

MUSEUM LONDON FOUNDATION

BOARD POLICY

INVESTMENT FUNDS

Preamble

This Investment Policy governs the investment of all of the investment funds of Museum London Foundation (“Investment Funds”) and guides the actions of the Museum London Property and Finance Committee, the Board of Directors and the Museum London Foundation Investment Manager.

This Investment Policy provides principles and guidelines designed to ensure that Investment Funds are invested in such a manner that liquidity and growth requirements of Museum London Foundation are met and Investment Funds are protected to the extent that market conditions and prudent investing allow. In addition, Museum London Foundation investment practices must conform to the requirements of all Federal and Provincial statutes, legislation and regulations.

This Investment Policy also describes the monitoring procedures adopted for the ongoing oversight of the Investment Funds.

Investment Policy

Structure

This Investment Policy covers all existing and future Investment Funds.

Statement of Objectives

The objectives of this Investment Policy are:

- Protection of assets – The long-term preservation of capital is of paramount importance.
- Moderate growth – Investment Funds are expected to outperform the applicable Performance Benchmark Index in each of the asset classes chosen, with emphasis on long-term performance (primarily five-year period) relative to benchmark.
- Market value fluctuations – A conservative asset mix and conservative management style will be used to avoid significant periodic or continuous declines in market values. Museum London Foundation recognizes, however, that periodic fluctuations are unavoidable and that performance must be viewed over the long term.
- Liquidity – Any investment must be sufficiently liquid in order to accommodate the cash flow requirements of each of the Investment Funds.
- Compliance – Investment Funds must be managed in a manner conforming to the requirements of all of the Federal and Provincial statutes, legislation and regulations.

Guidelines

The following are the investment guidelines and practices for the Investment Funds.

Individual Investment Funds

Growth and liquidity needs of each of the Investment Funds may vary. Individual Investment Funds are to be maintained unless this proves to be unworkable or unduly costly. Exhibit 1 provides the asset mix ranges for the Investment Funds.

Liquidity

Investment holdings are to be structured so that cash flow requirements of each of the Investments Funds are accommodated.

Investment Management

With the approval of the Board of Directors of Museum London Foundation, an Investment Manager may be employed for the purposes of managing the Investment Funds. It is understood that, subject to the constraints outlined in this Investment Policy, the Investment Manager will have discretionary authority to make investment decisions on behalf of Museum London Foundation.

Time Horizon

Investment Funds or portions of the Investment Funds with time horizons of 24 months or less will be invested in cash or short-term investment securities. Investment Funds or portions of Investment Funds with medium-term time horizons will be invested in Bonds or similar Fixed Income Securities. All other Investment Funds or portions of Investment Funds will be invested in securities with a long-term time horizon, such as equities or similar long-term investments. The asset mix ranges for the Investment Funds outlined in Exhibit 1 are reflect the overall time horizon of the Investment Funds in aggregate.

Risk Tolerance

A medium level of investment risk is applicable to each of the Investment Funds. This level of risk reflects the balance between protection of assets and the need for capital growth.

Diversification

The Investment Funds will be managed based on the principle that diversification is the single most important strategy for managing and controlling risk.

Constraints – Fixed Income Securities

The minimum credit quality for Fixed Income Securities at time of purchase will be BBB and the average credit quality will be a weighted average of A. No non-governmental issuer will have an investment in excess of 5% of the value of the portfolio. Debt ratings will be from a recognized credit rating agency such as Dominion Bond rating or Moody's, where available. Investments in mortgages and mortgage-

backed securities must conform to debt rating criteria similar to those used for Fixed Income Securities (above).

Constraints – Equity Securities

Equity investments will be generally focused on companies of such size that qualify as what is commonly known as “large caps”. No single equity investment shall represent more than 10% of the applicable equity portion of an Investment Fund. In addition, within each of the equity asset classes of Canadian, U.S. or International equities, a minimum of 70% of the equity securities held will be those that form part of the applicable Performance Benchmark Index.

Re-balancing

Museum London Foundation recognizes that shifts in asset mix, based on market outlook or other reasons, may increase the risk profile of the Investment Funds. The Investment Manager is expected to adhere to the asset mix ranges set out in Exhibit 1. Should one or more of the individual Investment Funds exceed one or more of the asset mix ranges, the Investment Manager is expected to rebalance the holdings of that Investment Fund within a reasonable time. However, the Investment Manager may delay rebalancing for a period of up to 90 days if the Investment Manager’s outlook for the markets warrants. In this event, the Investment Manager will explain in writing the reasons for the delay.

Performance Review

The Investment Manager shall submit statements and performance documentation for each of the Investment Funds quarterly to the Museum London Foundation. The performance documentation must include a statement indicating compliance with this Investment Policy, explanation of any deviance from this Investment Policy and recommended actions for bringing the Investment Fund(s) and/or performance into alignment.

Representatives of Museum London Foundation will meet at least annually with the Investment Manager to review reports submitted by the Investment Manager including information related to the assets, cash flow and the performance of the Investment Funds, the current economic outlook and investment strategies of the Investment Manager, and take any action necessary to ensure compliance with this Investment Policy and improve performance.

To ensure consistency and alignment with Museum London endowments, the Museum London Foundation will work closely with the Museum’s Property and Finance Committee with formal representation on that committee.

Performance Benchmarks

The Investment Funds will be evaluated quarterly using the following Performance Benchmarks:

Cash	FTSE TMX Canada 91 Day Treasury Bills Total Return Index
Bonds	FTSE TMX Universe Canada Total Return (Bond) Index
Short Bonds	FTSE TMX Canada Short Bond Index
Canadian Equity	S&P/TSX Capped Composite Total Return Index
U.S. Equity	S&P 500 Total Return Index (in Canadian dollars)

Global Equity

MSCI World Index (net in Canadian dollars)

All performance figures are to be exclusive of the Investment Manager's fees.

Pooled Investments

Museum London Foundation may invest in Pooled Funds provided that the policies followed by the Pooled Fund Investment Manager are substantially in conformity with this Investment Policy.

Conflict of Interest

All individuals involved with the investments of Museum London Foundation must be aware of the possibility that conflicts of interest, or perceived conflicts of interest, may arise and must make timely and full disclosure in accordance with generally accepted concepts of fiduciary responsibilities. The individual declaring a conflict of interest or any individual identified by the Museum London Property and Finance Committee or the Board of Directors as having a conflict of interest, shall withdraw from the applicable portion of any meeting, discussion and voting.

A conflict of interest is defined as any event in which any member of the Museum London Property and Finance Committee, the Board of Directors, an employee of, or consultant to, Museum London, Museum London Foundation, the Museum London Property and Finance Committee or the Board of Directors or an employee of, or consultant to, the Investment Manager, may gain any financial or other advantage from the knowledge of, or participation in, an investment decision of Museum London Foundation's funds, or any circumstance that could reasonably be interpreted as impairing the individual's ability to render unbiased and objective advice or to fulfill the individual's fiduciary responsibilities to act in the best interest of Museum London Foundation.

Approval Process

Recommendations on selection and retention of the Investment Manager and amendments to this Investment Policy must be approved by the Board of Directors.

Monitoring

The Foundation's Endowment Management Committee will report annually to the Board on any areas of non-adherence with this Investment Policy.

Policy Review

Method: Internal Report

Responsibility: Foundation Endowment Management Committee

Minimum Frequency: Three Years

Acknowledgement

The Investment Manger must acknowledge receipt and understanding of this Investment Policy.

In signing this document Museum London Foundation acknowledges that the information provided is accurate. Museum London requests the Investment Manager to manage Museum London Foundation Investment Funds in accordance with this Investment Policy and understands that there can be no assurance that the investment objectives will be met and that all securities investments present a risk of loss of capital. The Investment Manager acknowledges receipt and understanding of this Investment Policy and agrees to manage the Investment Funds in accordance with this Investment Policy and with full intent of achieving the investment objectives.

Chair of the Board, Museum London Foundation

Investment Manager

Treasurer, Museum London Foundation

Executive Director, Museum London

Last Revised Date: June 18, 2018

EXHIBIT 1

Museum London Foundation Investment Funds
Asset Mix Ranges and Targets

Investment Funds

Ivey Endowment Fund

Centre at the Forks Endowment Fund

Unless otherwise instructed, the Investment Funds listed above will be managed in accordance with the following asset mix guidelines.

<u>Asset Class</u>	<u>Asset Mix Range</u>	<u>Neutral/Target</u>
Canadian Bonds	20% to 30%	25%
Canadian Short Duration Bonds	20% to 30%	25%
Canadian Equities	20% to 30%	25%
U.S. Equities (All Cap Growth Fund)	5% to 15%	10%
Global Equities (Global Dividend Growth Fund)	2.5% to 12.5%	7.5%
Global Equities (Guardian Fundamental Global Fund)	2.5% to 12.5%	7.5%