Landscape of Grand Pré Inc. – Le Paysage de Grand-Pré inc.
Investment Policy

Landscape of Grand Pré Inc. (the Corporation) is responsible for coordinating the management of the Landscape of Grand Pré UNESCO World Heritage Site. The Corporation manages its funds to support the protection, preservation and promotion of the Landscape of Grand Pré as per the investment guidelines provided in this policy.

1. RESPONSIBILITIES OF THE FINANCE AND AUDIT COMMITTEE AND THE BOARD OF DIRECTORS

a) The Finance and Audit Committee (the Committee) serves as the investment committee for the Corporation. The Committee shall provide good stewardship of endowment and trust funds; set policy for investment and asset management; and provide general oversight of total portfolio management. The Committee shall have charge of the investment of the trust funds and any other sums of money of the Corporation, subject always to the general directions of the Board, and shall have power to purchase and sell securities.

b) The Committee will be responsible for:

   i) Setting policy for investment and asset management;
   ii) Ensuring prudent investing and spending;
   iii) Directing the selection of the Portfolio Manager and monitoring his/her performance;
   iv) Ensuring adequate reporting to the Board at each regular meeting of the Board;
   v) Ensuring compliance with donor specifications regarding use of trust funds.

2. INVESTMENT OBJECTIVES

The basic investment objectives are to ensure that funds are invested in a prudent and effective manner and shall be sufficient to support cash flow requirements as they arise.

The expected required rate of return over a three-year rolling period for the portfolio is 4% to 6% in order to cover the Corporation's income requirements and to protect the value of the portfolio against inflation. The expected rate of return incorporates income requirement and inflation protection.

Primary investment objectives are:

a) to preserve capital;

b) to maintain liquidity necessary to meet cash requirements;

c) to optimize the rate of return, within the constraints of a) and b);

d) to optimize the rate of return, within acceptable risk levels as set by the Board of Directors.

3. AUTHORIZED INVESTMENTS

The Corporation will invest in any form of property in which a prudent investor might invest. It will be at the Portfolio Manager's discretion to determine the asset mix within prescribed limits.

4. RESTRICTIONS

a) Except for government bonds, not more than 10% of the total market value of the portfolio will be invested in securities of any one issuer.

b) There will be no borrowing from any source to make investments.

c) The Portfolio Manager may invest in pooled funds that may use derivatives, such as options, futures and forward contracts, for hedging purposes, to protect against losses from changes in interest rates and market indices; and for non-hedging purposes, as a substitute for direct investment. However, the pooled funds must hold enough assets or cash to cover its commitments under the derivatives. The pooled funds cannot use derivatives for speculative trading or to create a portfolio with excess leverage.

d) Liquid assets are restricted to 10% of the net assets of each pooled fund.

e) Investment in equities will be limited to 30%; as a higher percentage would expose the Corporation to unacceptable risk.

5. SOCIALLY RESPONSIBLE INVESTING

Socially Responsible Investing is defined as making investments which are sustainable and equitable. The Portfolio Manager will endeavour, in his/her discretion, to make investments which are consistent with the Corporation's purpose, vision and mission which are defined in the approved strategic plan for the Corporation.

6. PERFORMANCE TARGETS AND STANDARDS

Over a four-year moving average basis, the Portfolio Manager should achieve the following objective:

- to exceed a passive benchmark return (before fees) on the components of the portfolio equal to the DEX 30-Day T Bill Index, T Bill Index, DEX Universe Bond Index, S&P/TSX Composite Index, Standard & Poor's 500 Total Return Index and/or MSCI EAFE Index.

7. RESPONSIBILITIES OF THE INVESTMENT MANAGER(S)

a) The Portfolio Manager shall invest the funds of the Corporation within these specific written guidelines and in accordance with the investment objectives. In carrying out her/his duties and responsibilities, the Portfolio Manager shall exercise such competence and skill as may be expected of a prudent, diligent investment manager in similar circumstances.

b) The Portfolio Manager shall prepare quarterly reports, which shall contain, as a minimum:

- income for the quarter and annualized asset mix;
- quarterly and past 12-month total return calculations by asset class versus benchmarks (defined in point 6);
- economic and market commentary with forecasts for the next 12-month or other relevant period.

In addition, the Portfolio Manager should have at least one formal annual meeting with the Committee to review the portfolio performance and discuss strategy for the ensuing period, and make at least one presentation per year to the Board of Directors. The Portfolio Manager will refer, on a timely basis, any contentious issue to the Committee so that guidance may be provided.

c) The Portfolio Manager must disclose any material interest in any investment or proposed transaction. All investment activities must be conducted in accordance with the Chartered Financial Analyst code of ethics, and the Code of Conduct as adopted by the Corporation's Board of Directors.

d) The Portfolio Manager is delegated the responsibility of exercising all voting rights with the intent of fulfilling the objectives and goals of the Corporation. The Portfolio Manager shall maintain a record of how voting rights of securities in the portfolio were exercised.

e) Asset class allocations may fluctuate over time due to market movements. The portfolio allocations should be reviewed at least quarterly by the Portfolio Manager, and rebalancing should be considered when the asset class allocations fall outside of the ranges established by this policy.

The Committee shall provide as much notice as possible regarding cash requirements or additional funds available for investment. But as these may not always be known in advance, consideration of this factor will be taken into account in assessing investment performance.

8. REVIEW OF THE PORTFOLIO MANAGER'S SERVICES

It is the responsibility of the Board of Directors to monitor the performance of the Portfolio Manager on an ongoing basis with input from the Committee. Circumstances which could require a special review of the Portfolio Manager's appointment include, but are not limited to:

a) Changes in ownership, personnel, structure, investment philosophy, style or approach of the investment management firm, which might adversely affect the potential performance and/or risk level of the fund portfolio(s). The Portfolio Manager will routinely advise the Committee of any significant changes within the firm.

b) Unauthorized departure from the stated investment guidelines. (Note: If the Portfolio manager believes the guidelines are no longer appropriate, he/she should make a recommendation for amending the policy).

c) Investment performance which over a reasonable period of time is less than the performance targets and standards as outlined in this policy.

9. FUND WITHDRAWALS

a) Cash flow activity will be reported by the Executive Director to the Committee and Board of Directors on a quarterly basis. This information will enable the Committee to prepare a notice to the Board of Directors of any anticipated significant change in expected investment income. This information is relevant when the Committee and Board are reviewing the expectations and outcomes of the Portfolio Manager's performance. Any change of expectation should be documented and included in Board minutes.

b) The Committee and the Board of Directors should be advised by the Corporation's Executive Director if an unscheduled fund withdrawal is required from the endowment fund (the portion of the fund under Board discretion, not the 10-year gifts.) The Board of Directors is required to pass a resolution allowing the funds to be withdrawn. Any such unanticipated withdrawal will potentially change the investment income expectation and becomes relevant in reviewing the expectations and outcomes of the Portfolio Manager's performance. Any change of expectation should be documented and included in Board minutes.

10. Asset Allocation

Asset Class	Minimum	Long-Term Target	Maximum
Cash and Equivalents	0%	5%	50%
Fixed Income	30%	65%	80%
Equity	0%	30%	30%
Alternative Investments	0%	0%	25%

Although the above guidelines carry a maximum equity investment of 30%, from time to time, market fluctuations may cause the portfolio to be temporarily inconsistent with the Asset Allocation and/or the Investment Management Guidelines set out in this Investment Policy. When this occurs, we direct the Portfolio Manager to undertake a realignment of the portfolio within a reasonable period of time, in order to bring it back in line with this Investment Policy.

The Portfolio Manager will make every reasonable effort to preserve the capital investments while also allowing for the opportunity for income with moderate growth. This is best achieved with a combination of GIC's, various types of bonds (as hopefully will be authorized), and high-quality dividend growing companies. Most international exposure will be limited (but not restricted to) primarily Canadian and American dividend paying companies, with some discretion on the part of the Portfolio Manager.

The following benchmarks are recommended:

DEX 30-day T Bill Index	30%
DEX Universe Bond Index	40%
S&P/TSX Composite Index	18%
Standard & Poor's 500 Total Return Index	10%
MSCI EAFE Index	2%

Revised by the Finance and Audit Committee on May 18, 2023, and approved by the Board on September 21, 2023.

Resolution: **Resolution 23BOD.Sept.21.013**