

STATEMENT OF INVESTMENT POLICIES AND PROCEDURES

Scouts Canada (Newfoundland and Labrador) Trust Foundation Inc.

(the "Corporation")

BURSARY FUND

(the "Fund")

This statement of investment policies and procedures (the "Statement") describes the Corporation's investment objectives. 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 The Corporation's assets are invested to provide income to Scouting in Newfoundland and Labrador which will be used to ensure its youth members can participate in Scouting activities which our founder Lord Baden Powell described as "a jolly game to be played in the outdoors."

Section 2. Management of Assets

- 2.01 The Investment Advisory Committee is aware of historic equity performance but also mindful that past returns give no indication of future returns. The amount of funds invested by asset class is done so to strive to meet the goal set out in Section 1.
- 2.02 The time horizon is infinity; no withdrawal of principal is anticipated.
- 2.03 The Fund's asset allocation is set out in Table 1.

Table 1			
Asset Class	Minimum	Long-Term Target	Maximum
Cash and Equivalents	0.00%	2.50%	5.00%
Fixed Income	12.50%	15.00%	30.00%
Equity (including real estate and infrastructure)	55.00%	82.50%	90.00%
Foreign Securities*	20.00%	35.00%	55.00%
* U.S. and international securities as a percentage of the Fund's entire portfolio			

- 2.04 The Investment Advisory Committee recognizes that market fluctuations and foreign exchange rates may result in more than 80% of the entire portfolio being invested in equities from time to time. Should this occur, the advisor need not take action to reduce the Corporation's equity investments back to the 80% of the entire portfolio.

- 2.05 The Corporation's assets shall be fully invested but may include up to 5% cash short term at any time.
- 2.06 In respect of equity investments, not more than 10% shall be invested in one corporation.
- 2.07 The portfolio should be diversified to minimize unsystematic and security risk.
- 2.08 The Investment Advisory Committee shall review the asset allocation with the advisor annually.
- 2.09 The Investment Advisory Committee may recommend adjustment to the asset allocation for the Board to approve under paragraph 8.02.

Section 3. Evaluation of Investment Performance

- 3.01 The Corporation expects to generate a target cash flow of 4% from investment income, including dividends, interest, and capital gains.

Section 4. Social Investing Mandate

- 4.01 The Investment Advisory 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 Advisory 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 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) Units of an infrastructure pool can be held.
 - e) Exchange-traded funds can be held where considered appropriate.
 - f) 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 Advisory 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 Advisory 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.

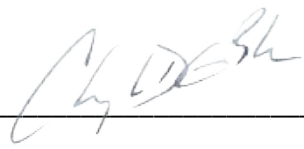
Section 7. Investment Advisory Committee

- 7.01 The Fund's investments shall be managed by the Investment Advisory 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 Advisory Committee.
- 8.02 An amendment to this Statement comes into effect upon receiving the approval of the Board of the Corporation and the Council Key 3 of Scouts Canada's Newfoundland and Labrador Council.

This Statement is hereby enacted by the Committee and the Council Team effective October 8, 2021.



Secretary
Council Team Lead, Corporate Governance