

2023 Report on Investment Results

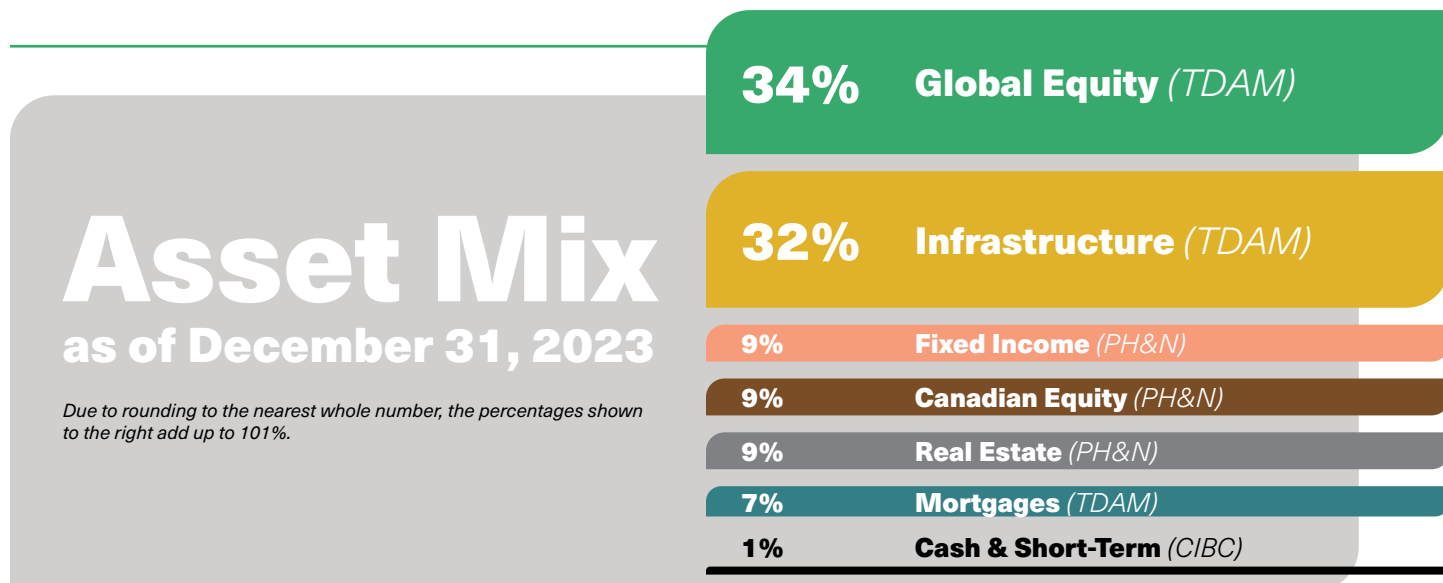
About Our Investment and Granting Policies

The Community Foundation's objective for investments under its management is to generate a total return that achieves the granting objectives as set each year by the Community Foundation board of directors, recovers the cost of administering the funds, protects the purchasing power of the capital (donations to legacy funds), and establishes a reserve for any potential future market declines.

The board's Investment Policy formulates guidelines for the prudent investment of the Foundation's investment portfolio, as overseen by the board's Finance Committee. The Investment Policy speaks to an investment horizon of greater than ten years with a primary objective for the pooled funds to achieve a rate of return of Canada Price Index + 3.5% (over rolling four-year periods and after the deduction of investment fees).

Our Granting Policy meets Canada Revenue Agency disbursement requirements, ensures the growth of funds, and allows fundholders to positively impact the community. Granting rates for all legacy funds (endowments) are calculated and set by the board each December with a goal of total Foundation annual disbursements of over 5.0% (the current five-year average is 7.2%).

Policies are reviewed annually. Copies are available upon request.



The Community Foundation Ensures Financial Oversight in Three Ways:

1. Guidance is provided to the board of directors from a financial oversight committee whose members have a financial background and an in-depth understanding of investments and finances.
2. A third-party consultant, George & Bell Consulting, provides analysis and feedback on policy, investment manager performance and asset targets to support prudent fund management.
3. Investment management from the following professional investment management firms:
 - **TD Asset Management (73%)** – Manage the global equity, infrastructure, and mortgage portfolios.
 - **PH&N Investment Services (27%)** – Manage the fixed income, Canadian equity, and real estate portfolios.
 - **CIBC (1%)** – Cash on hand. Stock donations are completed in-house to avoid fees on donations of securities.

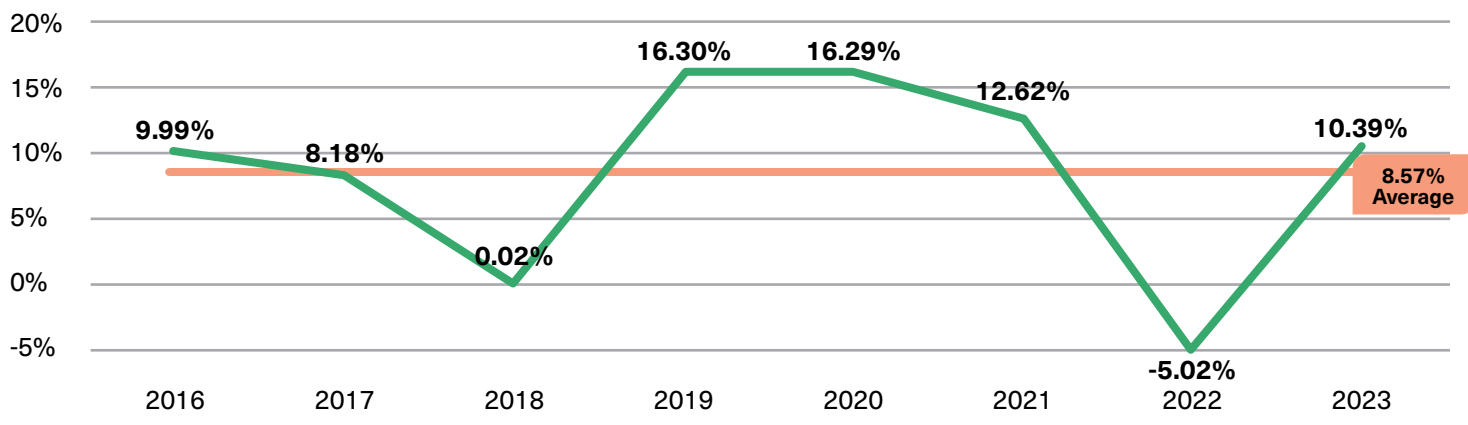
Our work equates to a more effective gift today *for tomorrow.*

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Investment Results: Annual Returns on Pooled Funds*



The Current State of Investments

Our Foundation went from one of our toughest financial years in 2022 with a 5% loss, to one of our better years in 2023 with a return of over 10%. This is above our 15-year return average and provided a significant recovery after 2022. The Finance Committee commissioned a report to analyze our financials compared to other Canadian foundations and the results show that our strategy is outperforming expectations. It has been demonstrated that we are an impressive 1.9% above the industry average. For further context, on average we are earning \$2 million more each year compared to other Canadian foundations. The following table is a portion of the 2024 report commissioned.

Annual Returns	Our Community Foundation	Canadian Foundation & Endowment Median	Difference
2023	10.4%	12.7%	-2.3%
2022	-5.0%	-6.9%	1.9%
2021	12.6%	13.6%	-1.0%
2020	16.3%	8.9%	7.4%
2019	16.3%	14.2%	2.1%

This year has been a milestone of growth and partnerships for the Foundation. We are excited to have exceeded the \$100 million mark in investments, ending the year with \$102 million in our portfolio with an additional \$7.5 million in transition during December, 2023. This \$7.5 million donation, listed as a receivable, was completed in January, 2024.

We are pleased to report that the first quarter of 2024 has shown significant return with posting over a 5% return on the portfolio in just three months. While we know the markets are unpredictable, the Foundation stands behind our long-term investment strategies, that historically have performed well. While we can't guarantee returns into the future, we can provide assurance in regards to a strong governance and oversight process, with experts in the industry assisting in the investment strategies.

During the year, we entered into a small test pilot for impact investing. The board initiated a \$140,000 social impact loan and analysis will continue into 2024. There are discussions and analysis taking place in regards to our approach with impact investing and how the Foundation can play a larger role in utilizing our assets within the Saskatchewan community.

The Foundation continues to analyze opportunities for unique donations, such as land, and continue building our ability to meet the diverse needs of all donors. Unique donations received in the future do increase our asset base, but will not always be liquidated and added to the investment portfolio.

For more details or copies of the Foundation policies, please reach out to finance@sscf.ca.

**Returns are gross of investment management fees. The 10 year average for investment fees is 0.53% per year.*

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