

The College of Family Physicians of Canada (CFPC) Statement of Investment Objectives and Guidelines for Socially Responsible Investing

CFPC Investment Objectives

The investment objective of the CFPC is to preserve and grow the value of assets to help finance operational and capital requirements and to help secure the future financial well-being of the CFPC. The fund's objective will be to outperform the benchmark portfolio by 0.5%, annualized over a four year moving average. While the objective is to grow the value of CFPC's assets, this will be done following guidelines for socially responsible investing.

Asset Mix

The following guidelines should be observed:

Equity Account (IC431N)

Asset Class	Minimum	Target	Maximum	Benchmark
Cash & Equivalent	0%	5%	20%	FTSE TMX Canada 60-day Tbill
Canadian Equities	30%	60%	95%	S&P/TSX Composite
US Equities	5%	30%	50%	S&P 500 C\$
International Equities	0%	5%	10%	MSCI World C\$

Fixed Income Account (IC611N)

Asset Class	Minimum	Target	Maximum	Benchmark
Cash & Equivalent	0%	5%	20%	FTSE TMX Canada 60-day Tbill
Fixed Income/Bonds	0%	95%	100%	FTSE TMX Canada Short-Mid Blended

As a result of market fluctuations, contributions or withdrawals, the asset mix may on occasion deviate from established limits. In these cases, the asset mix may be adjusted back to established limits no later than the end of the month or within 5 business days following the discovery of such deviation.

Investment Restrictions

The following sections outline investment restrictions that the asset manager is expected to follow based on the asset mix established above. Any deviations must be corrected within 5 business days of the discovery of such deviation.

Cash & Equivalent

1. Permitted investments include cash, demand and term deposits, T-Bills, strip bonds/coupons, short term notes, bankers' acceptances, commercial paper, guaranteed investment certificates, floating rate notes, asset backed securities, bonds maturing in less than one year and pooled funds that meet the above established guidelines and restrictions.
2. Money market securities should have a maximum term of 1 year (for Floating Rate Notes the next reset date is used as the effective maturity date).

3. Securities must be rated R-1 or better by DBRS (Dominion Bond Rating Service) or equivalent.
4. There are no limits or credit restrictions on securities issued by the federal, provincial, municipal government (including securities backed by the above-mentioned entities).

Fixed Income/Bonds Permitted Investments

1. Minimum investment quality credit rating of BBB (low) at time of purchase by DBRS or equivalent. Bonds falling below BBB (low) will be sold within 5 business days of the rating downgrade. Bond pools are excluded from this constraint.
2. Total exposure to BBB (low) to BBB (high) rated securities is limited to 20% of the fixed income portfolio.
3. Securities issued by AAA rated supra nationals and denominated in Canadian dollars have the same limitations as securities issued by the Government of Canada.
4. Maximum exposure to any single issuer is limited to 10% of the fixed income portfolio.
5. No limitations exist for securities issued or guaranteed by the Government of Canada, a province or municipality of Canada or any of their related guaranteed agencies.
6. Exposure to non-government issued securities is limited to 60% of the fixed income portfolio.
7. Preferred shares will be considered fixed income.

Equities

1. Permitted securities include publicly traded common shares and warrants, and REITs.
2. Maximum exposure to any single issuer is limited to 10% of the portfolio.
3. The percentage of the total amount invested in equities will be no more than 50% of the Total Portfolio.

The Portfolio Manager may achieve the above objectives by investing CFPC funds in pooled funds that meet the above established guidelines and restrictions.

Guidelines for Socially Responsible Investing

The purchase of or investments in equities or bonds issued by tobacco producing companies is prohibited.

General Understanding

The Portfolio Manager for the CFPC will make every effort to be aware of the sensitivities of the CFPC regarding socially responsible investing and to what degree these sensitivities are relevant to the companies in which the CFPC holds investments or is considering investing. All information about the questionable practices of a company will generally be known from publicly available information about the company in question.

CFPC investments may require review if there is evidence of significant aberrant practices by a company in areas such as environmental pollution or the abrogation of human rights.

Socially Responsible Investing

When financially advisable, the CFPC investment portfolio should include companies that have demonstrated a positive approach to issues such as environment and human rights.

Review Protocol:

- i. The Portfolio Manager shall provide the CFPC with an annual list and commentary about those companies that do not fall in the following indices of companies reputed to function in a socially responsible manner.
 - In Canada - The Jantzi Social Index.
 - In the USA - The Dow Jones Sustainability Indices
- ii. Once each year the Finance and Audit Committee will review a list of all CFPC investments held by the Asset Manager as well as of the list and commentary of companies that do not fall in the socially responsible Indices (The Jantzi Social Index and The Dow Jones Sustainability Indices).
- iii. Based on this information, the Finance and Audit Committee will recommend whether or not to continue to invest in the companies in question and will direct the Portfolio Manager accordingly.
- iv. The Portfolio Manager upon receipt of a request for exclusion will sell the offending investment.

Responsibility

Given the subjective nature of Socially Responsible investing the Portfolio Manager will not be deemed non-compliant for investing in companies which are subsequently felt to be in violation of socially responsible activities.

The Investment Policy Statement is to be followed until advised of any changes.