

THE OTTAWA JEWISH COMMUNITY FOUNDATION
MEETING OF THE BOARD OF DIRECTORS
Investing in Our Future

THURSDAY, JANUARY 18, 2024

MINUTES

Minutes of a Meeting of the Board of Directors of THE OTTAWA JEWISH COMMUNITY FOUNDATION (the 'Foundation') held by Zoom conference at 8:00 AM on Thursday, January 18, 2024.

<u>PRESENT:</u>	Sharon Appotive, Jonathan Ben-Choreen Freedman, Steve Gordon, Adin Libin, Sandy Pollack, Aaron Smith, Lawrence Soloway, Susan Viner Vered, Erin Zipes
<u>STAFF:</u>	Solange Ashe, Rena Garshowitz, Micah Garten, Mark Gruner
<u>SPECIAL GUEST:</u>	Jason Campbell, Eckler

MEETING CALLED TO ORDER:

Sandy Pollack welcomed everyone to the meeting and asked for a moment of silence to honour those in the war in Israel and remember those who have been lost.

Sandy called the meeting to order at 8:04 AM.

APPROVAL OF THE NOVEMBER 23, 2023 MEETING MINUTES

Sandy asked if there were any questions or business arising from the meeting minutes of November 23, 2023.

A motion was made to approve the November 23, 2023 minutes.

Moved by: Erin Zipes

Seconded by: Lawrence Soloway

Approved: Unanimously

PRESIDENT'S REPORT AND NEW COMMITMENTS REPORT

Sandy invited Micah Garten to present the President's Report.

Micah asked if there were any questions arising from the written material, and then provided the following update:

- The Foundation met all metrics for Year 5, except for Life & Legacy, and exceeded the metrics under the 5-year strategic plan, including Life & Legacy.
- It is important to note that the fiscal year for the Foundation runs from January 1st to December 31st and the Life & Legacy year runs from July 1st to June 30th.
- With respect to Generations Trust, Micah has been working with Generations Trust leadership to plan next steps and will keep the board apprised. There are currently approximately 9 gifts secured. A donor update report is in the process of being finalized and will be presented to the board.

- With respect to Life & Legacy's success, it would be helpful if board members spoke with peers at organizations or joined one of the partner agency teams.

Sandy thanked Micah for his update.

APPROVAL OF ANNUAL BUSINESS PLAN

Sandy Pollack invited Micah Garten to present the Annual Business Plan.

Micah asked if there were any questions arising from the written material.

The board had a fulsome discussion with the following clarification:

- With respect to the investment goal, with an unpredictable market, increased interest rates and a mandate to increase the annual disbursement by 1% bringing it to 5% as mandated by the government, it will be important to have fulsome discussions in partnership with the investment committee going forward in order to assess what goal is achievable.

A motion was made to approve the Annual Business Plan.

Moved by: Jonathan Freedman

Seconded by: Lawrence Soloway

Approved: Unanimously

ANNUAL DISBURSEMENT

Sandy invited Micah Garten to discuss the annual disbursement.

Micah asked if there were any questions arising from the written material, and advised as follows:

- As the board is aware, the government has mandated an increase of the annual disbursement rate to 5%. While the Foundation could delay, as there is an assessment that can be done to determine if the legal minimum has been achieved, based on a 2-year average, the Foundation executive does not feel this is the direction to take, particularly as the 2024 annual disbursements would then need to be significantly higher.

The floor was opened to the board for discussion.

A motion was made to approve that the Ottawa Jewish Community Foundation increase its disbursement rate to 5% for the fiscal year 2023, as mandated by the government.

Moved by: Steve Gordon

Seconded by: Sharon Appotive

Recused: Adina Libin

Motion approved.

Micah then advised the board that there is a need for approval of the distribution of the undesignated funds (those funds that no longer have an advisor upon which to designate a beneficiary). Where there is no advisor, it is the responsibility of the Foundation to assign a beneficiary. Historically, the Foundation board has distributed to the Jewish Federation of Ottawa's annual campaign, to be incorporated into the allocations process.

The floor was opened to the board for discussion, with the following clarifications:

- Undesignated funds go to the Federation's annual campaign and an allocation committee determines, on an annual basis, the recipient agencies and the portion of funds they receive.
- Micah advised he will bring some of the modelling for the Generations Trust campaign to the

next board meeting.

- It was agreed that the Foundation would have discussions with the Federation and allocation committee for the 2024 undesignated disbursement.

Be it resolved that that Ottawa Jewish Community Foundation disburse all undesignated funds to the Jewish Federation of Ottawa to be included as part of the Federation's grants and evaluation process.

Moved by: Lawrence Soloway

Seconded by: Susan Viner Vered

Recused: Adina Libin

Sandy thanked Micah for all of his hard work.

FINANCIAL UPDATE

Sandy invited Mark Gruner to present the financial update.

Mark reviewed the written material, with the following items of note:

- The spend rate to November 30th is 90% with a net spend rate of 87%.
- The bulk of underspend comes from promotion. It is anticipated that promotions will go up in 2024.

Sandy thanked Mark for his update.

INVESTMENT UPDATE

Sandy invited Susan Viner Vered to present the investment update.

Susan advised as follows:

- For the month of November, the total fund returned 4.4% net of fees with a year-to-date return of 6.1% net of fees and a total asset value of \$75.01M.
Due to concerns around one of the strategies held by one of the portfolio managers a meeting was held to discuss the concerns of the investment committee and the board. It was agreed that the investment committee, with follow up by Eckler and the portfolio manager in question, would discuss other strategies available to replace or reduce the exposure to this particular strategy. The portfolio manager has suggested some alternative options which will be reviewed and presented to the investment committee at the upcoming February 26th meeting.
- On January 15th, the investment committee held an ad hoc meeting to review a proposal from our other portfolio manager. The investment committee ultimately decided, with Eckler's assistance, that the proposed strategy didn't warrant a high enough upside given the risk, and increased costs.

With respect to recent market performance:

- Global equity markets closed the month of November on a positive note as all major benchmarks posted gains. Inflation steadied across developed markets and the hope that the end of central banks' tightening monetary policy felt closer. With the expectations that policy interest rates may have peaked, yields on 10-year government bonds in the U.S. and Canada fell.
- With rising expectations that central banks may cut rates in 2024, investor sentiment improved in the last month of 2023 leading to positive results across equities and fixed income. Canadian equities returned 7.5% for the month while global equities overall returned 6.8%. Canadian bond returns were also strong at 4.3% for the period.

Sandy thanked Susan for her update.

INVESTMENT STRATEGY

Sandy welcomed a representative from Eckler and invited him to discuss the investment strategies and performance.

He acknowledged that overall performance for the year has not lived up to expectations, although it is anticipated that the year-to-date returns will be close to 9% as the months of November and December have done well.

The relative returns for both portfolio managers in 2023 have been poor. Some strategies have been successful but there is a need to make some changes, which will be discussed at the February 26th investment committee meeting.

Eckler reviewed the Q3 written material, with the following observations:

- It is only the last 9 months that have been a struggle; it has not been since the mandate was put in place.
- When reviewing the 3, 5, 7 and 10 year performances, this also includes the Foundation's previous investment strategies with Guardian Capital, reflecting an underperformance and the reason the portfolio was moved to a new investment model.
- When the 2-year number is reviewed, all of the strategies have been in line or ahead of the benchmark.
- The biggest issue is the foreign equity portfolio. The portfolio manager continues to review this strategy with some small changes being made.
- All low volatility funds have underperformed this year which is not surprising and Eckler feels that there is no reason for concern. The funds had a positive return in 2022, and over the last 2 years.
- On a relative basis, fixed income has done well by both investment managers, but high inflation and rising interest rates have been a challenge. Forward looking returns on fixed income are favorable.

The floor was opened to the board for a fulsome discussion.

Sandy thanked the advisor from Eckler for attending the meeting and providing his insight.

FUNDRAISING

Sandy invited Micah to discuss the next steps on fundraising.

Micah advised the board that a survey will be circulated over the next couple of days to ascertain comfort in fundraising and personal philanthropic viewpoints. Micah will then schedule individual meetings with each board member.

Sandy thanked Micah.

ADJOURNMENT

Sandy asked for a motion to adjourn the meeting.

Moved by: Susan Viner Vered

Seconded by: Lawrence Soloway

Approved: Unanimously

The meeting was adjourned at 9:27 AM.