

**INVESTMENT POLICY STATEMENT
UNITED WAY OF SARNIA-LAMBTON**

INTRODUCTION

The purpose of this Investment Policy Statement is to establish a clear understanding between the investor, *United Way of Sarnia-Lambton* and the investment advisor, *Ridgewood Capital Asset Management*, as to the investment objectives and policies applicable to the Investor's asset allocation. This statement will:

- establish reasonable expectations, objectives and guidelines in the investment of the portfolio's assets
- set forth an investment structure detailing permitted asset classes, normal allocations and permissible ranges of exposure for the Portfolio
- encourage effective communications between the Investor and the Advisor
- create the framework for a well diversified asset mix that can be expected to generate acceptable long term returns at a level of risk suitable to the Investor

This statement is intended to be a summary of an investment philosophy that provides guidance for *United Way of Sarnia-Lambton* and Ridgewood Capital Asset Management in the management of their portfolio.

BACKGROUND AND OVERVIEW

United Way of Sarnia-Lambton retained Ridgewood Capital Asset Management (RCAM) as their investment counselor in December 2016.

INVESTMENT OBJECTIVES AND CONSTRAINTS

Growth of Capital

Long-term growth while preserving capital is a key objective for the account. A conservative balanced strategy will typically have an asset mix of 35% equity / 65% fixed income.

Generation of Income

Income will be generated from dividends and interest. It will be withdrawn as required.



Liquidity

The portfolio will contain investments which are very liquid (three day settlement) and could be sold easily if capital is required.

Risk

Risk is defined as the volatility of returns. ***United Way of Sarnia-Lambton*** has indicated a moderate approach for their account is appropriate; within the parameters of the portfolio, they are willing to accept short-term volatility in order to benefit from long-term gain.

Time Horizon

This account has a long-term time horizon with funds not required for well over 5 years.

Portfolio Investments

Cash

A small amount of the portfolio will actually be held in cash. The remaining cash portion will be held in Government of Canada Treasury bills.

Fixed Income

The fixed income portion of the account may be comprised of units of the RCAM Bond fund and/or RCAM Tactical Yield Fund and/or Ridgewood Canadian Investment Grade Bond Fund.

Canadian Equities

The account will hold individual dividend producing Canadian equities.

U.S. Equities

U.S. Equities may be included in this account and will consist of individual dividend producing U.S. securities.

Global Equities

Global investments will be included in the account, and may consist of international Exchange Traded Funds (ETF)/ iShares.

Legal Constraints and Unique Circumstances

There are no specific legal constraints or unique circumstances for this account.

Asset Mix

The following asset allocation ranges for a Conservative Balanced Strategy for an **Investment** account have been determined and the Normal will form the benchmark portfolio:

	Normal	Minimum/Maximum
Cash	3%	0 - 5%
Bonds	<u>62%</u>	<u>40 - 80%</u>
Total Fixed Income	65%	40 - 80%
Equities		
Canadian	15%	0 - 60%
US	10%	0 - 60%
Global Equities	<u>10%</u>	<u>0 - 60%</u>
Total Equities	35%	20 - 60%
	 100 %	

The manager has wide latitude within the prescribed ranges of each asset class to alter the portfolio.

Evaluation and Reporting

The performance objectives of the portfolio is as follows:

- a) **Absolute:** An 6% return (net of all fees/charges) is desired for the account. While we will attempt to achieve these returns every year, we would be measured over 3 and 5-year periods as this return is a long-term goal.
- b) **Relative:** To outperform the benchmark asset mix as applied to the relevant market indices net of all fees. This would be on an annual and long-term basis.

Relevant Benchmark Indices are:

Cash	FTSE TMX Canada 90 Day T-Bill
Bonds	FTSE TMX Canada Universe Bond
Canadian Equities	TSX
US Equities	S & P 500
Global Equities	EAFE World

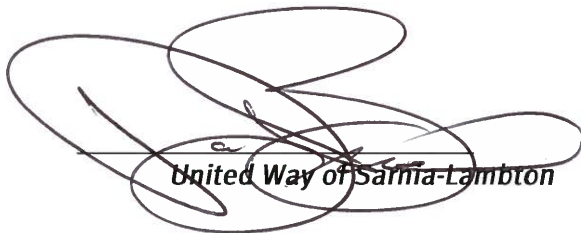
We will meet with **United way of Sarnia-Lambton** two to three times a year to review our strategy and the performance of the portfolio. In addition to regular meetings, the manager will provide quarterly reports for the portfolio.

This policy statement will be reviewed annually and revised as appropriate.

I further consent to the electronic delivery of the documents that Ridgewood Capital Asset Management Inc. is mandated to provide to this account.

1. I agree to the receipt of quarterly statements through e-mail.
2. I have the access to appropriate software and technology hardware to retrieve the information in 1) which will be delivered to me as PDF documents.
3. I acknowledge that I may receive at no cost from the deliverer a paper copy of any documents delivered electronically if I contact the Chief Compliance Officer by regular mail or electronic mail at jsimpson@ridgewoodcapital.ca, or by phone at 416-479-2751. I understand that my consent may be revoked or changed, including any change in the electronic mail address to which documents are delivered, at any time by notifying the Chief Compliance Officer of such revised or revoked consent by telephone, regular mail or electronic mail at jsimpson@ridgewoodcapital.ca, or by phone at 416-479-2751.

Accepted By:


United Way of Sarnia-Lambton

April 28, 2017
Date


United Way of Sarnia-Lambton

May 1/17
Date


John H. Simpson, CFA
Ridgewood Capital Asset Management

Apr 25/17
Date


John H. Simpson, CFA
Chief Compliance Officer
Ridgewood Capital Asset Management

Apr 25/17
Date