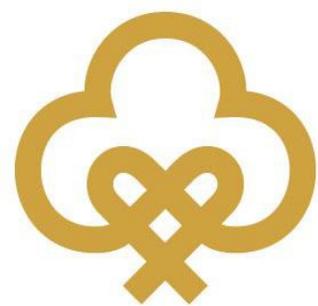




Calgary Foundation - Statement of Investment Policy

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1. Purpose of the Statement of Investment Policy

The principal purpose of the Statement of Investment Policy (“SIP”) is to formulate guidelines for the prudent investment of the Calgary Foundation’s (“the Foundation”) primary endowment fund (“Fund”) which may include funds managed by the Foundation on behalf of other registered charitable organizations. The SIP establishes and communicates the Foundation’s investment objectives and principal governance policies.

The Terms of Reference is a separate governance document from the SIP that defines the roles and responsibilities of all stakeholders including the Investment Committee (“the Committee”).

The Investment Manager Mandate (“IMM”) is a separate administrative procedures document that provides a framework for the review and assessment of Investment Managers. Management and the Committee are responsible for the oversight of the IMM. The IMM guidelines are not included within this SIP.

2. Investment Objective

- 2.1 The Foundation’s investment objective is to earn a real rate of return sufficient to preserve the purchasing power of the Foundation’s invested assets. Therefore, the real rate of return objective over a moving ten-year period is equal to the aggregate of a spending rate and administrative cost assumption as described by:
- (i) The Foundation’s prevailing Capital Preservation and Spending Policy 6.01.
 - (ii) Provision for operating cost recovery Policy 4.05.

3. Risk Tolerance

- 3.1 The Foundation recognizes and acknowledges that it must assume some risk in order to achieve its investment objective, and that there are uncertainties and complexities associated with investing in capital markets. The Foundation acknowledges that the greatest risk is the probability of failing to meet the investment objective. In establishing the risk tolerances for this SIP the Foundation considers its ability to withstand short and intermediate term variability. The Foundation’s prospects for the future, investment time horizon, current financial condition and level of funding in the portfolio suggest collectively that it can tolerate some short-term fluctuations in market value in order to achieve its long-term investment objective.

4. Liquidity of Investments

- 4.1 The Foundation expects the Fund’s short-term liquidity requirements to be minimal. In general, Management will use cash and cash equivalents, future contributions or rebalancing activities to meet liquidity needs. Management will notify applicable Investment Managers well in advance of any withdrawal orders to allow sufficient time for them to build up necessary liquid reserves outside of the strategic allocation.



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5. Time Horizon

- 5.1 The investment guidelines are based on a time horizon of greater than ten years, so interim fluctuations should be viewed with appropriate perspective. Similarly, the Foundation's strategic asset allocation is based on this long-term perspective.

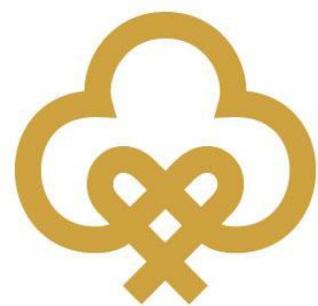
6. Asset Allocation

- 6.1 The Foundation structures an asset mix policy in alignment with its investment objective and risk tolerance (outlined in sections 2.2 and 3.1).

Asset Mix Policy:

Asset Class	Policy Mix
Canadian money market	2.0%
Canadian bonds	13%
Private Debt	10%
Total Fixed Income	25%
Canadian large cap equities	17.5%
Canadian small cap equities	5%
US Equity	9%
EAFE Equity	8.5%
Emerging Markets	5.0%
Total Equity	45.0%
Real Assets	20%
Private Equity	10%
Total Alternatives	30%
Total	100%

- 6.2 Market performance causes the Fund's actual allocations to fluctuate over time. The Fund abides by the rebalancing policy as outlined in the IMM.
- 6.3 The Board has delegated the task of benchmarking the Fund and each Investment Manager to Management and the Investment Committee. The IMM outlines the Fund's and Investment Managers' performance objectives.



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7. Derivatives

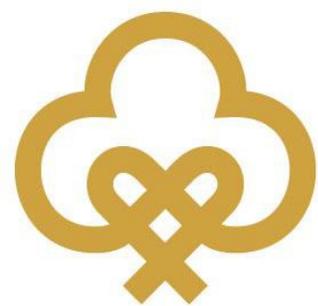
- 7.1 The Foundation permits derivatives investments (options, futures, forwards and swaps) for the purposes of protecting against losses from changes in interest rates, currency, equities or stock market indices, substituting for direct investment and portfolio adjustments.
- 7.2 The Foundation must hold sufficient assets and cash to cover commitments due to the derivatives transactions and does not permit the use of derivatives for speculative trading or to create a portfolio with leverage.
- 7.3 Where cost efficient, Management may use derivatives to hedge the Fund's exposure to a specific foreign currency for defensive purposes. Management can delegate the task of currency hedging to an external currency manager in accordance with this SIP and the IMM and in consultation with the Chair of the Investment Committee and, at the Chair's discretion, the entire committee.

8. Leverage

- 8.1 Except in the case of alternative investments (i.e. real estate, infrastructure, private equity and private debt investments that are funded through the Calgary Foundation Investment Trust). the Foundation prohibits the use of debt, derivative instruments, or other means to acquire more assets than the amount of capital employed.
- 8.2 Alternative investments will maintain a reasonable level of leverage, with each Investment Managers' leverage constraint noted in the IMM.

9. Loans and Borrowing

- 9.1 The Foundation shall not loan any part of the Fund. This policy does not apply to other investments of the Foundation, nor does it restrict the Foundation from withdrawing funds from the Fund at the discretion of the Board for the Foundation purposes.
- 9.2 The Foundation shall not pledge, hypothecate or otherwise encumber the assets of the Fund in any way. This policy excludes assets that are pledged to facilitate the Foundation's investment strategy (i.e. real estate and alternative investments that are funded through the Calgary Foundation Investment Trust).
- 9.3 Investment Managers that invest in pooled funds may lend securities from said funds, but are required to disclose their securities lending policies to Management and notify Management immediately of any policy changes.



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10. Voting Rights

- 10.1 The Board delegates the responsibility for exercising and directing voting rights acquired through the Fund's investments to the Investment Managers who hold the voting rights in their mandates. The Investment Managers responsible for exercising and directing the voting rights shall at all times act prudently and in the best interests of the Fund and the Foundation.
- 10.2 The Foundation reserves the right to take back the voting rights of the assets held in segregated portfolios for specific situations.
- 10.3 Investment Managers will disclose their proxy voting policies and report annually as to whether they voted on all eligible proxies while adhering to proxy guidelines or reporting any deviations.

11. Valuation of Investments Not Regularly Traded

- 11.1 Investments which are not regularly traded on a public exchange or that are not in units of pooled funds of publicly traded securities (e.g. alternative investments) shall be valued as defined within the Investment Manager Mandate Policy 3.13. Valuation of such investments will occur no less than annually by an independent appraisal, (or as determined by such other method according to the opinion of the Committee) to ascertain the fair value of such investments at the Foundation's fiscal year end.
- 11.2 The Foundation does not permit private placements except for alternative investments.

12. Related Party Transactions

- 12.1 The Foundation does not permit related party transactions without Board approval.

13. Conflicts of Interest

- 13.1 This policy complies with the Board Governance Policy 11.01 Conflict of Interest Policy for Directors and Committee Volunteers.

14. Policy Review

- 14.1 The Committee shall review this SIP at least annually and provide the Board with a recommendation to reaffirm or amend.



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15. General

- 15.1 The IMM documents guidelines and constraints for each Investment Manager.
- 15.2 Any deviation from the above brought about by exceptional circumstances must receive prior approval from the Board upon the recommendation of the Committee.
- 15.3 This SIP remains in effect until the Board approves amendments. Where applicable, Management shall promptly communicate amendments to the Committee and Investment Managers.
- 15.4 Any Investment Manager, member of the Committee, agent or advisor providing services in connection with the investment of the Fund shall accept and adhere to this SIP, by way of their contract or agreement.