

Investment Policy - December 23

1. Introduction

1.1 General information

The mission of the YWCA of Québec Foundation (the "Foundation") is to ensure the sustainability of the YWCA of Québec's leadership by developing a true partnership between the YWCA and its donors, and by building a legacy for the future.

The Foundation is governed by a set of policies. The purpose of this investment policy is to define, among other things, the broad investment guidelines for the Foundation's funds.

The investment policy specifies the responsibilities of the people involved, as well as the investment guidelines for managing the Foundation's funds.

In accordance with the rules of governance adopted by the Board of Directors, the functions of the persons involved in investment management are allocated as follows:

Board of Directors

The Board of Directors is responsible for :

- Establish the Finance, Audit and Investment Committee, determine its mandate and appoint its members and Chairman;
- Adopt this investment policy ;
- Appoint the external investment manager(s) and custodian(s), entrust all or part of the investment management and approve the terms and conditions of their respective management or custodial contracts;
- Receive the Finance, Audit and Investment Committee's annual analysis of portfolio trends;
- To approve temporary departures from the present policy.

Finance, Audit and Investment Committee

The Finance, Audit and Investment Committee is responsible for :

- Recommend investment policy to the Board of Directors;
- Periodically monitor the application of investment guidelines and the activity of the manager(s), and decide on corrective measures if necessary;
- Recommend that the Board of Directors retain the services of advisors as needed;
- Recommend to the Board of Directors that all or part of the investment management be outsourced or managed in-house;
- Recommend to the Board of Directors one or more external portfolio managers, a custodian and the terms and conditions of their respective management or custodial contracts, or its replacement;
- Rebalance the portfolio, in collaboration with the portfolio managers (in the context that management is awarded to more than one manager), so as to maintain the effective asset allocation within the ranges stipulated by the investment guidelines for equities, bonds, money market or other investments;
- Appreciate the performance of investments and their components;
- Review the investment policy annually and, if necessary, recommend amendments to the Board of Directors;
- Report regularly to the Board of Directors on its activities;
- Present to the Board of Directors, at the end of each year or upon request, a complete valuation of the portfolio including, among other things, book and market values, as well as a certificate of compliance from the manager(s).

The Finance, Audit and Investment Committee in collaboration The Foundation's internal management team

Implements the investment policy. Monitors the application of the investment guidelines by the manager(s) and decides on corrective measures where necessary. Acts as liaison between the portfolio manager(s), the custodian, the Finance, Audit and Investment Committee and the Board of Directors. They are responsible for maintaining and managing the liquidity required for day-to-day operations.

The portfolio manager(s)

The portfolio manager(s) are responsible for :

- Manage the investments entrusted to them, in accordance with the agreements established with the Foundation;
- Report, when significant developments occur and on at least an annual basis, on changes in their organization, strategy, portfolio composition and performance within a reasonable period of time;
- Justify any deviation from the investment administration program and obtain prior authorization;
- Ensure that all investment activities are carried out in compliance with the CFA Institute Code of Ethics;
- Produce an annual letter of compliance with the policy

2. Investment guidelines

The Foundation may create several funds for specific projects. These have different time horizons and objectives.

For each fund, the Foundation will determine, within the investment policies, an expected return and a level of risk consistent with the fund's time horizon. For funds with perpetual time horizons, preservation of capital and purchasing power are important aspects. In all cases, it will create a high-quality portfolio.

Managers who make a non-compliant investment assume full responsibility for any resulting losses and release the members of the Investment Committee from this responsibility.

Managers are not required to place any particular emphasis on the realization of capital gains or losses, except to the extent that other provisions of this statement are relevant.

Portfolio managers must inform the members of the Finance, Audit and Investment Committee of any major impact resulting from a transaction or policy change before proceeding with it.

2.1 General guidelines

- The Foundation cannot lend its securities.
- Margin transactions and short sales are prohibited.
- The Foundation may not acquire derivatives for speculative purposes. The manager will use them for hedging or efficiency purposes.
- The Foundation may not invest in currencies other than Canadian and U.S. dollars, except when managing foreign equities.
- The Foundation may not hold private shares of any kind.
- The Foundation does not intend to use currency hedging instruments in its portfolio.

2.2 Management type

The portfolio may include index-linked securities and/or mutual funds.

2.3 Breakdown of assets

2.3.1 All funds - External (*) or internal origin

(*) Unless otherwise specified by the donor in accordance with the Foundation's values and policies.

These funds must generate a reasonable return with a prudent view to capital preservation. The use of intervals is linked to :

- The duration and vision of capital utilization for each Foundation Fund and;
- The room for maneuver required for sound management of the Fund

Catégories	Intervalle	Cible	Indice
Encaisse	0-5%	0%	
Revenu fixe Mondial	0-30%	10%	Bloomberg Barclays US Agg Hedged (CAD)
Obligations	10-60%	40%	FTSE TMX Univers
Total Revenus Fixes	35-65%	50%	
Actions canadiennes	0-30%	16%	SP/TSX Composite
Actions américaines	0-25%	10%	SP 500 (CAD)
Actions internationales	0-25%	10%	MSCI monde (CAD)
Actions pays émergents	0-15%	4%	MSCI marchés émergents (CAD)
Actifs Réels	0-30%	10%	IPC+4%
Total Revenus Variables	35-65%	50%	
Total	100%	100%	

2.4 Management constraints

The Foundation may not make any investments other than those listed below.

2.4.1 Common funds

The Foundation may invest in units of pooled funds appropriate to the permitted asset classes. The limits and restrictions of this investment policy take precedence over those of the pooled fund.

2.4.2 Money market

The Foundation may acquire treasury bills, Canadian or U.S. government bills, demand or term deposits, bankers' acceptances, guaranteed investment certificates in a bank or savings bank or other financial institution whose characteristics comply with the following guidelines:

- Minimum quality standard at the time of purchase for each title: "R-1 low" from DBRS.
- Maximum maturity of each security: 1 year.
- Investments in foreign property, as defined in the Income Tax Act (Canada), are not permitted.

2.4.3 Canadian bonds

The Foundation may acquire bonds issued by the federal, provincial and municipal governments and by a corporate issuer with a minimum purchase rating of BBB according to the FTSE TMX Canada bond index rating methodology.

2.4.4 Global Fixed Income

The Foundation may acquire, through an external manager, bonds issued by various governments, corporate issuers and other fixed-income securities (mortgages, asset-backed securities, etc.).

2.4.5 Real assets

The Foundation may acquire, through an external manager, real asset funds holding infrastructure, real estate, woodland and farmland and other categories of tangible assets.

2.4.6 Canadian equities

The Foundation may acquire Canadian shares, trust units and securities convertible into Canadian shares issued by a company that is a reporting issuer with the Autorité des marchés financiers and whose shares are traded on the TSX.

No single company's equity investment may exceed 10% of the market value of the total Canadian equity portfolio.

The portfolio may consist of index-linked securities and/or pooled funds.

2.4.7 Foreign equities

Equity investments should be diversified by stock, region, industry and country, taking into account their relative importance in the benchmark index.

No single company's equity investment will exceed 10% of the market value of the total foreign equity portfolio.

Exposure to foreign currencies is permitted within the limits of a currency management program approved by the Investment Committee, otherwise it cannot represent more than the physical exposure of investments at market value in foreign markets.

2.4.8 Index-linked securities and mutual funds

The portfolio may consist of index-linked securities and/or pooled funds.

2.5 Portfolio rebalancing

In order to limit the level of risk, the proportion of market value in each asset class must respect the limits indicated in section 2.3 of this policy. Only when one or more asset classes fall outside these limits will the manager rebalance within a reasonable timeframe to bring the asset classes back in line with the target.

The Investment Committee will define the investment policy by manager according to the asset classes held.

Notwithstanding the foregoing, in certain special situations (e.g. replacement of a manager, highly volatile market, lack of reasonable liquidity for buying or selling, etc.), the manager may recommend a different rebalancing to the Investment Committee, which, in the event of a deviation from this policy, will submit a request to the Board of Directors.

The manager may/will use fund movements (outflows or inflows) to rebalance the portfolio as described in section 2.3.

The Finance, Audit and Investment Committee and/or the Board of Directors may request portfolio rebalancing at any time.

3. Yield target

Achieve a return, after all fees and expenses, equal to that of the portfolio benchmarks set out in section 2.3 of this policy.

4. Performance assessment

The performance of investments and managers will be evaluated quarterly.

4.1 Evaluation criteria

Investments :

4.1.1. Quantitative (main KPIs)

- Results in relation to performance objectives (benchmarks) less fees set out in the management contract
- Compared with peers in similar mandates
- Investment performance based on indices.

Managers :

4.1.2. Evaluation criteria

- Compliance with legal requirements, guidelines and directives ;
- The quality of reports provided and communications with the Foundation (quarterly statement of their performance and justifications for any deviation from targets and indices);
- Professional staff stability;
- Minimizing costs.
- ESG awareness in its investment policies

5. Review of investment policy

The present investment policy must be reviewed as required, and at least annually, to take account of the Foundation's changing needs.