



**OTTAWA
COMMUNITY
FOUNDATION**

invested for good

External Investment Guidelines

ORIGINAL EFFECTIVE DATE: November 17, 2009

LAST REVIEWED: February 2019

SUBJECT TO REVIEW: February 2024



POLICY: EXTERNAL INVESTMENT GUIDELINES

General Policy Statement

Ottawa Community Foundation (the “Foundation”) allows donors to establish permanent endowment funds that are invested outside of the Foundation if certain criteria are met.

Minimum Fund Size

The minimum fund size is \$2,000,000. Additional contributions to a Fund may be made at any time.

The minimum is per donor and/or investment manager and hence can be a combination of more than one fund and/or donor.

Ownership of Assets


The assets are owned by the Foundation.

Investment Firm Eligibility Criteria

To be eligible to participate in the Program, an Investment Firm (the “Firm”) must be approved by the Foundation’s Investment Committee. Eligibility will be determined using the following criteria:

1. A report setting out the Firm’s performance for the previous 10 years, such report demonstrating investment performance that meets the Foundation’s benchmarks.
2. A portfolio manager assigned to the Fund who:
 - a) is registered with the appropriate Securities commission,
 - c) has been licensed as a portfolio manager actively involved in discretionary investment management of segregated portfolios for a minimum of five years.

Investment Management and Administration Fees



The Firm's fee for managing the Fund is market rate or lower. Investment management fees will be charged directly by the Firm to the Fund. The donor must be in agreement with the management fees.

Investment Criteria and Asset Allocation

The Firm is not required to follow the asset mix guidelines for the Ottawa Community Foundation. However, it must meet the Investment Objectives and the assets must be as permitted by the Investment Policy.

Investment Objectives

The Ottawa Community Foundation (OCF) is a public foundation established to serve a broad range of charitable purposes primarily within the Ottawa region. Because the Foundation is designed to operate in perpetuity, wise stewardship of the funds entrusted to it is essential to the Foundation's mission. The goal of the investment policy is to maximize return on investment consistent with prudent and professional portfolio management

If the Investment Manager fails to meet the Investment Objectives, as stated in the Foundation's Investment Policy, then the OCF may cancel the fund agreement and the funds will be brought into the Foundation's regular investment pool.

Performance Monitoring

The Firm must provide the Foundation with monthly valuations and quarterly performance reports in a format acceptable to the Foundation. The Foundation's investment advisor, Mercer Investment Consulting, will provide quarterly reports to the Foundation's Investment Committee which measure the Firm's performance against the Foundation's benchmarks.

Establishing a Fund

A Fund will be created by a Fund Agreement that sets out the terms on which the Foundation will administer the Fund. The terms of the relationship between the Foundation and the Firm shall be set out in an Investment Management Agreement and Mandate.