Sinai Health Foundation	Department: Finance Sponsor: Foundation Investment Committee Original Issue Date: March 1, 2018 Revision Date: November 13, 2019 Approved By: Foundation Board of Directors Approval Date: June 11, 2020
POLICY NO: 016	**INVESTMENT STATEMENT - OPERATING, RESTRICTED AND ENDOWMENT FUNDS**

I. INVESTMENT POLICY STATEMENT

1. The primary goals of Sinai Health System Foundation, Bridgepoint Foundation and Arthritis Research Foundation (each entity, a "**Charity**") with respect to their Operating, Restricted and Endowment Funds investment portfolios (as applicable) (each Charity's portfolio, referred to as its "**Portfolio**") is to assist in achieving each of their charitable objectives, and to ensure their Portfolios are managed prudently, effectively and in compliance with applicable law. This Investment Policy Statement (this "**Policy**") is designed to guide the Investment Committee, the Investment Advisor, Investment Managers (if any) and the staff of each Charity in achieving these goals.
2. This Policy has been adopted by each of the Boards of Directors (each, a "**Board**") of the Charities. The adoption of a common Policy is aimed at administrative efficiency, and is not intended to diminish each Board's oversight responsibility in relation to its Charity's investments, including reviewing the Policy (including asset allocations) on a regular basis, to ensure it continues to be appropriate for its Charity. Each Board will appoint a common investment committee (the "**Committee**") to assist and support it in fulfilling these responsibilities.[1]
3. This Policy applies to all operating, restricted and endowed funds held by each Charity, except in the case where a Charity's Board and the Committee jointly and explicitly agree to an exemption for certain government funds or specific donor-directed funds, and where the Board and the Committee have determined that it is both practical and prudent (having regard to the requirements of the *Trustee Act*, where applicable) to accept modified investment terms. A Charity's Board may also make an exemption to this Policy for a social investment[2], subject to the terms of any separate policy which is then in place in relation to social investments.
4. This Policy will be reviewed and affirmed by each Board at least annually and whenever a substantive change is necessary or desirable.
5. This Policy is augmented by other documents, including the Investment Committee Terms of Reference and other policies and procedures the Investment Committee and staff of the relevant Charity effect to ensure the reasonable and prudent management of each Charity's funds. This Policy and other policies and directions issued by the relevant Board will prevail in the event of a conflict.

[1] i.e. the Boards of each Charity will each appoint all members of this common Committee, such that the Committee will be a Committee of each Charity.
[2] Social investments are investments that are aimed at a dual purpose of furthering the Charity's objectives while also obtaining a (oftentimes somewhat lesser) financial return. The legal framework and requirements for social investments are set out in sections 10.1-10.4 of the *Charities Accounting Act*.

II. ROLES AND RESPONSIBILITIES

1. Each **Board** will review and approve this Policy and all material revisions to this Policy. The Board may delegate certain investment-related responsibilities to the Committee. Each member of each Board has trustee-like obligations in relation to the charitable assets of the Charity (including its investments) with the responsibilities described in Appendix A.

2. The Committee shall perform work as outlined in the common Board - approved Committee Terms of Reference and shall conduct meetings no fewer than four times annually, and be responsible for providing oversight of the Portfolio-related work of staff (defined as the CEO, CFO and the Finance staff, as applicable, of each Charity), and the Investment Advisor. Specifically, the Committee is responsible for:

    - Developing, reviewing periodically, and considering modifications to this Policy and its appendices from time to time, and recommending any changes to each Board. The Committee will have delegated authority to make minor, non-material changes to the Policy without recourse to the Board, provided that all such changes will be reported to the Board at its next meeting.
    - Implementing this Policy, with input from staff and the Investment Advisor.
    - Overseeing each Portfolio's assets and reporting on the status of the Portfolio to the applicable Board at least two times a year.
    - Making recommendations to each Board with respect to the engagement of the Investment Advisor to, among other things, assist the Committee in carrying out its investment responsibilities and to implement the investment strategy and decisions of each Board and Committee.
    - Ensuring that there is an appropriate agency agreement in place between each Charity and the Investment Manager (the "**Agency Agreement**") that meets the requirements of the *Trustee Act*, and regularly reviewing the Agency Agreement and making recommendations to each Board regarding proposed changes as may be appropriate from time to time.
    - Monitoring the performance of the Investment Advisor and its compliance with the Agency Agreement and recommending the continuation or termination of the Investment Advisor to each Board.
    - Monitoring the fees and other expenses associated with the management and administration of Portfolio.

3. An Investment Advisor may be appointed by each Board on the recommendation of Staff and the Committee. The Investment Advisor shall source, undertake due diligence and make recommendations regarding Investment Managers and individual securities, monitor the performance of the Portfolios; and ensure that investment funds are invested in compliance with the Policy and the Agency Agreement. Specifically, the Investment Advisor is responsible for:

- Monitoring the investment environment and regularly communicating with the Committee concerning issues that may impact the Portfolios.
- Guiding the Committee and Boards, as appropriate, with respect to the strategic asset allocation.
- Setting and implementing any tactical strategy that seeks to take advantage of market dislocations (i.e., underweight/overweight specific sectors) within the permitted scope for doing so, as set out in this Policy.
- Implementing rebalancing on a periodic basis or when otherwise appropriate.
- Implementing the Portfolio's asset allocation through recommendations *to each Charity on* the selection, continuation, and termination of Investment Managers.
- Making recommendations to each Charity on *s*electing, continuing, or terminating Investment Managers based on appropriate criteria, including the following: investment philosophy, historical performance, experience of key personnel, and financial viability or changes in these factors. In making recommendations on the selection of each Investment Manager, the Investment Advisor will take reasonable measures to assess the independence of the Investment Manager, including any conflicts of interest that the Investment Manager may have. This Investment Manager oversight responsibility also includes the ongoing monitoring of the Investment Managers for adherence to this Policy and his, her, or its stated investment strategy.
- Reviewing Investment Managers, making recommendations on establishing the scope and terms of the delegation to Investment Managers, and monitoring their performance and compliance with the scope and terms of the delegation.
- Monitoring, analyzing the performance of, and recommending performance benchmarks for each Investment Manager.
- Preparing investment reports at least quarterly for the Committee's review that contain the information necessary for the Committee to exercise its judgment and carry out its investment responsibilities prudently.
- Attending meetings in person or by telephone conference with the Committee and staff as requested.
- Providing necessary information to and cooperating with the Committee, staff, and external auditors.
- Providing feedback regarding changes to this Policy when requested by each Board or the Committee and proposing corresponding amendments to the relevant account documents, if necessary.

4. **Investment Managers (IMs)** will initially be selected and recommended to the Committee by the Investment Advisor, with input from the Committee as appropriate but with the final decision on the appointment of IMs to be made by the Committee. Each IM will enter into an appropriate

agency agreement with the Charity which has appointed them. In accordance with the said agency agreements, IMs will select, buy, sell, and loan specific securities in compliance with this IPS and guidelines contained in written directions and contractual agreements. IMs shall be monitored by the Investment Advisor and staff, who shall regularly report to the Committee. IMs will provide the Investment Advisor and Committee with quarterly reporting and communicate to the Investment Advisor and Committee any major changes in investment style, investment policy, economic outlook, or material changes to their management teams.

5. The Committee, in conjunction with staff, may retain external custodians, lawyers, and accounting professionals (**External Service Providers**) to implement its investment program and ensure ongoing compliance with this Policy.

III. INVESTMENT OBJECTIVES & RISK MANAGEMENT

1. The Portfolios may consist of:

   a) funds that are intended to be used for short-term operating and program and capital expenses (the "**Operating & Restricted Funds**"); and

   b) funds that are endowed ("**Endowment Funds**") and designed to ensure long-term financial security to the Charity and to provide a source of funding for the Charity's activities, programs, and operating expenses by earning a reliable source of income in perpetuity. Endowed funds are commingled for investment purposes[3] A Charity that has Endowment Funds will maintain records to adequately account for the activity and balance of the underlying funds in its Portfolio, and reports regarding the composition of its Portfolio will be made on a periodic basis to each Board and Committee in accordance with this Policy.

2. The investment objectives are to safeguard and preserve the real purchasing power of the Portfolios while earning investment returns that are commensurate with each Charity's risk tolerance and sufficient to meet its operational requirements. The specific investment objectives for the Operating & Restricted Funds and the Endowment Funds are set forth below.

3. The Operating & Restricted Funds shall be invested with the objective of preserving assets to cover the Charity's operating and short-term capital expenses and to realize earnings in a way that allows for immediate liquidity to meet the Charity's ongoing programmatic, capital and operational needs. Operating & Restricted Fund assets may be maintained in the bank accounts that the Charity uses for day-to-day operations and may be invested in other cash-equivalent investments, such as savings accounts, money market accounts, certificates of deposit with maturities appropriate for expected needs, Treasury bills, and other investments that are relatively easy to liquidate.

---

[3] *This means that a Charity's endowed funds may be commingled with other endowed funds of that Charity. For greater certainty, however the endowment funds of one Charity cannot be commingled with the endowment funds of another Charity (for example, Sinai Health System Foundation endowment funds may not be commingled with the funds of Bridgepoint Foundation). Some endowment funds are prohibited by their terms from being commingled. The gift instruments governing individual endowment funds should be carefully reviewed to determine whether they may be commingled for investment purposes or must be invested separately.*

4. The Endowment Fund **investment objectives** are:

   a) Preservation of Purchasing Power. The Charity aims to at least preserve the real purchasing power of its assets over time by seeking returns on its investments that are in excess of the spending rate (described below) and the rate of inflation.

   b) Long-Term Growth. The Charity seeks to achieve growth in its assets in excess of inflation by emphasizing long-term investment fundamentals in structuring its investments.

   c) Time Horizon. The Charity intends to invest for the long-term, with the total return on the Portfolio evaluated on a five-year rolling basis. It is recognized that not every five-year period will meet the Charity's objectives, but the Charity aims to attain its objectives over a series of five-year periods. The Charity will monitor shorter-term investment results and trends while focusing on long-term results.

   d) Risk Tolerance. The Charity seeks to control risk and reduce the volatility in its Portfolio through diversification. However, short-term volatility is characteristic of the securities markets and will be tolerated if such volatility is consistent with the volatility of similar investment portfolios (such as the volatility of performance benchmarks, described below). The Charity recognizes and acknowledges that some risk must be assumed in order to achieve the long-term investment objectives of the Portfolio. In establishing its risk tolerance, the Charity's ability to withstand short- and intermediate-term variability as well as the statistical probability of loss for a given period of time for the Portfolio is evaluated by the Committee.

   e) Liquidity Requirements. The Charity seeks to maintain adequate liquidity to meet its obligations, including planned expenditures. The Board or Committee will inform the Investment Adviser of any anticipated need for liquidity as such need becomes known. The Investment Adviser will presume no liquidity needs other than those provided by this Policy or the Board or Committee.

5. **Risk Management**: The primary consideration for all investment decisions shall be risk management. Although the Boards recognize that there can be no returns without the assumption of certain levels of risk, no investment decision shall be taken without first applying strict risk measurement and management principles. The methods though which risk will be managed will include, but not limited to, the following:

   a) Consideration of the factors set out in Appendix A when planning investments;

   b) Diversification among and within assets classes and investment strategies;

   c) Selection of asset classes, weightings of asset classes and specific assets to manage volatility within established parameters;

   d) The hedging of foreign currency exposure of a Portfolio is acceptable; and,

   e) The regular reporting by the Investment Advisor and Staff to the Committee of investment performance, compliance with this Policy, and any items that are material to the issue of the achievement the objectives within enumerated constraints.

IV. SPENDING POLICY

1. **Spending Policy**: The Charity's spending policy is consistent with its investment objective of achieving long-term real growth in its assets. In order to achieve such long-term real growth, the Charity's expenditures should be less than the Charity's total inflation-adjusted return on investments. The Board will establish an annual spending policy which is consistent with the Charity's long-term investment objectives. The Board is responsible for setting this spending rate from time to time on the recommendation of its Committee.

V. ASSET ALLOCATION & INVESTMENT MANAGEMENT

1. **Asset allocation** is regarded as the primary determinant of risk management and total return enhancement in the investment management process. Both **passive and active investment allocations** are suitable investment strategies, with passive management especially suitable in highly efficient markets where market betas are the key drivers of returns and are available through inexpensive passive measures.[4]
2. **Market timing** is precluded as an acceptable stand-alone investment strategy; however, tactical reallocation from time-to-time within a strategic framework is acceptable. As economic environments develop and shift, tactical changes to the Portfolios within strategic guidelines are both acceptable and advisable.
3. **Cash Flow and Liquidity**: SHS seeks to maintain adequate liquidity to meet its obligations, including planned expenditures as determined by each Board. The Boards or Committee will inform the Investment Advisor of any anticipated need for liquidity as such need becomes known. The Investment Advisor will presume no liquidity needs other than those provided by this Policy or a Board or Committee. Illiquid investments are permitted. Investments that offer 30-day liquidity (or less) are considered "liquid".
4. The purpose of **Strategic Asset Allocation** is to provide a range of investment weights that has the potential to produce the desired risk-adjusted returns and meet current and future liabilities within a global portfolio volatility range. The Committee will seek to achieve diversified Portfolios, unless it prudently determines that, because of special circumstances, the Portfolios or a particular fund or funds within the Portfolios are better served without diversification.

   The following Strategic Asset Allocation is established for Endowment Funds:

[4] By way of example, should an investment decision be made to invest in Canadian Equities, it is both permissible and preferable that the purchase of low-cost ETFs (exchange traded funds) be used where the returns sought are expected to be from the "market" rather than from individual security selection.

Asset Class	Target Allocation	Range
Investment Grade Fixed Income	36.7%	+/- 15%
Other Fixed Income	4.5%	+/- 10%
US Equity	17.8%	+/- 10%
Canadian Equity	5.6%	+/- 10%
International Equity	14.3%	+/- 10%
Income Oriented Equity	1.9%	+/- 10%
Hedge Funds	6.3%	+/- 10%
Private Assets	12.9%	+/- 15%

Rebalancing and Cash Flows: The Committee, upon the recommendation of the Investment Advisor, should consider rebalancing at least once a quarter or more frequently, if necessary (e.g., large market moves). Rebalancing of the Portfolios may be delayed if, for example, prevailing market conditions are such that rebalancing may be detrimental to the long-term goals for the Portfolios. The Committee will identify the destination of all cash flows, including additional contributions to the Charity's assets, consistent with this Policy. Each Charity's net cash flows may be used to implement the rebalancing activities in order to minimize transaction costs.

5. Tactical allocation and reallocation of assets ("**Tactical Allocation**") within the Strategic Asset Allocation may help to increase the risk-adjusted returns of the Portfolios over time. Because Tactical Allocation is a dynamic function, the Boards delegate the authority and responsibility for Tactical Allocation recommendations to the Committee, with the advice and counsel of the Investment Advisor, staff and/or External Service Providers. Further, since, in some cases, Investment Managers operating tactical allocation programs in core assets may be used, it is acceptable to have those Investment Managers modify relative allocations in real-time without first consulting the Investment Advisor, staff, or the Committee, so long as they work within allocation ranges set out in this Policy.

VI. INVESTMENT GUIDELINES

1. **Prohibited Investments** include, but are not limited to:

   a) Investments precluded by law or regulation;

   b) Investments specifically proscribed by a Board; and

   c) Investments in asset classes or investment strategies not contemplated in any part of this Policy, without the prior written consent of the Committee.

2. **Diversification**: To limit the Portfolio's risk associated with potential concentration in securities and/or Investment Funds, the Charity will diversify the assets in the Portfolio unless it prudently determines that, because of special circumstances, the Portfolio is better served without such

diversification.

Each Portfolio may include investments denominated in any currency without restriction. The Committee may, at any time, place guidelines and/or restrictions regarding exposure to foreign currency risks, to be followed by the Investment Managers. If necessary, a currency hedging program may be initiated, upon approval of the committee, on any part or the entirety of each Portfolio. Notwithstanding the fact that investments may be in various currencies, overall reporting on the Portfolios shall be in Canadian dollars.

3. **Uniform Treatment**: Subject to the specific terms of a gift or Charity-specific parameters set out in this Policy or other Board policy or direction, there shall be no distinction in how the Portfolio of one Charity is invested as compared with the Portfolio of another Charity.

4. **Commingling**: The investment funds of each Charity will be held in separate accounts from the accounts of the other Charities. It is not permitted to: (i) commingle the funds of a Charity with those of one of the other Charities in the same account, (ii) commingle the unrestricted or internally-restricted funds of a Charity with donor-restricted funds of that Charity. A Charity's donor-restricted (or special purpose) Funds may be commingled with other donor-restricted (or special purpose) Funds of that Charity only if all relevant requirements for doing so under the *Charities Accounting Act* are complied with.[5]

VII. REPORTING / PERFORMANCE MONITORING

1. **Purpose**: The purpose of monitoring and reporting on investment performance is to be able to ensure compliance with this Policy and applicable law, manage the risk of the Portfolios, assess the performance of the Investment Managers retained (with reference to benchmarks appropriate to each investment strategy or asset class, determined before initial deployment of assets), and ensure that the stated objectives of this Policy are being met.

2. **Interim Reporting to the Committee**: On no less than a quarterly basis, the Investment Advisor, in conjunction with Staff, shall provide the Committee with a summary of the Portfolios' holdings and performance, and a statement of compliance of the Portfolio holdings with the provisions of this Policy.

3. **Semi-Annual Reporting**: Semi-annual reports shall be provided to each Board by the Committee. These reports shall review the Charity's Portfolio holdings and performance for the prior half-year, confirm compliance with the provisions of this Policy, and outline any material changes recommended to the composition of the Portfolio, the role or composition of the Committee, the identity of the Investment Advisor, and to this Policy.

[5] In particular, (1) the decision to commingle the restricted funds must advance or continue to advance the administration and management of each restricted fund, (2) all gains, losses, income and expenses must be allocated rateably on a fair and reasonable basis to the individual restricted funds in accordance with GAAP, (3) detailed records must be maintained with respect to each individual fund and the overall combined fund in accordance with the requirements in section 3(5) and (6) of O. Reg. 4/01 under the *Charities Accounting Act*.

VIII. INDUSTRY STANDARDS, BEST PRACTICES & CONFLICTS OF INTEREST

1. **Best Practices**: At all times, the Committee, the Investment Advisor and Staff shall endeavour to execute their duties in relation to this Policy and the Portfolios with respect to (but not limited to): recommendations as to Investment Manager selection and/or termination; cost management; trade execution; investment management and other fees, and securities lending and proxy voting in accordance with any laws, industry standards and consistent with generally accepted best-practices.

2. **Standard of Conduct**: The members of each Board, the members of the Committee, the Investment Advisor, and staff of each Charity ("**Principals**") shall refrain from undisclosed personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions, in keeping with the Conflict of Interest policy of the Sinai Health System. Committee members and staff are expected to sign conflict of interest statements in accordance with that policy. IMs shall provide their internal policies and guidelines on Conflict of Interest and personal trading to the Committee. The Committee will satisfy itself that such policies and guidelines are sufficient and appropriate, and Investment Managers shall be required to abide by such policies and guidelines. An Investment Manager may be requested, from time to time, to provide a certificate to the Committee, a Board or the Investment Advisor of its compliance with such policies and guidelines.

3. **Conflict of Interest**: In the event that a Principal believes that any personal interest, whether economic or otherwise, might reasonably be seen by an independent third-party to pose a material conflict of interest in that Principal's involvement with the Portfolio, that Principal shall disclose said interest to the Committee, whereby the Conflict of Interest Rules as approved by the Board will be applied.

APPENDIX A: LEGISLATIVE REQUIREMENTS

Trustee Act: The Charities' investments are governed by the *Trustee Act* (Ontario). Each member of the Board of each Charity is a trustee responsible for managing property in trust with a legal obligation to administer it solely for the purposes specified. Some of the key general requirements of a trustee, as they pertain to each Charity's investments, are as follows:

1. **Standard of Care:** In investing trust property, the *Trustee Act* requires a trustee to exercise the care, skill, diligence and judgment that a prudent investor would exercise in making investments (Section 27(1) of the *Trustee Act*).
2. **Authorized Investments:** A trustee may invest trust property in any form of property in which a prudent investor might invest (section 27(2) of the *Trustee Act*).
3. **Mutual, Pooled and Segregated Funds:** Any rule of law that prohibits a trustee from delegating powers or duties does not prevent the trustee from investing in mutual funds, pooled funds or segregated funds under variable insurance contracts, and Sections 27.1 and 27.2 do not apply to the purchase of such funds (section 27(3) of the *Trustee Act*).
4. **Common Trust Funds:** If trust property is held by co-trustees and one of the co-trustees is a trust corporation as defined in the *Loan and Trust Corporations Act*, any rule of law that prohibits a trustee from delegating powers or duties does not prevent the co-trustees from investing in a common trust fund, as defined in that Act, that is maintained by the trust corporation and Sections 27.1 and 27.2 do not apply (Section 27(4) of the *Trustee Act*).
5. **Criteria:** A trustee must consider the following criteria in planning the investment of trust property, in addition to any others that are relevant to the circumstances:
   - General economic conditions;
   - The possible effect of inflation or deflation;
   - The expected tax consequences of investment decisions or strategies;
   - The role that each investment or course of action plays within the overall trust portfolio;
   - The expected total return from income and the appreciation of capital;
   - Needs for liquidity, regularity of income and preservation of capital; and
   - An asset's special relationship or special value, if any, to the purposes of the trust or to one or more of the beneficiaries (Section 27(5) of the *Trustee Act*).
6. **Diversification:** A trustee must diversify the investment of trust property to an extent that is appropriate to:
   - The requirements of the trust, and
   - The general economic and investment market condition (Section 27(6) of the *Trustee Act*).
7. **Investment Advice:** A trustee may obtain advice in relation to the investment of trust

property (Section 27(7)).

8. **Reliance on Advice:** It is not a breach of trust for a trustee to rely on advice obtained under subsection (7) if a prudent investor would rely on the advice under comparable circumstances (Section 27(8) of the *Trustee Act*).

9. **Terms of Trust:** This section and Section 27.1 do not authorize or require a Trustee to act in a manner that is inconsistent with the terms of the trust (Section 27(9) of the *Trustee Act*).

10. **Same:** For the purposes of Sub-Section (9), the constating documents of a corporation that is deemed to be a Trustee under Sub-Section 2(1) of the Charities Accounting Act form part of the terms of the trust (Section 27(10) of the *Trustee Act*).

11. **Trustee May Delegate Functions to Agent**: Subject to Sub-Sections (2) to (5), a Trustee may authorize an agent to exercise any of the trustee's functions related to investment of trust property to the same extent that a prudent investor, acting in accordance with ordinary investment practice, would authorize an agent to exercise any investment function (Section 27.1(1) of the *Trustee Act*).

12. **Investment Plan or Strategy:** A Trustee may not authorize an agent to exercise functions on the trustee's behalf unless the Trustee has prepared a written plan or strategy that,
    a) complies with Section 28; and
    b) is intended to ensure that the functions will be exercised in the best interests of the beneficiaries of the trust (Section 27.1(2) of the *Trustee Act*).

13. **Agreement:** A trustee may not authorize an agent to exercise functions on a trustee's behalf unless a written agreement between the trustee and the agent is in effect and includes:
    a) a requirement that the agent comply with the plan or strategy in place from time to time;
    b) a requirement that the agent report to the trustee at regular stated intervals (Section 27.1(3) of the *Trustee Act*).

14. **Trustee's duty:** A Trustee is required to exercise prudence in selecting an agent, in establishing the terms of the agent's authority and in monitoring the agent's performance to ensure compliance with those terms (Section 27.1(4) of the *Trustee Act*).

15. **Same**: For the purpose of Sub-Section (4),
    a) prudence in selecting an agent includes compliance with any regulation made under Section 30; and
    b) prudence in monitoring an agent's performance includes,
        i. reviewing the agent's reports,
        ii. regularly reviewing the agreement between the trustee and the agent and how it is being put into effect, including considering whether the plan or strategy or investment should be revised or replaced, replacing the plan or strategy if the

trustee considers it appropriate to do so, and assessing whether a plan or strategy is being complied with,

iii. considering whether directions should be provided to the agent or whether the agent's appointment should be revoked, and

iv. providing directions to the agent or revoking the appointment if the trustee considers it appropriate to do so (Section 27.1(5) of the *Trustee Act*).

16. **Duty of agent:** An agent who is authorized to exercise a trustee's functions relating to investment of trust property has a duty to do so,
    a) with the standard of care expected of a person carrying on the business of investing the money of others;
    b) in accordance with the agreement between the trustee and the agent; and
    c) in accordance with the plan or strategy of investment (section 27.2(1) of the *Trustee Act*).

17. **No further Delegation**: An agent who is authorized to exercise a trustee's functions relating to investment of trust property shall not delegate that authority to another person (Section 27.2(2) of the *Trustee Act*).

18. **Proceeding against agent:** If an agent is authorized to exercise a trustee's functions relating to investment of trust property and the trust suffers a loss because of the agent's breach of the duty owed under Sub-Section (1) or (2), a proceeding against the agent may be commenced by,
    a) the Trustee; or
    b) a beneficiary, if the trustee does not commence a proceeding within a reasonable time after acquiring knowledge of the breach (Section 27.2(3) of the *Trustee Act*).

19. **Protection from liability:** A trustee is not liable for a loss to the trust arising from the investment of trust property if the conduct of the trustee that led to the loss conformed to a plan or strategy for the investment of the trust property, comprising reasonable assessments of risk and return, that a prudent investor could adopt under comparable circumstances (Section 28 of the Trustee Act).

20. **Assessment of damages:** If a trustee is liable for a loss to the trust arising from the investment of trust property, a court assessing the damages payable by the trustee may take into account the overall performance of the investments (Section 29 of the Trustee Act).

21. **Regulations, agents:** The Attorney General may make regulations governing or restricting the classes of persons or the qualifications of persons who are eligible to be agents under Section 27.1 and establishing conditions for eligibility (section 30 *of the* Trustee Act).