



**The  
Anglican  
Diocese of Calgary**

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**STATEMENT OF INVESTMENT POLICY AND OBJECTIVES  
Consolidated Investment Fund April 15, 2004  
Revised November 26, 2019**

**Statement of Purpose**

The purpose of this Statement of Investment Policy and Objectives ("the Statement") is to clearly define, articulate and document an effective investment strategy for discretionary investment management. This includes investment objectives, constraints and risk tolerances. This document establishes a framework for the ongoing management of these assets, including performance measurement and monitoring.

The function of the Consolidated Investment Fund ("the Fund") is to hold all capital moneys acquired by The Anglican Diocese of Calgary ("the Diocese") from donations, bequests, endowments or other segregated amounts that are to be administered for specific long-term purposes. These funds are held under the terms of the trusts established by donors and by subsequent agreements.

Another goal is to ensure that the Fund is managed in accordance with all applicable legal requirements including the *Income Tax Act (Canada)*, *Trustee Act* and *Funeral Services Act*. It is understood that any investment management or any other agenda or advisor providing service in connection with the Fund, shall accept and adhere to the Statement.

Parishes in the Diocese are encouraged to use the Consolidated Investment Fund to hold their similar capital amounts segregated for long-term purposes.

Each of the trusts and parishes whose funds are invested in the Consolidated Investment Fund shall have the intention to use these funds in some fashion to further their unique mission and ministry goals. However, the timing of such use differs widely, in that the overall requirements for cash disbursements tends to be more episodic than regular.

**Statement of Responsibilities**

RBC Wealth Management has been appointed Investment Manager of the Fund. The Investment Manager has responsibility to invest the capital amounts and subsequent retained earnings in appropriate securities to achieve sound financial returns of interest, dividends and capital gains.

The Portfolio Manager shall adhere to the Code of Professional Conduct and Standards of the CFA Institute.

The Portfolio Manager shall maintain responsibility for carrying out the Statement of Investment Policy and Objectives as outlined herein by:

1. Selecting securities for the portfolio;
2. Adjusting asset mix;
3. Reviewing and reporting portfolio activity and performance on a timely basis.

## **Investment Policy**

### **Return Objective: Principal Protection with Moderate Growth**

The primary objective of the portfolio is to maintain the safety of principal and also achieve some moderate growth. The portfolio is to generate a total return (income and capital growth before investment management fees) in excess of inflation. The current inflation assumption is 2.5% per year, on average, over the next full business cycle (approximately 5 years). The total return objective is one in excess of 5% per year, on average, over the next full business cycle.

### **Risk Tolerance: Low to Medium**

Risk shall be controlled through construction and strategic management of a broadly diversified portfolio comprised of fixed income and equity securities. A balanced approach, skewed towards fixed income, will minimize volatility while attempting to maintain and increase the purchasing power of the assets over the long term. Risk will also be controlled through diversified investment in a broad range of economic sectors, geographies, individual holdings, and security selection strategies based on a value-biased approach to buying growing companies at the right price, at the right part of their cycle.

The Investment Manager has been instructed to avoid undue financial risk in any investment and to avoid specific investments in situation of inappropriate social or political consequences. More detailed guidance regarding environmental, social and governance (ESG) concerns will be developed and reviewed by the Diocese over time.

### **Time Horizon: Long Term**

The portfolio will have a long-term investment horizon. Therefore, it will be appropriate to hold a portion in equities, which allow for capital appreciation.

### **Tax Bracket: Non-taxable**

### **Liquidity Needs: Marketability of Securities**

All securities will be marketable (saleable) to provide a cash distribution should the need arise. The Diocese will communicate to the Portfolio Manager any regular distributions expected over the upcoming year, and will strive to give the Portfolio Manager two weeks' notice of any previously uncommunicated cash disbursements.

### **Legal Constraints: None**

There is no external laws or regulations that govern the investments allowed in this portfolio outside these outlined in this Statement of Investment Policy and Objectives.

### **Unique Circumstances: None**

At this time there are no unique circumstances that would have an impact on the management of the accounts.

## **Investment Guidelines**

### **Asset Mix Strategy**

The manager will have full discretion to manage the portfolio subject to the following guidelines:

- The portfolio will consist of a balanced mix of Canadian stocks, U.S. stocks, Non-North America in stocks, Canadian Bonds, U.S. Bonds, Global Bonds and Cash (or cash equivalents).
- Eligible securities include all classes of common equity, special warrants, depository receipts, preferred shares, debentures, Canadian, U.S. and Global bonds and cash equivalents. Securities' lending is not permitted. In order to assist with monitoring any current or future ESG constraints, investment in individually identifiable securities is preferable. However, pooled funds may also be utilized when deemed appropriate by the Portfolio Manager to achieve adequate diversification in any particular market sector or geography.
- The portfolio will be managed in accordance with the following strategic asset mix ranges and benchmarks:

Asset Class	Range	Benchmark
Cash and Equivalents	0-15%	2% DEX 91 Day T-Bill
Fixed Income	40-70%	58% DEX Bond Universe
Equities	30- 50%	40%
Canadian Equities	10- 30%	20% S&P/TSX Comp.
U.S. Equities	5-20%	10% S&P 500
International Equities	5-20%	10% MSCI EAFE

#### **Equity Management Strategy**

- To limit risk, equity investments shall be broadly diversified across global geographies and market sectors, with limited exposure to any one sector, geography or corporation. In particular, investment in any corporation shall at all times be limited to a maximum of 5% of the market value of the equity component of the portfolio.
- The equity segments of the portfolio will generally demonstrate the following characteristics:

Earnings growth	higher than market
Average PIE	lower than market
Average ROE	higher than market
Average debt/equity ratio	lower than market

#### **Bond Management Strategy**

- No one bond will have a weighting greater than 10% of the portfolio.
- The average credit rating of the bond component of the portfolio will be AA. At no time shall more than 5% of the total bond portfolio be invested in bonds having a credit rating less than BBB.
- The bond component of the portfolio should demonstrate the following characteristics:

Duration	SC Bond Universe Index+/- 0.50 years
Federal	30-100%
Provincial/Municipality	0-50%
Corporate	0-50%

### **Reporting and Communication**

- The Diocese Director of Finance is responsible for direct liaison with and supervision of the Investment Manager ("the Manager".) The Investment Committee of the Diocese Administration & Finance Board meets quarterly to review the strategy and performance of the Investment Manager. The Investment Committee issues an Annual Report to all participants and parishes.
- The Manager will report any changes in key personnel responsible for this mandate in an expedient manner.
- The Manager will issue quarterly valuation reports within two-weeks of quarter-end.
- The Manager will prepare and issue written, quarterly investment reports within four weeks following the end of each quarter.
- Quarterly investment reports shall include the following items:
  - Portfolio listings
  - Trading activity
  - Performance measurement and commentary
  - Assessment of current market environment
  - Assessment of economic and market outlook and strategy
  - Certification of compliance with mandate.
- The Manager will attend regular review meetings to be determined by the Diocese.

### **Conflict of Interest**

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