

*ST. PETER'S-ON-THE-ROCK*  
STONY LAKE, ONTARIO  
GENERAL ENDOWMENT FUND  
OVERSIGHT COMMITTEE CHARTER

The starting vision for the St. Peter's General Endowment Fund was to build financial capability over time through the receipt of unrestricted gifts from the St. Peter's community in order to provide financial support as and when needed and for as long as practical for the continuation of the work of St. Peter's-on-the-Rock ("St. Peter's"). The fund would be internally restricted, ultimately under the control of the Wardens, acting after advice from an advisory committee. The fund could be accessed as needed to pay for anything considered by the Wardens to be important enough. Withdrawals from the fund would not be limited to its income.

## BACKGROUND

A review of fund set-up options was undertaken to establish the investment structure most suitable to St. Peter's for a General Endowment Fund. The two main options considered were the 'Self-Managed' option and the 'Diocese-Managed' option. An ad-hoc Investment Committee, tasked with bringing forward a recommendation, concluded the 'Self-Managed' option was the most suitable for St. Peter's.

To appropriately address governance requirements, the selection of the 'Self-Managed' option required the formation of an oversight committee, the adoption of a risk tolerance and investment strategy, the selection of an intermediary to hold and manage the invested funds, monitoring and regular reporting back to the Select Vestry and/or the Wardens.

The Wardens of St. Peter's subsequently resolved on 2 October, 2018 to establish a General Endowment Fund given:

- that RBC Dominion Securities (RBC) be designated as account manager for the St. Peter's General Endowment Fund.
- that the Investment Policy Statement for St. Peter's on-the-Rock dated September 13, 2018 be adopted
- and that PAG A+ The Canadian Active Allocation Portfolio be used as the initial investment vehicle

In support of the 'Self-Managed' option, the Wardens further resolved:

## CREATION OF THE ENDOWMENT FUND OVERSIGHT COMMITTEE

1. An Endowment Fund Oversight Committee (the Committee) is established to provide advice and guidance to the Wardens of St. Peter's relative to all aspects of the establishment and operation of the Endowment Fund.
2. The Committee shall consist of three voting members chosen by the Wardens. Voting members of the Committee may be removed from the Committee at any time by decision in writing of the Wardens.
3. Members of the Committee shall be appointed annually by the Wardens and may serve for a maximum of six years.
4. The voting members of the Committee shall choose their own Chair and establish their own procedures except as set out below.
5. The Committee shall meet not less than twice per year. Meetings may be held using any technology which permits all members taking part in the meeting to hear from and communicate with all others taking part in the meeting. At least one meeting in each year shall be, to the extent possible, an in-person meeting. A quorum for any meeting of the Committee shall be a minimum the three voting members. A special meeting may be called at any time at the request of the Chair or any two voting members of the Committee.
6. The Treasurer will sit as a non-voting member. The Treasurer shall be responsible for communicating, on behalf of the Wardens and Vestry, the financial needs of St. Peter's to the Committee on a timely basis.
7. Members of the Committee shall be held responsible not for less than desirable outcomes, but rather for failure to act in a prudent manner.

## DUTIES OF THE ENDOWMENT FUND COMMITTEE

8. The Committee shall have the following duties:
  - a) Make known the existence of the General Endowment Fund and facilitate the making of gifts to the General Endowment Fund, or to the extent the members consider appropriate, cooperate with others who are doing so;

- b) Satisfy itself, through the Committee Chair and Treasurer, that all gifts to the General Endowment Fund are being acknowledged and receipted by St. Peter's in a timely fashion;
- c) Discuss with the Wardens and advise them as to the suitability of donations proposed to be made to the General Endowment Fund on a conditional basis;
- d) Be familiar with the requirements placed by the Trustee Act on those who invest or oversee the investment of trust property, as set out in schedule A below, and satisfy itself that these criteria are being met, whether directly through decisions of the Committee or indirectly through decisions of the investment manager(s);
- e) Establish and modify as needed from time to time the investment policies and procedures of the General Endowment Fund;
- f) Select the General Endowment Fund's investment manager or managers from time to time;
- g) Receive, review and consider regular reports received from the investment manager(s), with two or more members of the committee meeting at least twice per year with the investment manager(s);
- h) Any changes to the General Endowment Fund will require the review of the three voting Committee members, while keeping the wardens appropriately apprised. Any direction given to the investment manager will be in writing, requiring the approval of two of the three voting Committee members. All three voting members will be registered with the investment manager as authorized signatories of the account holder;
- i) Receive written requests from the Senior and Junior Wardens for the release of money from the General Endowment Fund, provide such advice to the Wardens as may be appropriate in the circumstances regarding such request, and upon finalization of the request, arrange through the Treasurer for the receipt by St. Peter's of the required funds; and
- j) Report regularly to the Wardens, with such reporting to include at least one written report to the Vestry in each calendar year.

## INVESTMENT POLICIES AND PROCEDURES

9. The Committee shall establish the investment objectives and related policies of the General Endowment Fund, including but not limited to:
  - The fund's investment horizon and risk tolerance;
  - Preferred allocations as between (e.g.) cash, fixed income investments and equity investments, and as between Canadian and non-Canadian investments;
  - Preferred sector allocations or weightings and diversification objectives;
  - The extent of the discretion that may be exercised by the investment manager(s); and
  - The exercise, if desired, of voting rights.

10. The Committee shall ensure that such investment policies and procedures are available for review and comment by the Vestry. The Vestry shall be advised of material changes to such policies and procedures when and if made.

11. The Committee shall select and approve the compensation of the investment manager(s) of the fund.

12. While the Committee will work to limit the incurring of expenses, the Committee shall be authorized to pay from the Fund all charges reasonably incurred by the Committee in the course of carrying out its responsibilities, including all fees charged for the services of investment manager(s). The Committee shall not have the power to borrow money.

#### Schedule A Excerpts from the Trustee Act (Ontario)

##### Investment standards

27 (1) In investing trust property, a trustee must exercise the care, skill, diligence and judgment that a prudent investor would exercise in making investments.

##### Authorized investments

(2) A trustee may invest trust property in any form of property in which a prudent investor might invest.

##### Criteria

(5) A trustee must consider the following criteria in planning the investment of trust property, in addition to any others that are relevant to the circumstances:

1. General economic conditions.
2. The possible effect of inflation or deflation.
3. The expected tax consequences of investment decisions or strategies.
4. The role that each investment or course of action plays within the overall trust portfolio.
5. The expected total return from income and the appreciation of capital.
6. Needs for liquidity, regularity of income and preservation or appreciation of capital.
7. An asset's special relationship or special value, if any, to the purposes of the trust or to one or more of the beneficiaries.