**Georgian Bay General Hospital (GBGH) Foundation**

**Investment Committee Meeting**

**Investment Manager Interview Notes**

**Tuesday January 18, 2022**

**8:00 am to 11:30 am – Virtual Meeting**

In Attendance:

Katie Houston

Colin Aubrey

Mike Thor

Dave Turner

Joe Rooney

Steve Renault

Nicole Kraftscik, Executive Director

Thessa Dougan-Smith, Interim Director Finance & Operations

Regrets:

Note:

All attendees joined through a Zoom meeting.

Catherine Johnson, Development Coordinator was present to record the minutes.

**1. Call To Order & Opening Remarks**

The official meeting was called to order at 8:01 am.

Interim Director Finance & Operations was introduced.

**First Interview – PH&N**

Presenters:

Connor Glassco, Leila Fouzi, Taylor Woodward

Notes From Presentation

Short Term

-investments are not recommended because the yield is low even though higher than bank accounts and the bank has no fees.

Long Term

- Team have good Governance skills which will help with Investment policies. They can offer board and trustee education.

-Fiduciary services will be free of charge.

Client Journey

- plus or minus 15% on asset class – they would go as high as 4%

-significant rules and requirements have been put in place to prevent being too aggressive

- need diversification on management style and factor exposures. This leads to a smoother diversification

- recommend real estate exposure.

- fully ESG integration . Developed approach to climate change. Looking beyond traditional financial statements

- focus on credit & liquidity i.e. liquid such as mortgages (10 to 15%), government sector

Fees

- no imbedded fees

- if smaller than $2M fee 1.16%

­Questions

Q - GARP strategy is concentrated. Are all portfolios concentrated?

A – No other strategies are less concentrated

Q – Portfolio transition for gift of shares can they liquidate.

A- Yes, no cost to sell shares

Q – What happens to fees if investment starts at $2M and portfolio drops below $2M?

A – Fees stay at starting rate

Q – For Alternatives what other asset classes would be available other than mortgages for real estate.

A – Corporate mortgages, private credit strategies are also available.

After Presentation Discussion

- Found the presentation to represent a conservative, basic and well diversified. We would get good returns.

- Would recommend fees negotiation to 0.85%

- Disappointed about cash management. It was suggested that we push back to see if they could offer preferred rates

- It was noted that Scotiabank at 0.70% interest is high

- It was good that there is no fee for selling securities

- Good allocation

**Second Interview – Leith Wheeler**

Presenters:

Mike Baker, Stephanie Hickmott

Notes from Presentation

- Privately owned

- would do an Investment policy review

- Will engage with donors on investment philosophy

- will manage sale of gifts of securities

Equities

- The see a lot of value add in falling markets

Fixed Income

- Asset Mix – went to plus 3 overweight and not more than plus 5

Net Fee

- 10% given back to Foundation

Fees

- For $1M – 0.80%

- For $9M and up fee goes down

Short Term yield is 1.8%, fee is 0.35%

Questions

No notes taken. Not many questions

After Presentation Discussion

- For the private side fixed income – disappointed that there is nothing offered

- 50/50 split between Canada & Global is not good

- Money Market is the same as bank account

- Smaller institution

- Deep dive into some research but not as diverse as PH&N

- Fixed income was disappointing, PH&N had a better offer

- Equities may be better but there may be longer periods of under performance

- seem to be farming out a lot of work i.e. research

-not too impressed. They seem to focus on stock and bond selection

**Third Interview – Connor, Clark & Lunn**

Presenters:

Mike Flux, Teddy Jarrett

Notes from Presentation

- Assets, $100B ($24B multi asset proffolios)

- Private Loans are first or second for repayment. They are secure creditors

Short Term

-25% allocation to Hedge strategies

After Presentation Discussion

Colin Aubrey abstained from making any comments

- Excellent presentation. Loved the donor education slide. Choice for Manager

- Would be very comfortable putting then in front of donors

- Professional and able to have a conversation. Hopeful that the Foundation will look at Alternative markets.

- Good risk adjusted returns - #1 pick

- Impressive presentation

- Great presentation, allocation to Alternative is a good idea

-Short term portfolio with CC&L may be an opportunity to consider for a portion

- The Foundation will need to adjust the policy statement to reflect Alternatives allocation such as real estate, infrastructure and private loans.

- With their experience working with hospital Foundations they understand risk tolerances.

Next meeting – Include Mike Flux and Teddy Jarrett in January 25, 2022 meeting to plan short term investment strategies and to review adjusted policy statement.

**Recommended Motion**

It was,

Moved by: Mike Thor

Seconded by: Joe Rooney

Abstain: Colin Aubrey

All in Favour

THAT the Georgian Bay General Hospital Foundation Investment Committee approves Connor, Clark & Lunn as the long term capital investment manager.

CARRIED

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