

STATEMENT OF INVESTMENT POLICIES AND PROCEDURES

Scouts Canada (Newfoundland and Labrador) Trust Foundation Inc.

BURSARY FUND

(the "Fund")

This statement of Investment Policies and Procedures (the "Statement") describes the investment objectives of the Scouts Canada (Newfoundland and Labrador) Trust Foundation Inc. (the "Corporation"). It is created under the authority of the Corporation's By-law No. 2.

This Statement is intended to assist the Investment Committee and the investment managers in ensuring that the assets of the Corporation shall be invested in a prudent and effective manner. The members of the Investment Committee referred to in section 7 of this Statement are aware of the terms of the *Trustee Act*, RSNL 1990, c.T-10 and the concept and principles of "Prudent Person Rules."

Section 1. Purpose

- 1.01 The Corporation is established for the purposes set out in its incorporating documents.
- 1.02 No loans are permitted from the capital of the Fund.

Section 2. Management of Assets

- 2.01 The Investment Committee is aware of historic equity market risk and returns.
- 2.02 The time horizon is infinity; no withdrawal of principal is anticipated.
- 2.03 Asset allocation
 - a) 20-50% fixed income, including cash and bonds,
 - b) 5% Infrastructure,
 - c) 45-75% equities.
- 2.04 In respect of equity investments, not more than 10% shall be invested in one corporation.
- 2.05 The portfolio should be diversified to minimize unsystematic and security risk.
- 2.06 The fund shall have its cash flow requirements and the long-term objectives reviewed at least annually. Rebalancing should be considered at least annually in consultation with the advisor.

Section 3. Evaluation of Investment Performance

- 3.01 The performance objective is to meet the revenue goal of 4%.

Section 4. Social Investing Mandate

- 4.01 The Investment Committee shall maintain the Fund's investment objectives and policies in a manner consistent with their duty to be faithful stewards of the financial assets of the Fund.
- 4.02 The Investment Committee has the fiduciary duty to recognize the financial return on the investments while at the same time acknowledging the moral implications of such investments. In our fiduciary capacity, we should consider the Environmental, Social and Governance (ESG) implications.

Section 5. Investments

- 5.01 Permitted Investments include:
- a) Common equities and debt obligations of corporations duly registered with appropriate provincial regulators and securities commissions.
 - b) Bonds and/or other debt instruments of Investment grade.
 - c) Corporate bonds of investment grade.
 - d) Up to 100% of the bond portfolio may be invested in Corporate Bonds.
 - e) Units of an infrastructure pool can be held.
 - f) Exchange-traded funds can be held where considered appropriate.
 - g) Mutual funds may be held where considered appropriate.
- 5.02 Excluded Investments include any activity in the following areas:
- a) Tobacco farming or the manufacturing of any product containing tobacco as an ingredient.
 - b) Gambling activities, including gambling facilities.
 - c) The manufacture, sale or distribution of arms, weapons, or military equipment.
 - d) The manufacture, sale or distribution of alcoholic beverages.
 - e) The development, production, manufacture, or distribution of pornography or pornographic materials.
- 5.03 The Fund will not invest in futures or forward contracts, options.

Section 6. Costs and Fees

- 6.01 The Investment Committee may engage investment firms and their advisors to hold the securities and to make recommendations to the Investment Committee.
- 6.02 The investment firms and advisors engaged by the Investment Committee shall make full, complete and absolute disclosure of all costs and fees.
- 6.03 Costs and fees imposed by investment firms and advisors engaged by the Investment Committee shall be reviewed:
- a) annually; and
 - b) when an investment firm or and advisor gives notice of a change in its costs and fees.

Section 7. Investment Committee

- 7.01 The Fund's investments shall be managed by the Investment Committee appointed under By-Law No. 2 of the Corporation.
- 7.02 No member of the investment Committee may hold a position on the Newfoundland and Labrador Council of Scouts Canada or be connected to an organization receiving a grant from the Fund without declaring their conflict of interest in accordance with Scouts Canada's rules governing conflict of interest applicable at the time of disclosure.

Section 8. Amendments

- 8.01 This Statement may be amended at any time by a resolution of the Investment Committee.
- 8.02 An amendment to this Statement comes into effect upon receiving the approval of the Board of the Corporation and the Newfoundland and Labrador Council of Scouts Canada.