PRIVATE INVESTMENT MANAGEMENT

Investment Policy Statement

There's Wealth in Our Approach.™

Prepared for: **Coquitlam Foundation**

Prepared by: **Chan and Ross Wealth Management**

February 27, 2020

PRIVATE INVESTMENT MANAGEMENT

RBC Wealth Management
Dominion Securities

Investment Policy Statement

PRIVATE INVESTMENT MANAGEMENT

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Investment Policy Statement

PRIVATE INVESTMENT MANAGEMENT

Current State

Investment Capital:
The portfolio is currently valued at approximately $3,200,000 and to be invested in a balanced mix of stocks, F-Class funds, bonds, cash and alternative securities.

Real Estate:
The Foundation does not currently own any real estate.

Liabilities:
The Foundation is currently debt free.

Current Employment Status and Income:
Annual revenues for the Foundation consist mainly of investment income and fund raising events. Expected revenues outside of investment income are estimated to be $25,000-$50,000 per year. From time to time there may be additional lump sum donations received by the Foundation which will add to the value of the portfolio.

Statement of Objectives

1. The Coquitlam Foundation (also referred to as the Foundation) will rely on these funds to meet their financial commitments in accordance with the Foundation's goals.
2. As per correspondence meeting with Finance Committee on March 10th, 2020, the current asset allocation is to remain unchanged pending full policy meeting with committee on April 15, 2020.

Return Objectives

The portfolio will be managed with the objectives of generating growth of capital and income. This will be accomplished by investing in equity and fixed-income.

Risk Tolerance

In some years, you may not achieve your rate of return goal and in fact may have negative returns. You have indicated that you are willing to accept this risk in order to achieve your long-term goals.

Time Horizon

You have indicated that the time horizon for this portfolio is more than 10 years.

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Liquidity and Income Needs

Annual disbursements for the Foundation is expected to be approximately 2% - 4% of the portfolio value adjusted as directed by the board.

Legal and Regulatory Considerations

- These funds represent trust funds and investment guidelines will be in line with provincial trust legislation.
- Evidence of the board's agreement to amendments will be reflected in the most recent signed updated investment policy statement.

Tax Considerations

With this asset allocation, you may receive interest and dividend income. Interest income is fully taxable at your marginal tax rate which is a higher rate than most other sources of investment income. Canadian dividends are taxed at a lower rate than foreign dividends, which are taxed at marginal tax rates similar to interest income. When an investment is sold, you may realize capital gains or losses. Capital gains are taxed at 50% of your marginal tax rate.

There are no tax considerations as the Coquitlam Foundation is a registered charity.

Unique Preferences and Circumstances

You have indicated that there are no additional considerations or restrictions on this portfolio.

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Asset Allocation

Asset Class	Minimum	Long-Term Target	Maximum
CASH AND EQUIVALENTS	0%	5%	40%
FIXED INCOME	35%	50%	65%
EQUITY	30%	45%	60%
ALTERNATIVE INVESTMENTS	0%	0%	25%

Investment Management Guidelines

1. The majority of the cash and fixed-income portfolio will be invested in investment-grade securities
2. The maximum amount allowable per investment-grade non-government fixed-income security will be the greater of 10 % of the portfolio or 15 % of the fixed-income and cash portfolio
3. The portfolio will be diversified across multiple sectors
4. The majority of the equity holdings will be mid-to-large companies as measured by market capitalization
5. The maximum amount allowable per equity security will be the greater of 10 % of the portfolio or 15 % of the equity portfolio

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 Statement. When this occurs, we will undertake realignment of the portfolio within a reasonable period of time in accordance with this Investment Policy Statement.

Reporting and Portfolio Review

On a quarterly basis you will receive a portfolio tabulation and on an annual basis we will conduct a comprehensive portfolio review including performance evaluation and a review of this Investment Policy to ensure it continues to meet your requirements.

Decision Making

All investment decisions will be made by Dennis Chan and Scott Ross within the context of the Objectives, Asset Allocation and Investment Management Guidelines set out above.

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Management Fee

The portfolio will be managed on a discretionary basis with an annual fee of 0.50% plus applicable taxes. Fees are all inclusive of management, transactions, safekeeping and reporting.

Summary of Accounts Governed by this Investment Policy Statement

Account Number	Account Name	Account Type	Market Value ($)
376-24669-14	Coquitlam Foundation	Cash	$3,200,000

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Client Acknowledgement

We have received, read and understood this Investment Policy Statement with respect to the discretionary management of the account above. We agree that it reflects our investment objectives. We will advise you of any material change in our circumstances that may affect the accuracy or relevance of this Investment Policy Statement.

Client Signature:

X

Date: March 31, 2020

Roch Ripley
Board Member
Coquitlam Foundation

Client Signature:

X

Date: 18/03/20

John Wolff
Board Member
Coquitlam Foundation

Client Signature:

X

Date: 31/03/20

Colleen Talbot
Board Member
Coquitlam Foundation

RBC Wealth Management
Dominion Securities

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Portfolio Manager Signature: Date:

X

Dennis Chan
Vice President and Portfolio Manager

Portfolio Manager Signature: Date:

X

Scott Ross
Vice President and Portfolio Manager

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