

# INVESTMENT POLICY STATEMENT

## OSNS Legacy Foundation

**Last Review and Update** February 2025

### 1. Introduction

This Investment Policy Statement (IPS) is established by the Board of Directors of the OSNS Legacy Foundation to provide guidelines for the management of its endowment fund. The purpose of the endowment fund is to support the long-term financial stability and mission of OSNS Child and Youth Development Centre (the “Centre”).

### 2. Investment Objectives

The primary investment objective of the endowment fund is to achieve a total return in the range of 4% to 5% per annum, net of fees and expenses, while maintaining a low level of risk. This return is intended to support the annual spending needs of the Centre and preserve the capital of the endowment fund over time.

### 3. Risk Tolerance

The endowment fund has a low risk tolerance. Investments should be made in a diversified portfolio of high-quality, low-risk assets to minimize volatility and preserve capital. The fund should avoid speculative investments and maintain a conservative approach to asset allocation.

### 4. Asset Allocation

To achieve the investment objectives, the endowment fund will be allocated across the following asset classes:

- **Fixed Income (70-80%):** High-quality bonds, government securities, and other fixed-income instruments.
- **Equities (10-20%):** Blue-chip stocks, dividend-paying stocks, and equity index funds.
- **Cash and Cash Equivalents (5-10%):** Money market funds, Treasury bills, and other short-term liquid assets.

### 5. Investment Guidelines

- **Diversification:** The fund will be diversified across asset classes, sectors, and geographies to reduce risk.

- **Quality:** Investments will be made in high-quality securities with strong credit ratings and stable financial performance.
- **Liquidity:** A portion of the fund will be maintained in liquid assets to meet short-term spending needs and unexpected expenses of the Centre.
- **Rebalancing:** The portfolio will be reviewed and rebalanced at least annually to maintain the target asset allocation. The annual review will take place at the Annual General Meeting of the Foundation.

## 6. Monitoring and Reporting

The performance of the endowment fund will be monitored on an ongoing basis. The Board of Directors will receive quarterly reports on the fund's performance, asset allocation, and compliance with the IPS. The IPS will be reviewed annually and updated as necessary to reflect changes in the financial needs of the Centre, the Foundation's financial needs, market conditions, and investment opportunities.

## 7. Responsibilities

- **Board of Directors:** The Board is responsible for approving the IPS and ensuring that the endowment fund is managed in accordance with its guidelines. The IPS will be approved at the Foundation's Annual General Meeting each year.
- **External Investment Managers:** External Investment managers are responsible for implementing the IPS, making investment decisions, and reporting on performance. The External Investment Manager will provide an investment performance report to the Board of Directors on a quarterly basis. A required review of the External Investment Manager's performance will be completed every five years. However, the Board of Directors reserve the right to change the External Investment Manager at any time.

## 8. Conclusion

This IPS is intended to provide a clear framework for the management of the endowment fund. It reflects the organization's commitment to prudent and responsible investment practices to support its long-term financial stability and mission.

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