canadian Equities	18%	8%	28%	PH&N Canadian Equity Pension Trust RBC QUBE Low Volatility Canadian Equity Fund
Foreign Equities	39%	29%	49%	RBC Global Equity Focus Fund RBC QUBE Low Volatility Global Equity Fund RBC Emerging Markets Equity Fund
Private Debt	12%	2%	22%	PH&N High Yield Mortgage Fund

Additional Asset Mix Guidelines:

- *RBC Emerging Market Equity Fund*: Maximum of 20% of total foreign equity investments

3. Performance Expectations

The performance of PH&N Institutional will be assessed against the following benchmark. Given that the PH& High Yield Mortgage Fund will be funded over time via capital calls, PH&N will use the first benchmark below during the alternative mandate funding, followed by the ultimate benchmark once funding for these mandates is complete. Performance will be measured over rolling four-year periods.

PH&N Benchmark (During Private Debt Mandate Funding):

- 35% FTSE Canada Universe Bond Index
- 21% S&P/TSX Composite Index
- 44% MSCI World Index (in Canadian \$)

PH&N Benchmark (Ultimate):

31%	FTSE Canada Universe Bond Index
18%	S&P/TSX Capped Composite Index
39%	MSCI World Index (in Canadian \$)
12%	FTSE Short Term Bond Index + 5.0%

4. **Volatility**

It is expected that the portion of the Foundation's assets managed by PH&N will experience volatility consistent with its benchmark.

Appendix B - Mandate for Connor, Clark & Lunn

1. Application and Purpose

This appendix to the Investment Policy Statement has been adopted by the Investment Committee and Board of Directors and is meant to summarize the investment strategy employed by Connor, Clark & Lunn (“CC&L”) as agreed to in the Investment Management Agreement dated August 13, 2021.

2. Asset Mix and Allowable Investment Strategies

Asset Class	Target	Minimum	Maximum	Allowable Investment Strategies
Cash/T-bills	0%	0%	10%	N/A
Fixed Income	23%	13%	43%	Private Client Bond Portfolio Private Client Short Term Bond Portfolio Private Client High Yield Bond Portfolio
Canadian Equities	13%	3%	23%	Private Client Canadian Equity Portfolio Private Client Canadian Value Portfolio Private Client Canadian Equity Income & Growth II Portfolio
Foreign Equities	29%	19%	39%	Private Client Global Equity Portfolio CC&L Global Alpha Portfolio
Alternatives	35%	0%	40%	Private Client Real Estate Portfolio Private Client Infrastructure Portfolio

Additional Asset Mix Guidelines:

- *Private Client High Yield Bond Portfolio*: Maximum of 20% of fixed income investments
- *Private Client Real Estate and Infrastructure Portfolios*: Equal target allocation

3. Performance Expectations

The performance of CC&L will be assessed against the following benchmarks. Given that the alternative investment strategies will be funded over time via capital calls, CC&L will use the first benchmark below during the alternative mandate funding, followed by the ultimate benchmark once funding for these mandates is complete. Performance will be measured over rolling four-year periods.

CC&L Benchmark (During Alternative Mandate Funding):

35% FTSE Canada Universe Bond Index
20% S&P/TSX Composite Index
45% MSCI World ex-Canada Index (in Canadian \$)

CC&L Benchmark (Ultimate):

23% FTSE Canada Universe Bond Index
13% S&P/TSX Composite Index
29% MSCI World ex-Canada Index (in Canadian \$)
35% CPI + 5%

4. **Volatility**

It is expected that the portion of the Foundation's assets managed by CC&L will experience volatility consistent with its benchmark.